

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

STARRED QUESTION NO:300

ANSWERED ON:16.08.2004

SPECIAL PACKAGE FOR SUGAR MILLS

Gaikwad Shri Eknath Mahadeo;Rawale Shri Mohan

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

(a) whether the Union Government has given/proposes to give a special package to the sugarcane farmers and sugar mills to help them come out of financial crunch and for their modernisation particularly in the States of Maharashtra and Karnataka; ;

(b) if so, the details thereof alongwith the States already receiving the said assistance; and

(c) the sugarcane growing States which were not provided the above mentioned special package alongwith the reasons therefor?

Answer

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

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

STATEMENT REFERRED TO IN REPLY TO PARTS (a), (b) & (c) OF STARRED QUESTION NO. 300 DUE FOR ANSWER ON 16-08-2004 IN THE LOK SABHA.

(a), (b) & (c): The Union Government has announced the following package for farmers including sugarcane farmers.

i) one time settlement scheme for small and marginal farmers;

ii) special scheme for relief to farmers affected by natural calamities for at least two consecutive years in the last five years;

iii) scheme for providing relief to farmers in arrears.

These measures are applicable to debts as on 31-3-2004.

All sugar producing States have been offered assistance by way of Open Market Borrowings to help sugar factories to clear cane price arrears of 2002-03 sugar season subject to terms and conditions thereof. This assistance would be available to the mills in the cooperative and public sectors in the States where the practice of State Advised Prices (SAP) of sugarcane is prevalent and to all sugar mills in the States where no such practice exists. The States of Tamil Nadu and Maharashtra availed of the assistance to the tune of Rs. 229.97 crores and Rs. 300 crores respectively. Besides, the concerned financial institutions like NABARD, RBI, NCDC etc. address the credit related problems of sugar industry on an ongoing basis.

For modernisation, any sugar undertaking is eligible to apply for a loan from the Sugar Development Fund (SDF) as per the Rules made in this regard.