

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

UNSTARRED QUESTION NO:1935
ANSWERED ON:09.03.2001
SUGAR MILLS IN TAMIL NADU
V. VETRISELVAN

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

- (a) whether the Government are aware that sugar mills in Tamil Nadu are not making full payments for supply of sugarcane;
- (b) if so, the details thereof; and
- (c) the remedial steps taken in this regard?

Answer

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

(a) & (b): According to the State Government of Tamil Nadu, the cooperative and public sector mills are paying State Advised Price (SAP) while the private sector sugar mills of the State are not paying the SAP. The private sugar mills of the State have filed a Writ Petition in High Court, Madras and obtained a stay against the fixation of SAP by the State Government. The cane price paid by the private sugar mills is, however, more than the Statutory Minimum Price (SMP) fixed by the Central Government. The Coop. and Public Sector sugar mills have cane price arrears of Rs.32.69 crores for 1999-2000 crushing season as on 31.12.2000.

(c) The Central Government have taken the following measures to clear/liquidate the cane price arrears:

1. Reduction in levy obligation of sugar mills from 40% to 30% w.e.f. 01.01.2000 and again to 15% w.e.f. 01.02.2001.
2. Increased the customs duty to 60% w.e.f. 09.02.2000 on the imported sugar along with existing countervailing duty of Rs.850 per tonnes so as to restrict inflow of sugar in the country.
3. Pursuing a policy of encouraging stability and reasonable level of sugar prices in the domestic market through judicious releases of freesale sugar quotas.
4. Making advance releases of freesale sugar to needy sugar mills enabling them to clear cane price dues of the farmers.
5. Permitted export of 10 lakh tonnes of sugar.
6. The sugarcane (Control) Order 1966 has been amended w.e.f. 29.11.2000 enabling the Central Government/State Government/Officers authorised by the Central Government/State Government to recover cane price arrears as arrears of land revenue.
7. Closely monitoring the cane price payment position and writing to the State Governments from time to time for timely payment of cane prices as the responsibility of cane price payment lies primarily with the State Governments.