

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

STARRED QUESTION NO:209

ANSWERED ON:22.07.2014

SUGARCANE DUES

Dwivedi Shri Harish;Singh Shri Hukum

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

- (a) whether a substantial amount of sugarcane dues of farmers is still outstanding despite several incentives/packages provided to sugar mills by the Government;
- (b) if so, the details thereof and the reasons therefor indicating the sugarcane dues pending during each of the last three years and the current year along with the action taken against the defaulting mills, State/UT-wise;
- (c) whether there is any proposal to transfer the dues to the account of the farmers directly from the package offered to the sugar mills and if so, the details thereof;
- (d) whether the Rangarajan Committee has made several observations/ recommendations with regard to profitability of mills, clearance of dues and share of farmers in the profits earned by the mills and if so, the details thereof and the action taken thereon; and
- (e) the steps taken/being taken by the Government to expedite payment of pending dues to the farmers?

Answer

MINISTER OF CONSUMER AFFAIRS, FOOD & PUBLIC DISTRIBUTION (SHRI RAMVILAS PASWAN)

(a), (b) (c),(d) & (e): A Statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (e) OF THE STARRED QUESTION NO. 209 DUE FOR ANSWER ON 22.07.2014 IN THE LOK SABHA

(a) & (b): As on 15.07.2014, the outstanding amount of sugarcane farmers of the country on sugar mills is Rs. 10,541 crores which is about 18.50% of total amount payable during the current sugar season 2013-14. State-wise amount of outstanding sugarcane dues pending against the sugar mills during each of the last three sugar seasons and the current sugar season, as on 15th July, 2014, is at Annex. The cane price dues mainly pertain to supply of sugarcane in the current season. The dues of previous seasons are generally on account of matters being sub-judice, mills taken under Securitization Act by lender Banks, etc. The dues in the current season have arisen mainly on account of low realization from sale of sugar.

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. The Central Government has from time to time advised the State Governments/UTs to ensure timely payment of cane dues to the farmers and to take action against the defaulting sugar mills. The State Governments of Uttar Pradesh, Uttarakhand, Tamil Nadu, Karnataka, Haryana, Maharashtra, Telangana, Bihar, Andhra Pradesh and Punjab have informed that they have taken action against the defaulting sugar mills as per law.

(c): No Madam.

(d) Dr. C. Rangarajan Committee report on Regulation of sugar sector has inter-alia recommended that there should be a sharing of the revenues/ value created in the sugarcane value chain between the farmers and the millers in a fair and equitable manner. The Central Government has considered the recommendations of the Committee and has referred the recommendation of the Committee relating to adoption of the Cane Price Formula to the State Governments for adoption and implementation, as considered appropriate by them.

(e): In order to facilitate clearance of cane price arrears of previous sugar seasons and timely settlement of cane price of current sugar season to sugarcane farmers, the Central Government on 03.01.2014 has notified a Scheme for Extending Financial Assistance to Sugar Undertakings (SEFASU-2014) envisaging interest free loans worth Rs. 6600 crores by bank as additional working capital to sugar mills. Further, the Central Government on 28.02.2014 has notified another scheme allowing incentives for marketing and promotion services for raw sugar production targeted for export market. The incentive available under the Scheme shall be utilized by the sugar mills for making payment to the farmers.