

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

UNSTARRED QUESTION NO:429

ANSWERED ON:25.11.2014

DUES OF SUGARCANE FARMERS

Charitra Shri Ram;Dhotre Shri Sanjay Shamrao;Mahtab Shri Bhartruhari;Patel Shri Devji Mansingram;Patil Shri A.T. (Nana);Singh Shri Ganesh

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

- (a) whether a large number of farmers have reportedly committed suicide due to non-payment of their dues by the Sugar Mills in the country during each of the last three years and the current year and if so, the details thereof and the reasons therefor State-wise;
- (b) whether it is a fact that the sugar mills from various parts of the country had deferred/denied crushing of sugarcane for the crushing season 2013-14 and if so, the details thereof and the reasons therefor;
- (c) whether the Government has conducted any enquiry in this regard, if so, the details and the outcome thereof and if not, the reasons therefor;
- (d) whether the Government has issued any directives to States for early clearance of the dues and if so, the details thereof and the reaction of the States thereto; and s
- (e) the other corrective steps taken/being taken by the Government to ensure timely payment to farmers for their produce?

Answer

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

- (a): No incidents of suicides by farmers due to non-payment of dues by sugar mills during last three years and the current year have been reported by any sugar producing States.
- (b) & (c): The State Government of Uttar Pradesh has informed that private sector sugar mills denied crushing of sugarcane for the crushing season 2013-14 stating that they could not afford to pay the State Advised Price (SAP) declared by the State Government due to low sugar prices. The issue was resolved after the State Government granted some reliefs and concessions to the sugar mills. The sugar mills started crushing operations and agreed to pay SAP to cane growers for the crushing season 2013-14.
- (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. Further, the Central Government advises the State Governments/UTs from time to time to ensure timely payment of cane dues to the farmers and to take action against the defaulting sugar mills.
- (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 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.