

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

RAJYA SABHA
UNSTARRED QUESTION NO. 1203
TO BE ANSWERED ON 27TH JULY, 2018

**PAYMENT OF DUES FOR SUGARCANE
GROWERS IN UTTAR PRADESH**

1203. SHRI SURENDRA SINGH NAGAR:

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

- (a) whether Government has any policy with regard to purchase of sugarcane from sugarcane growing farmers and its payment to them across the country, if so, details thereof, if not, reasons therefor;
- (b) whether Government has any scheme in various States for payment of sugarcane by it and steps being taken by Government to prevent arbitrariness of sugar mills, if no steps are being taken, the reasons therefor; and
- (c) by when the outstanding amount of sugarcane farmers of Uttar Pradesh would be paid to them and the steps being taken by Government in this regard, if no steps taken, reasons therefor?

A N S W E R

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

(a) & (b): Yes, Sir. As per the provisions of Sugarcane (Control) Order, 1966, the sugar mills are required to purchase sugarcane from cane farmers at a Fair and Remunerative Price (FRP) fixed by the Central Government, which is the minimum bench mark price below which sugar mills cannot purchase cane from the cane growers. However, some states also fix State Advised Price (SAP) of sugarcane which is generally higher than FRP. 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. The powers for enforcing these provisions are vested with the State Governments/UT Administrations who have necessary field formation. The Central Government is regularly monitoring position of payment of cane price dues of farmers and has been advising the State Governments from time to time to ensure timely payment of cane dues.

(c): With a view to ensure timely payment of cane price arrears of farmers, the Government has recently brought out a comprehensive package with the following to improve the liquidity position of sugar mills:

- (i) Scheme for "Assistance to sugar mills" under which financial assistance @Rs.5.50/quintal of cane crushed will be provided to sugar mills to offset the cost of cane amounting to about Rs.1540 crore;
- (ii) Creation of buffer stock of 30 LMT for which Government will reimburse carrying cost of Rs.1175 crore towards maintenance of buffer stock;

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- (iii) Extending soft loans of Rs.4,440 crore through banks to the mills for setting up new distilleries and installation of incineration boilers to augment ethanol production capacity for which Government will bear interest subvention of Rs. 1332 crore;
- (iv) Further, in order to prevent cash loss and to facilitate sugar mills to clear cane dues of farmers in time, the Government has also fixed a minimum selling price of sugar at Rs.29/kg for sale at factory gate in domestic market, below which no sugar mill can sell sugar.

As a result of these measures, the cane price arrears on SAP basis for the country, which were peaked at Rs. 23,232 cr in the last week of May, 2018, have come down to Rs. 16,600 cr. In respect of Uttar Pradesh, the cane price arrears on SAP basis have come down to Rs.11,411 cr from peak value of Rs.13,486cr; and on FRP basis it has come down to Rs 4874 Cr from peak value of Rs 7112 cr.
