

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

UNSTARRED QUESTION NO:2497

ANSWERED ON:16.08.2011

SUGARCANE DUES

Gawali Patil Smt. Bhavana Pundlikrao ;Nagorao Shri Dudhgaonkar Ganeshrao;Pandurang Shri Munde Gopinathrao;Singh Shri Bhola

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

- (a) whether the Government has received any complaints regarding delay in payment of sugarcane dues to farmers by sugarmills including private sugar mills;
- (b) if so, the details thereof and the reasons therefor indicating the outstanding amount during each of the last three years and the current year, State-wise;
- (c) whether the Union Government has issued any directives to the States/ sugar mills in this regard;
- (d) if so, the details thereof and the response received thereon; and
- (e) the steps taken to ensure timely payments to the farmers?

Answer

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

(a) & (b): The building up of 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 arrears.

Central Government has received representation from All India Sugarcane Farmers Association, Puducherry, regarding non-payment of sugarcane dues by Pondicherry Cooperative Sugar mill for the sugar season 2010-2011.

A Statement showing State-wise outstanding cane price arrears for the sugar season 2010-11 and earlier as on 31.5.2011 is given at Annexure.

(c) to (e): The Central Government under Sugarcane (Control) Order, 1966, has delegated powers to State Government/Union Territories for enforcing the timely payment of cane price arrears. Some of the State Governments have issued Show Cause Notices/ Revenue Recovery Certificates to the defaulting sugar mills and also issued directives to the mills to ensure timely payment of cane prices to farmers. Further, Central Government have allowed export of 21.23 lac tones of sugar under various categories to augment the liquidity of the sugar factories, so as to enable them to settle cane price dues/arrears in the current sugar season.