

GOVERNMENT OF INDIA
MINISTRY OF CONSUMER AFFAIRS, FOOD & PUBLIC DISTRIBUTION
DEPARTMENT OF FOOD AND PUBLIC DISTRIBUTION

LOK SABHA
UNSTARRED QUESTION NO. 5084
TO BE ANSWERED ON 27TH MARCH, 2018

DUES OF SUGAR MILLS

5084. SHRI A. ANWHAR RAAJHAA:
KUNWAR HARIBANSH SINGH:
SHRI NARANBHAI KACHHADIYA:
SHRI SUDHEER GUPTA:
SHRI GAJANAN KIRTIKAR:
SHRI S.R. VIJAYAKUMAR:
SHRI BIDYUT BARAN MAHATO:
SHRI T. RADHAKRISHNAN:
DR. SUNIL BALIRAM GAIKWAD:

Will the Minister of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION उपभोक्ता मामले, खाद्य और सार्वजनिक वितरण मंत्री be pleased to state:

- (a) whether as per Indian Sugar Mills Association (ISMA), dues to sugarcane farmers from sugar mills are piling up drastically till date;
- (b) if so, the details thereof and the reasons for the same, State/UT-wise;
- (c) whether the Government has conducted any enquiry in this regard and if so, the details thereof;
- (d) the corrective measures taken by the Government to ensure timely payment to sugarcane farmers for their produce;
- (e) whether the Committee on sugar/sugarcane sector has made observations/recommendations regarding profitability of mills, clearance of dues and share of farmers in profits earned by the mills; and
- (f) if so, the details thereof and the action taken by the Government so far?

A N S W E R

MINISTER OF STATE FOR CONSUMER AFFAIRS, FOOD & PUBLIC DISTRIBUTION
(SHRI C. R. CHAUDHARY)

(a),(b)&(c): Due to higher production estimates during the current sugar season 2017-18, the downtrend of sugar price has been witnessed which is affecting the liquidity position of the mills and timely clearance of cane dues of farmers. Payment of cane dues to farmers is an on going process. As on 21.03.2018, out of total cane dues payable of Rs.55,553 crore for 2017-18 Sugar Season, an amount of Rs.41,654 crore has been cleared and Rs.13,899 crore is pending. The state-wise details of the same are at Annexure.

(d): During the current season, in order to stabilize domestic sugar price and improve liquidity of sugar mills enabling them to clear cane dues of the farmers, import duty on sugar has been enhanced from 50% to 100%; stock limit on sugar mills has been imposed for two months and export duty on sugar has been withdrawn.

The State Governments have issued notices to all the defaulting sugar mills for clearing the balance cane price dues. State Governments of Uttar Pradesh, Karnataka and Madhya Pradesh have reported to have issued Recovery Certificates also to defaulting sugar mills.

(e)& (f): The 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. As suggested by the Committee under Revenue Sharing Formula (RSF) for cane price payments, 75% of sugar value or 70% the value of sugar and its by-products should be paid to the farmers towards sugarcane price. However, farmers should be ensured payment of at least Fair and Remunerative Price (FRP) when cane price share under RSF is less than FRP.

The Central Government has considered recommendations of the Committee and forwarded it to the State Governments for adoption and implementation, as considered appropriate by them.

ANNEXURE

ANNEXURE REFERRED TO IN REPLY TO PARTS (a) (b) &(c) OF THE UNSTARRED

STATEMENT SHOWING CANE PRICE ARREAR FOR 2017-18 SUGAR SEASON.		
Rs. in crores (Position as on 21.03.2018)		
SL. NO.	STATE	CANE PRICE ARREARS 2017-18
	1	2
1	PUNJAB	524
2	HARYANA	488
3	UTTAR PRADESH	5136
4	UTTARAKHAND	530
5	MADHYA PRADESH	318
6	CHHATISGARH	26
7	GUJARAT	476
8	MAHARASHTRA	2348
9	BIHAR	528
10	ANDHRA PRADESH	304
11	KARNATAKA	2539
12	TAMIL NADU	459
13	ODISHA	54
14	PUDUCHERRY	0
15	GOA	67
16	TELANGANA	102
	TOTAL	13899

QUESTION NO.5084 DUE FOR ANSWER ON 27.03.2018 IN THE LOK SABHA