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Title : Need to implement incentive measures and concessions for the welfare of the sugar industry.

SHRI SADASHIVRAO DADOBALIKA MANDLIK (KOLHAPUR): The sugar industry has a unique place in India economy and rural development in particular. It is the second largest agro-processing industry in the country. The steep drop in sugar production to 145 lakh tonnes in

2008-2009 season after 264 lakh tonnes in 2007-2008 following a decline in cane production due to deficit rains has resulted in surge in prices of sugar in open market. With cane prices ruling high many mills are not able to utilize their crushing capacities.

The slow progress in respect of monsoon, it is most likely that the sugarcane production may not be as per expectations and may decline. This sugarcane production coupled with poor recovery will affect profit margins of sugar mills. Against this background the sugar industry particularly in cooperative sector seeks permanent withdrawal of tax on self-generated electricity to encourage captive power generation. Further, the Government should allow duty free import of sugarcane harvesting equipment. This will overcome shortage of labour.

Like wise excise duty on molasses should be at Rs. 2.50 a tonne against the present Rs. 750 a tonne. Further the sugar factories be given concession in cost of coal for off-season power generation by them. The Government should provide facility for letter-of-credit to cooperative sugar factories to enable them to import raw sugar to tide over the shortage of domestic sugar production.

In view of the present situation of sugar industry, I urge through your good office Madam that the demand of the sugar industry may be met without delay.

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