

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

UNSTARRED QUESTION NO:2709

ANSWERED ON:09.12.2014

SUGARCANE DUES

Diwakar Shri Rajesh Kumar;Shetti Shri Raju alias Devappa Anna;Singh Dr. Nepal;Sundaram Shri P.R.

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

- (a) whether some sugar mills have not cleared the sugarcane arrears despite availing the facility of interest free loans and other assistance from the Government;
- (b) if so, the details thereof and the reasons therefor indicating the quantum of said loans provided during each of the last three years and the current year and the sugarcane arrears paid and pending along with the action proposed to be taken against such defaulting mills, mill-wise;
- (c) whether any post audit has been conducted or is proposed to be conducted to ensure proper distribution and check diversion of funds and if so, the details thereof;
- (d) whether the Government has urged the States to ensure timely payment of sugarcane dues and if so, the details thereof and the response of the States thereto; and
- (e) the steps taken to find a final solution to this recurring problem?

Answer

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

(a) & (b): 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. Under the Scheme, all loans were to be sanctioned by 30.06.2014 and disbursed by 30.09.2014.

Out of sanctioned loan amount, loan amounting to Rs. 6420.09 crores have been disbursed upto 30.09.2014. Utilization certificates to the effect that the amount have been utilized for the payment of cane price dues, are to be submitted by the sugar mills within three months from disbursement. Hence, the beneficiaries sugar mills under the Scheme have time upto 31st December, 2014 to utilize the loan for cane payment arrears. Another Scheme allowing incentive for marketing and promotion services of raw sugar production targeted for export market was notified by the Government on 28.02.2014. No incentive has so far been disbursed to any mill under the Scheme.

(c): No, Madam. Scheme has provisions to ensure proper distribution and check diversion of funds.

(d): The Central Government has regularly taken up the matter of cane price arrears with the State Governments. Meetings were held with the apex bodies of sugar Industry and State Government representatives to clear cane price dues of sugarcane farmers. Due to measures taken by the Government cane price arrears are declining.

(e): The State Governments of sugarcane producing States have been requested to rationalized sugarcane pricing policy by adopting revenue sharing formula recommended by Dr. C. Rangarajan.