

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

UNSTARRED QUESTION NO:3631

ANSWERED ON:18.04.2005

ARREARS OF SUGARCANE FARMERS

Adityanath Yogi Shri ;Mahajan Shri Y.G.;Rana Shri Kashi Ram;Singh Kunwar Rewati Raman

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

- (a) whether the Government has received a proposal from the Indian Sugar Mills Association (ISMA) seeking certain changes and modifications in sugarcane pricing system;
- (b) if so, the details thereof;
- (c) the details of the sugarcane price payable, amount paid and arrears outstanding against the sugar mills during 2004-05, State-wise;
- (d) whether huge arrears of sugarcane dues have led to the decline in production of sugarcane;
- (e) if so, the details of production during the last three years; and
- (f) the steps taken by the Government to resolve this crises ?

Answer

MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE AND MINISTER OF STATE IN THE MINISTRY OF CONSUMER AFFAIRS, FOOD & PUBLIC DISTRIBUTION (DR. AKHILESH PRASAD SINGH)

(a) & (b): Yes, Sir. The Indian Sugar Mills Association (ISMA) has sought the following changes/modifications in sugarcane pricing system:

- (i) A separate Statutory Minimum Price (SMP) be fixed for tropical region and sub-tropical region;
- (ii) The base recovery linking basic cane price be increased to 9.25%;
- (iii) Premium of higher recovery may be shared equitably in the ratio of 50 : 50 between the industry and the cane farmers;
- (iv) Fixation of factory-wise SMP should be on the basis of average recovery instead of peak recovery, and
- (v) Rounding of recovery rates should be as per normal statistical practice.

(c): Statement showing State-wise details of total sugarcane price payable, amount paid and arrears outstanding against the sugar mills during the year 2004-05 is at Annexure.

(d): The decline in production of sugarcane was on account of drought and Woolly Aphids pest infestation in the major sugar producing States of Maharashtra, Tamil Nadu, Andhra Pradesh and Karnataka.

(e): The following quantities of sugarcane have been produced during the last three years:

(In Million Tonnes)

2002-03	287.38
2003-04	237.31
2004-05	234.67

(f): With normal monsoon, area under sugarcane has reportedly increased leading to expectations of higher sugar production in the year 2005-2006.

ANNEXURE

STATEMENT REFERRED TO IN REPLY TO PART (c) OF UNSTARRED QUESTION NO.3631 DUE FOR ANSWER ON 18.4.2005
IN THE LOK SABHA

STATEMENT SHOWING CANE PRICE PAYABLE, PAID AND ARREARS, SUGAR SEASON 2004-05 (As ON 28.2.2005)

(Figures in Lakh Rupees)
(Provisional)

S.No. State Cane Price payable Cane Price paid Cane Price Arrears

1	PUNJAB	32561.49	32056.25	505.24
2	HARYANA	34378.00	31495.00	2883.00
3	RAJASTHAN	260.66	260.66	0.00
4	U.P.	397823.00	345695.00	52128.00
5	UTTARANCHAL	34178.29	27441.79	6736.50
6	M.P.	3784.15	3687.03	97.12
7	GUJARAT	37728.28	35593.60	2134.68
8	MAHARASHTRA	145679.33	144567.70	1111.63
9	BIHAR	23805.67	22291.40	1514.27
10	ASSAM	0.00	0.00	0.00
11	A.P.	65290.13	57722.70	7567.43
12	KARNATAKA	86835.00	77084.00	9751.00
13	TAMIL NADU	43488.84	35789.74	7699.10
14	KERALA	0.00	0.00	0.00
15	ORISSA	2200.74	1664.54	536.20
16	WEST BENGAL	0.00	0.00	0.00
17	NAGALAND	0.00	0.00	0.00
18	PONDICHERRY	1224.46	759.17	465.29
19	GOA	611.03	611.03	0.00
TOTAL		909849.07	816719.61	93129.46