

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

UNSTARRED QUESTION NO:1355
ANSWERED ON:13.08.2013
ARREARS OF SUGARCANE FARMERS
Lingam Shri P.;Panda Shri Prabodh

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

- (a) whether the sugar mills owe a huge amount to farmers as arrears for procurement of their sugarcane produce;
- (b) if so, the details thereof and the reasons therefor indicating the total amount due to farmers during each of the last three years and the current year, State-wise; and
- (c) the steps taken to ensure payment of dues to the farmers at the earliest and check any further pendency during the ensuing season?

Answer

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

(a) & (b): A statement showing amount of outstanding sugarcane dues of farmers against the sugar mills during each of the last three years and the current year, State-wise as on 15th July, 2012, is at Annexure. It may be seen from therein that the cane price dues mainly pertain to supply of sugarcane in the current season. The dues in the current season have arisen mainly on account of low realization from sale of sugar. However, the cane price arrears are declining and the State-wise dues position is changing continuously. The dues of previous seasons are generally on account of matters being sub-judice, mills taken under Securitization Act by lender Banks, etc.

(b): The Sugarcane (Control) Order, 1966 stipulates payment of cane price within 14 days of supply, failing which interest at the rate of 15% per annum on amount due for the delayed period beyond 14 days is payable. The powers for enforcing this provision are delegated and vested with the State Governments/UT Administrations who have necessary field formations.