

**HIKE IN MSP OF SUGAR WILL FIX THE GROSS MISMATCH OF SUGARCANE AND SUGAR PRICES: PRESIDENT, NFCSF**

THE Government has increased the budget estimates under ethanol interest subvention scheme from Rs 50 crore (which was in budget estimate 2020-21) to Rs 300 crore in the financial year 2021-22. This is six times more and would encourage domestic sugar mills and distilleries to enhance production from ethanol for sugarcane and surplus grains like maize, rice available with FCI and other feed stocks. This will encourage mills, distilleries, entrepreneurs to set up new distilleries or expand their existing capacities for which the Government is extending interest subvention on loans availed by project proponents from banks. The budget has also proposed to increase customs duty on import of ethanol from 2.5 to five percent with a view to encourage domestic manufacturing of denatured ethanol.

***Commenting on the development President of National Federation of Cooperative Sugar Factories (NFCSF) Shri Jaiprakash Dandegaonkar said, "We compliment the Prime Minister and Finance Minister for these positive initiatives. However, the issue of the Minimum Selling Price (MSP) of sugar is still undecided. Logically, the MSP of sugar should have automatically increased when sugarcane Fair and Remunerative Price (FRP) of sugarcane for sugar season 2020-21 was increased in October 2020. The entire sugar sector including 535 sugar mills and five crore cane farmers are keenly awaiting for this announcement. As a matter of fact, the gross mismatch between cane price and sugar price is the main cause of problem confronting the sugar sector for very long time. This needs to be resolved as soon as possible. This has been overshadowing all the possible steps taken by the Government of India from time to time."***

(chinimandi.com; MUMBAI: FEBRUARY 03, 2021

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