

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

UNSTARRED QUESTION NO:3739
ANSWERED ON:05.08.2014
SUGAR MILLS
Salim Shri Mohammad;Singh Shri Hukum

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

- (a) whether the sugarcane dues are accumulating against the sugar mills in the States particularly Uttar Pradesh and if so, the details thereof and the reasons therefor, State-wise;
- (b) whether the Government had declared several schemes including export subsidy and interest subvention on loans to check accumulation of dues;
- (c) if so, the details and the objectives thereof along with the success achieved therein; and
- (d) the effective steps proposed to be taken to ensure timely payment of sugarcane in future?

Answer

MINISTER OF STATE FOR CONSUMER AFFAIRS, FOOD & PUBLIC DISTRIBUTION (SHRI RAOSAHEB PATIL DANVE)

(a):- As on 31.07.2014, the outstanding amount of sugarcane farmers of the country on sugar mills is Rs. 9,252 crores which is about 16.20% 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 31.07.2014, 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.

(b) & (c): 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 banks 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.

As on 18.07.2014, State Bank of India, Nodal Bank, have informed that banks have sanctioned a sum of Rs. 5914.14 crores under SEFASU-2014.

(d): 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. The Central Government advises the State Governments/UT Administrations from time to time to ensure timely payment of cane dues to the farmers and to take action against the defaulting sugar mills.