

**GOVERNMENT OF INDIA
CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION
LOK SABHA**

STARRED QUESTION NO:166
ANSWERED ON:05.12.2005
ASSISTANCE FOR SUGARCANE PRICE ARREARS
Jha Shri Raghunath

Will the Minister of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION be pleased to state:

- (a) whether the Government had extended one time assistance to some States for clearing the sugarcane price arrears by private sugar factories;
- (b) if so, the details thereof, State-wise;
- (c) whether these States have fully availed of the said assistance to clear the arrears;
- (d) if so, the details thereof, State-wise;
- (e) if not, the reasons therefor;
- (f) whether any proposal is under the consideration of the Government to reintroduce the said assistance; and
- (g) if so, the time by which it is likely to be introduced ?

Answer

MINISTER OF AGRICULTURE AND MINISTER OF CONSUMER AFFAIRS, FOOD & PUBLIC DISTRIBUTION (SHRI SHARAD PAWAR)

(a), (b), (c), (d), (e), (f) & (g): A Statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (g) OF STARRED QUESTION NO. 166 DUE FOR ANSWER ON 5.12.2005 IN THE LOK SABHA.

(a): Yes, Sir.

(b): The Ministry of Agriculture approved to provide Rs. 678.06 crores as assistance for the year 2002-03 to the State Governments of U.P., Uttaranchal, Bihar, Punjab and Haryana which declare State Advised Price (SAP), to sugar factories to clear the sugarcane price arrears by the private sugar mills. However, the assistance is in the nature of soft loan at a concessional rate of interest of 4% per annum with an initial moratorium of three years and repayable in three years thereafter. This one time assistance for payment of cane arrears was only for the sugar season 2002-03 arising out of difference between the State Advised Price (SAP) and Statutory Minimum Price (SMP) with the condition of an undertaking from the State Governments that they will not declare State Advised Price for sugarcane in future, along with other terms and conditions.

(c), (d) & (e): An amount of Rs 45.54 crores was released to the Uttaranchal Government which have spent Rs. 35.94 crores. An amount of Rs. 18.86 crores was sanctioned to the Government of Bihar. Despite revalidation of the sanction in June 2004, the State Government have not drawn the same which has since got lapsed. So far as Uttar Pradesh, Punjab and Haryana are concerned, these States did not accept the terms and conditions of the scheme and therefore no funds were released to them.

(f) & (g): There is no such proposal.