

AS INTRODUCED IN THE RAJYA SABHA ON  
THE 23RD NOVEMBER, 2012

**Bill No. XXXIV of 2012**

THE SUGARCANE GROWERS (REMUNERATIVE PRICE AND  
WELFARE) BILL, 2012

A

BILL

*to provide for the remunerative price for the produce of the sugarcane growers,  
insurance of sugarcane crop free of cost and for their overall welfare and for  
matters connected therewith and incidental thereto*

BE it enacted by the Parliament in the Sixty-third Year of the Republic of India as follows:—

1. (1) This Act may be called the Sugarcane Growers (Remunerative Price and Welfare) Act, 2012.

5 (2) It extends to the whole of India.

(3) It shall come into force on such date, as the Central Government may, by notification in the Official Gazette, appoint.

Short title,  
extent and  
commence-  
ment.



#### STATEMENT OF OBJECTS AND REASONS

Sugarcane is a cash crop. It is cultivated in various States in the country. It is a crop of the whole year and it is one of the major materials to produce sugar. The Sugarcane growers are facing problems, as they are not getting remunerative price for their produce. Sugarcane growing has become a non-profitable agricultural activity due to increase in the prices of seeds, fertilizers and pesticides and other inputs and the prices of sugarcane produce have not increased in the same proportion. There is demand the price of the Sugarcane be fixed on the basis of cost of production and price of sugar. To meet the demand that sufficient production of sugarcane is necessary. It is possible, if, the growers get remunerative price for sugarcane. Sugarcane growers have to go for loans as the investment in the cultivation has gone up. They are also not getting payment of their produce on time. This has led to their indebtedness and when they are unable to repay loans, they take the extreme step of committing suicide or self immolations. Further, due to unremunerative price for sugarcane, the aggrieved sugarcane growers are forced to abandon sugarcane farming in favour of other crops resulting in decline in the growth of sugarcane production.

The Government is required to provide remunerative price and also immediate relief to sugarcane growers in the event of natural calamities like storm, heavy rains, drought, hailstorm and flood so that sugarcane growers can feel respite. There is an urgent need to enact a law, which can ensure governmental assistance to sugarcane growers in the event of fall in prices or damage to their crops. Therefore, setting up of a fund for sugarcane growers and provision of insurance scheme for them will prove to be beneficial. An agency is also required to be set up by the Central Government to procure the sugarcane produce.

The Bill, if enacted, will protect the interests and promote the welfare of the sugarcane growers in the country and will help growth of the sugarcane production in the country in a big way.

Hence this Bill.

SHADI LAL BATRA

## FINANCIAL MEMORANDUM

Clause 3 of the Bill provides for procurement of sugarcane from sugarcane growers by an agency to be set up by the Central Government and fixation of remunerative prices for sugarcane by the Central Government. Clause 4 provides for compulsory free insurance of sugarcane and its growers by the Central Government against natural calamities. Clause 5 of the Bill provides for setting up of a Sugarcane Growers Welfare Fund to which the Central Government and the State Governments shall contribute in such ratio, as may be prescribed.

The Bill, therefore, if enacted, would involve expenditure from the Consolidated Fund of India. Though, it is not possible to quantify the actual expenditure at this juncture, but it is estimated that a recurring expenditure of about rupees Five thousand crore may be incurred per annum.

A non-incurring annual expenditure of about rupees one thousand crore is also likely to be incurred on it.

#### MEMORANDUM REGARDING DELEGATED LEGISLATION

Clause 7 of the Bill gives power to the Central Government to make rules for carrying out the purposes of the Bill. The rules will relate to matters of details only. The delegation of legislative power is of normal character.

RAJYA SABHA

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*(Shri Shadi Lal Batra, M.P.)*