

Sugarcane Arrears

159. SHRI KRISHNA KUMAR GOYAL :
SHRI SURAJ BHAN :
SHRI R.N. RAKESH :
SHRI N.K. SHEJWALKAR :

Will the Minister of FOOD AND CIVIL SUPPLIES be pleased to state :

(a) the arrears in various States of sugarcane payable to farmers by sugar factories and the steps considered by Government in this regard ;

(b) policy in this regard for the next season ; and

(c) reasons advanced by sugar factories for the accumulation of arrears of payments to farmers and Government's reaction thereto ?

THE MINISTER OF STATE OF THE MINISTRY OF FOOD AND CIVIL SUPPLIES (SHRI BHAGWAT JHA AZAD) :

(a) A statement giving cane price dues payable by the sugar factories in various States is attached.

Ensuring payment of cane price dues is the direct responsibility of the State Governments who have the necessary field organisations and powers to enforce such payments. The Central Government monitors the position and issues directions to the State Governments, from time to time, for expeditious clearance of the cane price arrears. The importance of clearance of cane price dues has again been impressed on the State Governments recently.

The Central Government, on its part, has liberalised bank credit facilities to the sugar mills. Besides, other steps like granting a late crushing excise rebate and maintenance of desired levels in sugar prices through judicious monthly releases of free sale sugar have also been taken to maintain the liquidity of the industry to enable them to pay the cane dues.

In so far as sugar mills taken over under the Sugar Undertakings (Taking Over of

Management) Act, 1978, are concerned, the Government have decided to clear the arrears.

(b) and (c). The following main reasons have been advanced by the sugar factories for accumulation of cane price arrears :

- (1) Low minimum cane price fixed by the Central Government resulting in low levy sugar price.
- (2) High State-advised prices of sugarcane.
- (3) Low realisations from sale of levy as well as free sale sugar.
- (4) Bumper production in two successive years—1981-82 and 1982-83.
- (5) High stocks of sugar with the mills and inadequate bank credit and higher bank margins.
- (6) Lower valuation of sugar stocks.
- (7) Inadequate exports.
- (8) Relief in Purchase Tax not forthcoming from the State Governments.

Though the Central Government do not fully subscribe to the views put forward by the Industry, all the same, it is alive to the financial problem of the Industry. Minimum prices of sugarcane are fixed fully taking into account the interests of cane growers, consumers and producers of sugar.

Steps taken/being taken by the Government to remedy the situation have already been enumerated in reply to part (a) of the Question. The details of the liberalised bank credit facilities are as under :

- (i) The bank credit margins which were earlier kept at 25 per cent have been reduced to 17.5 per cent.
- (ii) Extra bank credit has been made available by the grant of cash credit limits up to 125 per cent of the previous years limit.
- (iii) Mills are being provided 100 per

cent credit from the banks against the 5 lakh tonnes buffer stock.

Besides, a Standing Committee on Coordination of Institutional Finance for the Sugar Industry has been set up to review the problems of the Industry on a continuing basis.

The State Government of Bihar has lower-

ed the State-advised price of sugarcane to Rs. 19/- per quintal from 4th May, 1983.

Government is also keen to fulfil its allotted quota of sugar export.

The next sugar season is to commence only on 1.10.1983. The policy for that season will be formulated in due course.

Statement

Statement showing the State-wise position of cane price payable, price paid and balance outstanding for cane purchased during 1982-83 season upto 15.6.83 as well as the arrears of cane price for the previous seasons as on 15.6.83.

State	Total price due for cane purchased during 1982-83 season upto 15.6.83	Cane price paid upto 15.6.83	Balance cane price payable as on 15.6.83	Arrears of cane price for earlier seasons as on 15.6.83 or the latest available date	
				1981-82 season	1980-81 and earlier seasons
1	2	3	4	5	6
1. West U.P.	14180.74	10349.64	3831.10	132.44	37.77
2. Central U.P.	16632.90	11751.51	4881.39	211.36	171.28
3. East U.P.	10851.85	7137.44	3714.41	289.18	36.78
4. Total U.P. =	41665.49	29238.59	12426.90	632.98	245.83
5. Bihar	8435.11	3756.38	4678.73	54.08	28.79
6. West Bengal	183.37	118.31	65.06	0.64	2.10
7. Assam	194.05	130.30	63.75	0.07	0.32
8. Punjab	2945.50	2558.35	387.15	0.42	—
9. Haryana	3559.30	3092.26	467.04	0.56	0.96
10. Rajasthan	394.70	381.88	12.82	0.56	0.59

1	2	3	4	5	6
11. Madhya Pradesh	1451.18	1297.20	153.98	0.35	25.52
12. Orissa	586.97	546.61	40.36	—	0.28
13. Maharashtra	44916.94	43680.41	1236.53	60.62	127.23
14. Gujarat	6312.48	5930.31	382.17	27.52	0.11
15. Karnataka	11033.91	10267.33	766.58	98.16	19.45
16. Kerala	316.80	316.67	0.13	0.06	42.50
17. Andhra Pradesh	9584.43	8513.95	1070.48	129.38	36.80
18. Tamil Nadu	10833.38	9842.81	990.57	2.70	4.09
19. Pondicherry	409.24	404.98	4.26	0.05	0.88
20. Nagaland	141.95	57.84	84.11	—	—
21. Goa	242.11	242.11	—	—	—
All India	143206.91	120376.29	22830.62 (15.9%)	1008.15	535.45

NOTE :—The information in respect of 27 factories was not available for 15.6.83 and that available for the latest date has been taken.

Financial Assistance for Telugu-Ganga Canal

160. SHRI S.A. DORAI SEBASTIAN : Will the Minister of IRRIGATION be pleased to state :

(a) Whether Tamil Nadu and Andhra Pradesh Governments have sought financial assistance for implementing the Telugu-Ganga Canal Project, which would supply drinking water to Madras city ; and

(b) if so, the details thereof and the action taken thereon ?

THE MINISTER OF STATE OF THE MINISTRY OF IRRIGATION (SHRI RAM NIWAS MIRDHA) : (a) and (b).

Government of Tamilnadu has requested the Government of India to provide Rs. 250 crores as grant and Rs. 200 crores as long-term loan outside the Plan for the Krishna Water Supply Scheme to provide drinking water to Madras city. The Tamilnadu Government has been informed by the Planning Minister that the Scheme should fit into the frame-work of the National plan and the matter will have to be considered in the context of the total picture of resources. From the Andhra Pradesh Government, no specific request for financial assistance for the Telugu-Ganga Canal Project has been received.

The Telugu-Ganga Canal Project Report is also not yet received in the Centre from Andhra Pradesh/Tamilnadu Governments,