

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

UNSTARRED QUESTION NO:3075  
ANSWERED ON:15.03.2011  
SUGARCANE ARREARS  
Bais Shri Ramesh;Ram Shri Purnmasi

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

- (a) whether the sugarcane arrear is required to be paid within 14 days of the supply of sugarcane by the farmers;
- (b) if so, whether the cane price arrears pertaining to sugar season, 2007-08 and earlier are still pending;
- (c) if so, the details thereof and the reasons therefor indicating the cane price arrears as on date, State-wise;
- (d) the steps taken by the State Governments concerned to recover cane price arrears from defaulting sugar mills as per the provisions of Sugarcane (Control) Order, 1966;
- (e) whether irregularities have been reported in payments accepted and made by the Dhampur Sugar Mill;
- (f) if so, the details thereof, and the corrective steps taken in this regard; and
- (g) the scheme formulated to ensure timely payment of sugarcane dues?

**Answer**

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

- (a): As per provisions of the Sugarcane (control) Order, 1966, sugar mills are required to pay for sugarcane purchased from growers within 14 days from the date of its delivery unless there is an agreement between the parties in writing to the contrary.
- (b) to (d): Yes, Madam. A statement indicating state-wise cane price arrears pertaining to 2008-09 and earlier sugar seasons, as on 31.12.2010 is enclosed at Annex-I. The outstanding cane price arrears are mainly attributed to reasons, such as, poor financial position, higher cost of production, lower sales realization, higher inventory of stocks, mismanagement and pending court cases etc. Details of the steps taken by the major sugarcane producing states of Andhara Pradesh, Karnataka, Uttar Pradesh, Punjab, Maharashtra and Tamil Nadu to recover the cane price arrears from defaulting sugar mills are indicated at Annex-II. Updated details from other States Governments are being collected.
- (e) & (f): The Government of Uttar Pradesh has informed that no irregularity has come to its notice in cane price payment by Dhampur sugar mill.
- (g): To ensure timely payment of sugar cane dues under the provisions of Sugarcane (Control) Order, 1966, district collectors of concerned districts where the sugar mills are situated, have been empowered to recover the cane price arrears as arrears of land revenue.