

**GOVERNMENT OF INDIA
CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION
LOK SABHA**

UNSTARRED QUESTION NO:2028

ANSWERED ON:01.12.2000

UNREST AMONGST SUGARCANE GROWERS .

MADHAVRAO SCINDIA;RENUKA CHOWDHURY;SUSHIL KUMAR SAMBHAJIRAO SHINDE

Will the Minister of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION be pleased to state:

- (a) whether the attention of the Government has been drawn to the serious unrest lately brewing amongst sugarcane growers in different States particularly in Uttar Pradesh and Andhra Pradesh over the growing arrears of sugarcane dues;
- (b) whether the farmers have demanded clearance of arrears in Padrauna in Uttar Pradesh in this year; and
- (c) if so, the steps being taken by the Government to remedy the situations?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION (SHRI V SRIEENIVASA PRASAD)

(a),(b) & (c) : For the 1999-2000 sugar season against cane price payable amount of Rs.10,868.81 crores as on 30.9.2000, cane price paid is of Rs.10,338.67 crores. The cane price arrears are of Rs.530.14 crores, which is 4.88% of the cane price payable amount. However, there are a few sugar factories particularly in Uttar Pradesh, which have cane price arrears of past sugar seasons. These sugar factories are sick and some of them have been registered with the BIFR. The Central Government is aware of the unrest amongst the sugar cane growers particularly in Uttar Pradesh on account of non-payment of cane price dues by some of the sick sugar factories. The Central Government, from time to time, has written to the concerned State Governments for early payment of the cane price arrears. Besides, the following measures have been taken to enable the sugar factories to pay the cane price arrears.

- (i) The Central Government have reduced the levy obligation of domestic sugar factories from 40% to 30% with effect from 01.01.2000.
- (ii) To restrict inflow of imported sugar in the country, Government, with effect from 09.02.2000, have increased the custom duty to 60% along with the existing countervailing duty of Rs.850 per tonne. The imported sugar has also been brought under levy obligation and monthly release mechanism.
- (iii) The Central Government are also pursuing a policy of encouraging stability and reasonable level of sugar prices in the domestic market through judicious releases of freesale sugar quotas.
- (iv) Advance releases of freesale sugar are being made to needy sugar factories to pay the cane price dues.
- (v) Government have decided to allow export of 10 lakh tonnes of sugar.