

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

UNSTARRED QUESTION NO:1540
ANSWERED ON:09.08.2011
SUGARCANE ARREARS
Lingam Shri P.

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

- (a) whether the sugarcane crushing season has ended in most of the areas in the country;
- (b) if so, the details thereof, State-wise;
- (c) whether the payment of sugarcane arrears which is to be paid to the farmers by the mills within 14 days is still pending;
- (d) if so, the details thereof and the reasons therefor; and
- (e) the steps taken to ensure payment of the sugarcane arrears at the earliest?

Answer

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

- (a) & (b): Yes Madam. However, twenty sugar mills in Tamilnadu State and one sugar mill in Union Territory of Pondicherry are still crushing as on 31st July, 2011.
- (c) & (d):- As on 15.5.2011, an amount of Rs. 2591.79 crores, which is only 6.25 % of the total cane price payable for the season 2010-2011 is still pending for payment. Also a sum of Rs.211.22 crores is pending for payment for previous seasons. The building up of the arrears occur mainly when there is an 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 sugarcane farmers. The State Advised Prices (SAP) which are generally higher than the FRP, is another reason for building up of cane price arrears.
- (e): The powers of enforcing the timely payment of cane price have been delegated to the State Governments/ Union Territories. In order to augment the liquidity of the sugar factories, the Central Government, in June, 2011 has allowed export of 5 Lac tonnes of raw and white/refined sugar in addition to 5 lac tonnes allowed earlier in March/April, 2011. Government has also allowed export of 11 lac tonnes of sugar under Advance Authorization Scheme (AAS) making the total permissible export to be 21 lac tonnes.