

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

UNSTARRED QUESTION NO:3414

ANSWERED ON:17.03.2015

DUES OF SUGARCANE FARMERS

Dhruvanarayana Shri Rangaswamy;Pal Shri Jagdambika;Paraste Shri Dalpat Singh;Sawant Shri Arvind Ganpat;Singh Dr. Nepal;Suresh Shri Doddaalahalli Kempegowda;Tanwar Shri Kanwar Singh;Tumane Shri Krupal Balaji

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

- (a) whether the outstanding dues of sugarcane farmers are pending against the sugar mills in the country;
- (b) if so, the details thereof indicating the outstanding sugarcane dues during each of the last three years and the current year, State-wise and the reasons therefor;
- (c) whether the Government proposes to facilitate payments of outstanding arrears to the farmers by the sugar mills, if so, the details thereof and if not, the reasons therefor along with the policy in place to ensure timely payment of dues to the farmers;
- (d) whether the Government has extended the subsidy on export of raw sugar and if so, the details thereof; and
- (e) whether the delay in disbursement of export subsidy on raw sugar caused distress to sugar industry and pendency of dues to the farmers, if so, the details thereof and reasons therefor and the corrective measures taken in this regard?

**Answer**

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

(a) & (b): Yes Madam. 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 28.02.2015, is at Annex. The outstanding sugar cane dues are mainly on account of low realization from sale of sugar.

(c): In order to facilitate clearance of cane price arrears to sugarcane farmers, the Central Government on 03.01.2014 has notified a Scheme for Extending Financial Assistance to Sugar Undertakings (SEFASU-2014) envisaging additional working capital loans by banks to sugar mills with interest subvention. 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. Further, policy for procurement of ethanol for Ethanol Blending Program (EBP) has been modified to smoothen the ethanol supply chain and ensure remunerative price.

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 vested with the State Governments/UT Administrations who have necessary field formations.

(d): The Government vide Notification dated 27.02.2014 has extended the incentives scheme for marketing and promotion services for raw sugar production targeted for export envisaging incentive @ Rs. 4000 per M.T. for the current sugar season 2014-15 for a quantity of 14 lakh M.T.

(e): There have been some budgetary constraints in disbursement of export incentive for the export of raw sugar undertaken under the scheme during the sugar season 2013-14. However, corrective measures have been taken to remove such constraints to facilitate early disbursement.