

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

UNSTARRED QUESTION NO:229
ANSWERED ON:23.02.2010
SUGARCANE ARREARS
Majhi Shri Pradeep Kumar

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

- (a) whether a huge amount of arrears on account of cane price to be paid to farmers is outstanding against various sugar mills in the country;
- (b) if so, the details of the arrears to be paid to the farmers during each of the last three years and the current year by various sugar mills in the country;
- (c) whether the Government has made any study to ascertain the factors responsible for accumulation of such arrears;
- (d) if so, the details thereof; and
- (e) the remedial measures taken by the Government for timely payment of cane price to farmers in the country?

Answer

MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE AND MINISTER OF STATE IN THE MINISTRY OF CONSUMER AFFAIRS, FOOD & PUBLIC DISTRIBUTION (PROF. K.V. THOMAS)

(a)&(b): The sugar season wise outstanding cane price arrears payable, as on 30.11.2009, by the sugar mill owners to the sugarcane growers was as under:

For the sugar season Cane price arrears (in Crore Rupees.)

2009-10 918.61

2008-09 16.33

2007-08 and earlier 253.21

(c)&(d): The cane price arrears mainly arise whenever there is excess production of sugar in the season leading to decline in sugar prices which adversely affects the capacity of the sugar mills to pay cane price including cane arrears to sugar farmers. Further, the cane price arrears are generally high in the beginning of the season and get liquidated as sugar season advances. As such, no specific study has been made in this regard. However, various Committees appointed by the Government on the issues concerning sugar industry have touched upon the issue of cyclicity of sugar production and cane price arrears.

(e): The Sugarcane (Control) Order, 1966, as amended from time to time, contains necessary provisions for timely payment of cane price to the cane growers for the sugarcane supplied by them to the sugar mills. Besides, in years of large surplus production, Government has been introducing various schemes like buffer stock subsidy, export assistance, interest free loans to sugar mills etc. specifically linked to clearance of cane arrears.