

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

UNSTARRED QUESTION NO:1709
ANSWERED ON:19.07.2004
SUGAR MILLS
Badi Shri Rajendra Kumar;Kumar Shri Shailendra

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

- (a) whether the Government is contemplating to set up sugar mills in Uttranchal and Uttar Pradesh particularly in Chail;
- (b) if so, the details thereof;
- (c) if not, the reasons therefor;
- (d) whether the Government is considering any scheme to ensure proper and timely remuneration to sugar farmers; and
- (e) if so, the details thereof?

Answer

MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE AND MINISTER OF STATE IN THE MINISTRY OF CONSUMER AFFAIRS, FOOD & PUBLIC DISTRIBUTION (DR. AKHILESH PRASAD SINGH)

(a): No Sir.

(b): Does not arise.

(c): The Sugar Industry has been de-licensed w.e.f. 11.9.98. The entrepreneurs are free to set up sugar mills as per techno-economic viability of their projects maintaining a distance of 15 Kms. from the existing sugar mills.

(d)&(e): The responsibility of ensuring timely payment of cane price dues to the sugarcane growers lies with the respective State Governments. The Central Govt. on its part, besides writing to the State Governments for speedy clearance of the cane price dues, have taken the following steps:-

(i) The levy obligation of sugar factories has been reduced to 10% w.e.f. 1st March, 2002 to enable the factories to sell more sugar under non-levy quota in the open market.

(ii) A Buffer Stock of 20 lakh tones of sugar was created initially for a period of one year from 18.12.2002 involving an outgo of Rs.412 crores from the Sugar Development Fund. In addition, about Rs.374 crores would be available from the Banks on account of the Buffer Stock. Thus, an amount of Rs.786 crores would become available for the payment of cane price dues. The Government has extended the maintenance of buffer stock for a further period of one year beyond 18.12.2003. This facilitates liquidity position of the sugar mills which enables them to make payment of cane arrears.