Ministry of Cooperation

Cooperative Sugar Mills

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Kisan Sahkari Chini Mills Ltd., Semikhera (District Bareilly) with a capacity of 2750 TCD and Kisan Sahkari Chini Mills Ltd., Shekhupur (District Budaun) with a capacity of 1250 TCD are presently operational and functional.

As per information received from Government of Uttar Pradesh, a total of 23 cooperative sugar mills are operational in the cooperative sector of Uttar Pradesh. Financial assistance in the form of loans is provided by Govt. of Uttar Pradesh for off-season repair and maintenance of cooperative sugar mills. During the financial year 2024–25, a total amount of ₹24.00 crore was made available for this purpose, out of which ₹125.00 lakh and ₹120.00 lakh were provided to Semikheda and Badaun sugar mills, respectively, by Govt. of Uttar Pradesh. After undertaking off-season repair and maintenance works, both Semikheda and Badaun sugar mills have been operated successfully during the crushing season 2025–26. The Badaun sugar mill crushed a total of 10.46 lakh quintals of sugarcane during the 2025–26 crushing season and achieved a sugar recovery of 9.56 percent, successfully concluding the crushing season. Further, considering the availability of sugarcane in the command area of Semikheda sugar mill in district Bareilly, Govt of UP aims to establish a project to enhance the crushing capacity of the existing mill from 2750 TCD to 3500 TCD and a new sugar mill with a refinery for production of refined sugar based on the latest technology.

No proposal has been received by Ministry of Cooperation or National Cooperative Development Corporation, a statutory organization under administrative control of MoC, for financing and promoting cooperatives seeking any financial package for these mills.

Government of India implemented a Central Sector Scheme for “Strengthening of Cooperative Sugar Mills” with a total outlay of ₹1,000 crore for modernization, expansion and ethanol-related activities. A total of 56 sugar cooperative mills received financial assistance exceeding Rs. 10,000 crore under the scheme.

Further, financial assistance is also available to cooperative sugar mills under the Sugar Development Fund (SDF) for modernization, cogeneration and ethanol projects, subject to eligibility and submission of viable proposals. No specific proposals

pertaining to the above-mentioned mills/districts have been received under SDF. However, 4 mills from other districts of Uttar Pradesh have availed benefits under the SDF.

NCDC, provides financial assistance for cooperative development across a wide range of notified commodities and services, including support for agricultural and allied infrastructure, value chain development and capacity building of cooperative institutions. As on 25.02.2026, NCDC has cumulatively disbursed ₹5,16,122.32 crore for the development of cooperative institutions across the country, out of which ₹7,749.08 crore has been disbursed in Uttar Pradesh.

NCDC also implements schemes for providing financial assistance to cooperatives, including those promoted by youth, for setting up agro-processing and food processing units. Under the Central Sector Scheme for Formation and Promotion of 10,000 FPOs, NCDC provides collateral-free financial assistance to FPO Cooperatives under the Credit Guarantee Scheme for FPOs (CGSFPO) for activities including establishment of food processing units. However, no block in Aonla region has been allocated to NCDC for promoting FPOs in the cooperative sector.

Also as per information received from Government of Uttar Pradesh Cooperative development in Uttar Pradesh reflects a diversified presence across different sectors such as Dairy, Farmer Producer Organizations (FPOs) and Fishery Cooperative Societies (FCS). In particular, Bareilly district has about 203 such entities (including 15 Dairy cooperatives, 182 FPOs and 6 FCS), while Budaun district has about 127 such entities (including 10 Dairy cooperatives, 112 FPOs and 5 FCS). This indicates a strong presence of FPOs in both districts, contributing to aggregation, value addition and improved market linkages for farmers.

The Indian Farmers Fertilizer Cooperative Limited, like other cooperative institutions, undertakes their operations including hiring of employees as per their approved byelaws on commercial principles. The cooperative societies are governed by respective State Act or centrally by MSCS Act,2002.

At present, there is no specific scheme exclusively providing interest-free loans to Zari-Zardozi artisans of Budaun.

NCDC provides financial assistance under its various schemes to promote entrepreneurship through cooperatives, including for artisan-based activities. Artisans, including those engaged in traditional crafts such as Zari-Zardozi, can organize themselves into cooperative societies and avail financial assistance for working capital, infrastructure and marketing support, subject to viability and eligibility norms.

This information was given by Union Minister for Home and Cooperation Shri Amit Shah in a written reply in Lok Sabha.

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