

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

**LOK SABHA
UNSTARRED QUESTION NO. 453
TO BE ANSWERED ON 4th FEBRUARY, 2020**

INCREASE IN SUGARCANE PRICE ARREARS

**453. SHRI GAJANAN KIRTIKAR:
SHRI BIDYUT BARAN MAHATO:
SHRI SANJAY SADASHIV RAO MANDLIK:
SHRI SHRIRANG APPA BARNE:
SHRI SUDHEER GUPTA:**

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

- (a) whether the Government is aware that the bumper production of sugarcane during the sugar seasons 2017-18 and 2018-19 has resulted in the continuous reduction of ex-mill price of sugar and if so, the details thereof;**
- (b) whether it is true that cane price arrears of farmers for sugar season 2018-19 has reached an alarming level of about Rs. 28,390 crore and if so, the details thereof;**
- (c) whether the Government is planning to provide financial assistance to the sugar mills to compensate the cost of sugar and payment of dues/arrears to the farmers by the sugar mill owners;**
- (d) the total amount of funds provided by the Government to sugar mills to protect the cane farmers and the number of cane farmers who got the payment;**
- (e) whether the Government has taken any steps to stabilize sugar prices and improve the liquidity of sugar mills in order to pay arrears to the cane farmers and if so, the details thereof; and**
- (f) the details of other steps taken/being taken by the Government in view of the non-payment of dues by sugar mills to the sugarcane farmers?**

**A N S W E R
MINISTER OF STATE FOR MINISTRY OF CONSUMER AFFAIRS, FOOD & PUBLIC
DISTRIBUTION
(SHRI DANVE RAOSAHEB DADARAO)**

(a): The sugarcane production during sugar season 2017-18 & 2018-19 was 3799 Lakh MT & 4001 Lakh MT respectively. The sugar production during sugar seasons 2017-18 & 2018-19 was 321.96 Lakh MT & 331.30 Lakh MT respectively which was much higher than the domestic demand of around 255 Lakh MT. The excess sugar production during sugar season 2017-18 had adversely affected the market sentiment due to which the ex-mill prices of sugar in the domestic market fell sharply in the range of Rs. 24.50 to Rs. 26 per kg in the month of May, 2018.

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(b): The cane price arrears of farmers for the sugar season 2018-19 reached to a level of Rs.28,222 Cr in the month of April,2019. However, as a result of various remedial measures taken by the Central Government, the cane price arrears for sugar season 2018-19 has come down to Rs. 2,219 crore, as on 27.01.2020.

(c) to (f): In view of excess domestic production of sugar in the country in sugar seasons 2017-18 & 2018-19 and anticipation of excess availability of sugar in 2019-20 sugar season also, the Central Government took following steps to stabilize sugar prices at reasonable level and to improve liquidity of sugar mills thereby enabling them to clear cane price dues of farmers:

SUGAR SEASON 2017-18

- (i) Fixed a minimum selling price (MSP) of sugar at Rs.29/kg w.e.f. 07.06.2018 which was revised to Rs. 31/kg w.e.f. 14.02.2019.
- (ii) Extended Assistance to sugar mills @Rs.5.50/quintal of cane crushed for sugar season 2017-18 to offset the cost of cane amounting to about Rs.430 crore.
- (iii) Created buffer stock of 30 LMT in sugar season 2017-18 for which Government is reimbursing carrying cost of Rs.780 crore towards maintenance of buffer stock.

SUGAR SEASON 2018-19

- (i) Extending Assistance to sugar mills @Rs.13.88/quintal of cane crushed for sugar season 2018-19 to offset the cost of cane amounting to about Rs.3000 crore.
- (ii) Extending Assistance to sugar mills for defraying expenditure towards internal transport, freight, handling and other charges to facilitate export of sugar from the country in sugar season 2018-19 amounting to about Rs. 700 crore.
- (iii) Extended soft loans amounting to Rs 7402 crore to sugar mills through banks, for which Government would bear interest subvention of about Rs 518 crore @ 7% for one year.

SUGAR SEASON 2019-20

- (i) Created buffer stock of 40 LMT of sugar for a period of one year from 1st August, 2019 to 31st July, 2020 for which Government is reimbursing carrying cost of Rs.1674 crore towards maintenance of buffer stock.
- (ii) Providing assistance to sugar mills @ Rs 10448/MT to facilitate export of sugar for expenses on export of 60 LMT of sugar in sugar season 2019-20 for which an estimated expenditure of Rs 6288 Cr would be borne by Govt.

(iii) The Government has allowed production of ethanol from sugar and sugar syrup for current ethanol supply year 2019-20 (December,2019 - November,2020) and fixed the remunerative ex-mill price of ethanol derived from C-heavy molasses @ Rs. 43.75/litre, from B-heavy molasses @ Rs. 54.27/ litre and @ Rs. 59.48/litre for the ethanol derived from sugarcane juice/ sugar/ sugar syrup.

The powers to enforce the provisions of Sugarcane (Control) Order, 1966 with regard to payment of cane dues of farmers is vested with the State Governments. The Central Government from time to time issues advisory to the State Governments for ensuring clearance of cane price arrears of farmers and to take necessary action against defaulting mills. The State Government of Uttar Pradesh has issued Recovery Certificate to one defaulting sugar mill and has also filed F.I.R. against seven such sugar mills belonging to private sector. The Government of Maharashtra has also issued Revenue Recovery Certificates to 78 defaulting sugar mills.
