

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

UNSTARRED QUESTION NO:1718

ANSWERED ON:04.12.2012

SUGAR MILLS

Chaudhary Shri Jayant;Kashinath Shri Taware Suresh;Kumar Shri Vishwa Mohan;Ponnam Shri Prabhakar;Premdas Shri

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

- (a) whether sugarcane dues of the farmers are outstanding against the sugar mills in the country;
- (b) if so, the details thereof including the amount pending against the sugar mills during each of the last three years and the current year, State-wise and the reasons therefor;
- (c) the steps taken/being taken by the Government to ensure timely payment of the dues to the farmers by the sugar mills along with the time by which it is likely to be cleared;
- (d) whether there is a proposal to replace the present pricing mechanism for sugarcane with a value sharing ratio method for farmers and mills; and
- (e) if so, the details thereof?

**Answer**

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

(a) & (b):- Yes Madam. A statement showing amount of outstanding sugarcane dues pending against the sugar mills during each of the last three years and the current year, State-wise as on 15th October, 2012, is at Annexure-I. The dues are generally on account of matters being sub-judice before the courts, mills taken under Securitization Act by lender Banks, etc.

(c):- The Sugarcane (Control) Order, 1966 stipulates payment of interest at the rate of 15% per annum on amount due for the delayed period beyond 14 days. The powers for enforcing this provision are delegated and vested with the State Governments/UT Administrations who have necessary field formations. The Central Government with a view to enhance the liquidity of sugar mills for timely payment of sugarcane dues has allowed export of sugar in 2010-11 and 2011-12 sugar seasons. However, the cane price arrears are declining and the State-wise dues position is changing continuously. As such, it is not possible to indicate the time frame by which the dues position is likely to be cleared.

(d) & (e):- The Committee headed by Dr. C. Rangarajan on Sugar Industry has submitted its report to the Government on 5th October, 2012. The Committee has, inter alia, recommended rationalization of sugarcane pricing over a two to three year period, in a calibrated and phased manner. The said recommendation of the Committee is under consideration of the Government. As such, there is no proposal to replace the present pricing mechanism for sugarcane.