

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

**RAJYA SABHA**  
UNSTARRED QUESTION NO. 1194  
TO BE ANSWERED ON 27<sup>TH</sup> JULY, 2018

**PAYMENT OF DUES BY SUGAR MILLS OF ANDHRA PRADESH**

1194. SHRI V. VIJAYASAI REDDY:

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

- (a) whether Ministry is of the view that giving financial assistance of ₹ 5.50/- per quintal of cane crushed by sugar mills help when cane payment dues touched more than ₹ 20,000 crore;
- (b) payment of dues by sugar mills in Andhra Pradesh (AP) to sugarcane farmers;
- (c) whether Sugar (Control) Order mandates mills to pay FRP within 14 days of cane purchase from farmers failing which 15 per cent annual interest is charged; and
- (d) if so, reasons for delay in AP and the interest component that sugar mills have to pay to farmers and how Ministry would ensure such payment?

**A N S W E R**

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

(a): Recently, Government has taken various measures including financial assistance @Rs.5.5/qrtl to offset the cost of cane; fixation of minimum selling price of sugar for sale of sugar by mills in domestic market etc., which have helped the mills to clear the cane dues of the farmers at a faster rate. The sugar cane dues which were peaked at Rs. 23,232 cr in the last week of May, 2018, have come down to Rs. 16,600cr.

(b): Out of cane dues payable of Rs.1335 crores for sugar season 2017-18 in the state of Andhra Pradesh, 91.46% of dues have been cleared and only Rs.114 crores of cane dues are pending. For the sugar season 2016-17, no cane price arrears are pending. In respect of sugar season 2015-16, 98.61% of cane dues have been cleared and only about Rs.20 crores of cane dues are pending.

(c): Sugarcane (Control) Order, 1966 mandates payment of cane price within 14 days of supply of sugarcane, failing which, interest @15% per annum on amount due for the delayed period beyond 14 days is payable.

(d): Excess production of sugar during the current sugar season has created downward pressure on sugar prices till May,2018. The depressed sugar prices had adversely affected the financial health of the sugar industry resulting in accumulation of cane price arrears of the farmers. However, Due to various measures taken by Government including fixation of minimum sale price, the mills could able to clear the cane dues of the farmers at a faster rate.

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