

Assistance to State Sugar Industries

1070. SHRI EKANATH K. THAKUR: Will the Minister of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION be pleased to state:

(a) whether it is a fact that last year the Central Government had offered special assistance to sugar industry to help it come out of the critical situation, manifest in accumulation of huge arrears of payments due to sugarcane growers in different States;

(b) if so, to which States such assistance was offered and to what extent; and

(c) whether such assistance was denied to certain other sugar producing States, including Maharashtra; if so, the reasons therefor, indicating the contribution of Maharashtra and other States to the sugar production in the country?

THE MINISTER OF STATE IN THE MINISTRY OF CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION (DR. AKHILESH PRASAD SINGH): (a) to (c) The Central Government allocated Rs. 678.06 crores for assistance to the Government of U.P., Uttaranchal, Bihar, Punjab and Haryana to help clearance of sugarcane price arrears for 2002-03 sugar season arising out of the difference between the Statutory Minimum Price (SMP) and the State Advised Prices (SAP) with regard to private sugar mills only in these State. The States of Uttaranchal and Bihar alone availed of the assistance to the tune, of Rs. 45.54 crores and Rs. 18.85 crores respectively.

All other sugar producing States including Maharashtra were offered assistance by way of Open Market Borrowings to help sugar factories to clear cane price arrears of 2002-03 sugar season. This assistance would be available to the mills in the private sectors in the States where the practice of State intervention in sugarcane is prevalent and to all sugar mills in the States where no such practice exists. The extent of open market borrowings would depend on the cane price arrears of 2002-03 sugar season.