

**MSP of sugarcane**

3253. SHRI BASAWARAJ PATIL: Will the Minister of AGRICULTURE be pleased to state:

- (a) the area of sugarcane growing land in Karnataka;
- (b) the support price of sugarcane per ton given by Central and State Governments; and
- (c) if agriculturist are facing severe financial crunch for non-receipt of sugarcane price, in what way Central Government can help State Governments to overcome the problem?

THE MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE (DR. SANJEEV KUMAR BALYAN): (a) As per Third Advance Estimates for 2013-14, the estimated area under sugarcane in the State of Karnataka stands at 4.20 lakh hectares.

(b) For the Sugar Season 2013-14, Government of India had fixed the Fare and Remunerative Price (FRP) of sugarcane at ₹ 210/- per quintal against which the State Government of Karnataka fixed the Ex-gate price of ₹ 250/- per quintal for South Karnataka sugar factories and Ex-field price of ₹ 250/- per quintal for North Karnataka sugar factories. Besides, the State Government has paid ₹ 15/- per quintal as additional incentive to all the sugarcane growers of Karnataka for the cane crushed by the sugar factories of the State. For the sugar season 2014-15, Government of India has fixed the FRP of sugarcane at a higher rate of ₹ 220/- per quintal.

(c) Non-receipt of sugarcane price by farmers adversely impacts their financial capability to grow various agricultural crops including sugarcane. In order to facilitate clearance of cane price arrears of previous sugar seasons and timely settlement of cane price of current sugar season to sugarcane growers, the Central Government on 3.1.2014 has notified a Scheme for Extending Financial Assistance to Sugar Undertakings (SEFASU-2014), which envisages interest free loans worth ₹ 6600/- crore by banks as additional working capital to sugar mills. Another scheme notified on 28.2.2014 allows incentives for marketing and promotion services for raw sugar production targeted for export markets so as to enable sugar mills to make timely payment of cane price to sugarcane farmers. Besides, the sugar factories are also provided soft loans from Sugar Development Fund for modernization, cane development, ethanol production and bagasse based co-generation projects.