

AS INTRODUCED IN THE RAJYA SABHA
ON THE 25TH FEBRUARY, 2011

Bill No. LXXIX of 2010

THE SUGARCANE GROWERS (REMUNERATIVE PRICE AND
WELFARE) BILL, 2010

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-first Year of the Republic of India as follows:—

1. (1) This Act may be called the Sugarcane Growers (Remunerative Price and Welfare) Act, 2010.

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.

Definitions.	<p>2. In this Act, unless the context otherwise requires,—</p> <p>(a) “sugarcane grower” means any person who cultivates sugarcane; and</p> <p>(b) “prescribed” means prescribed by rules made under this Act.</p>	
Procurement of sugarcane and fixation of its remunerative Price.	<p>3. (1) It shall be the duty of the Central Government to procure the entire sugarcane produced in the country through an agency to be set up for the purpose.</p> <p>(2) The Central Government shall fix the price of sugarcane every year after taking into consideration,—</p> <p>(i) the increase in the price of seeds, pesticides and fertilizers and other inputs;</p> <p>(ii) total investment of the sugarcane growers; and</p> <p>(iii) such other factors as may be prescribed.</p>	5 10
Insurance of sugarcane and its growers.	<p>4. The entire crop of sugarcane and its growers shall be compulsorily insured free of cost by the Central Government against natural calamities, fall in the yield of sugarcane, fall in the price of sugarcane and such other eventualities as may be prescribed.</p>	
Sugarcane Growers Welfare Fund.	<p>5. (1) The Central Government shall set up a fund to be known as the Sugarcane Growers Welfare Fund.</p> <p>(2) The Central Government and the State Governments shall contribute to the fund in such ratio as may be prescribed.</p>	15
Utilisation of fund.	<p>6. The Sugarcane Growers Welfare Fund shall be used for the following purposes, namely:—</p> <p>(a) to provide financial assistance to sugarcane growers for purchasing sugarcane seeds, pesticides and fertilizers, and in case of low yields of sugarcane or loss of their crops due to rains, storms, floods, hailstorms and drought;</p> <p>(b) to pay compensation to the next of kin of sugarcane growers in the event of their death;</p> <p>(c) to pay life insurance premium on behalf of the sugarcane growers;</p> <p>(d) to provide free health facilities for sugarcane growers and their families;</p> <p>(e) to provide assistance to the sugarcane growers in the event of disability;</p> <p>(f) to compensate the farmer(s) suitably in case as yield being less than estimated; and</p> <p>(g) for such other purposes as may be prescribed by the Central Government.</p>	20 25 30
Power to make rules.	<p>7. The Central Government may, by notification in the Official Gazette, make rules for carrying out the purposes of this Act.</p>	

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.

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(Shri Shadi Lal Batra, M.P.)