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# Govt okays ₹5,500cr aid for ailing sugar industry

TIMES NEWS NETWORK

**New Delhi:** The Cabinet on Wednesday approved a package of Rs 5,500 crore for the sugar industry, which includes nearly more than two-fold increase in assistance to sugarcane growers and transport subsidy to mills for exporting up to five million tonnes of the sweetener in the marketing year 2018-19, which starts from next month.

The decision comes at a time the industry is reeling under an unprecedented glut in production and the millers are facing huge liquidity issues. Food minister Ram Vilas Paswan said the decision taken well before the beginning of sugar season will prove effective both for millers and farmers to get their dues.

In May, the government had announced Rs 5 assistance to farmers for each quintal of sugarcane crushed and now it has been increased to Rs 13.8 per quintal. "To ensure payment of sugarcane dues of farmers, both the assistance would be credited directly into the accounts of farmers on behalf of sugar mills against cane price dues payable to farmers against fair and remunerative price (FRP) including arrears relating to previous years and subsequent balance, if any, would be credited to mill's account," an official statement said.

This aid will be provided to those mills which fulfil the eligibility conditions set by the government.

Responding to a question

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how many farmers have got the earlier announced financial assistance of Rs 5 in their accounts, food secretary Ravi Kant said till now no such amount has been transferred to anyone's account. He added that the millers have submitted their claims and the assistance to the farmers will be paid through the mills.

Sources said it may take a couple of months more to figure out how many farmers got the assistance. "The deci-

sions are taken as a package for the sector. The financial assistance is linked to the export of sugar by the millers and hence when they export more sweetener their financial position improves and that helps them to clear cane arrears. At the end of the day, it's millers who will have to pay the due to the farmers," said an official citing how the cane arrears has reduced from about Rs 19,000 crore to nearly Rs 13,000 crore in the past three months.