

Government clears Export Subsidy of ₹3,500 crore to help the Sugarcane Farmers



In order to provide relief to the sugarcane farmers and to clear their outstanding dues, the Government has recently approved the export subsidy to the tune of ₹3,500 crore to the sugar mills for exporting 60 lakh tonnes of the sweetener product during the current assessment year 2020-21. This step has been taken as a part of its efforts to help them to sugarcane farmers.

This has indeed come as a huge relief for the farmers who are apprehensive over the newly introduced Farm laws that have been passed by the government to enable farmers become independent traders of their own produce.

Let us understand in detail how the export subsidy to the sugar mills will help the sugarcane farmers.

Benefit of the export subsidy to the sugarcane farmers

The Information & Broadcasting Minister Sh. Prakash Javadekar has informed that the Cabinet Committee on Economic Affairs (CCEA) has now approved the total export subsidy of ₹3,500 crore on the exports of the 60 lakh tonnes of sweetener. This subsidy amount shall be directly disbursed to the farmers' bank accounts.

Briefing the media about the same, Sh. Javadekar has told that this decision is going to directly benefit over 5 crore farmers as well as 5 lakh workers in various sugar mills of India.

The sugarcane farmers in India shall be given the entire subsidy amount shall be given to farmers in form of 3 credits –

- Farmers will receive ₹5,361 crore within 1st week;
- Thereafter, they will get ₹18,000 crore of exports running into their accounts, up to the extent of their dues; and
- ₹3,500 crore in the last tranche.

Problem of sugarcane farmers to be mitigated

According to I&B Minister Javadekar –

- The sugar industry and the sugarcane farmers are suffering deep crisis, due to the high domestic production i.e., 310 lakh tonnes, as against the low annual aggregate demand of 260 lakh tonnes.
- The Indian sugar mills have exported just 5.7 million tonnes of sugar in AY 2019-20 (season October-September). This is far below the mandatory quota of 6 million tonnes export set for the season.
- In order to boost the exports of sugar and sweetener products and to help the farmers sell their entire produce, the government has taken the decision to approve the export subsidy.

The amount of this subsidy shall be transferred to the farmers' bank accounts in order to settle their dues.
