

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

RAJYA SABHA
UNSTARRED QUESTION NO. 563
TO BE ANSWERED ON 14TH DECEMBER, 2018

PAYMENT OF DUES TO SUGARCANE GROWING FARMERS

563. SHRI VISHAMBHAR PRASAD NISHAD:
SHRIMATI CHHAYA VERMA:
CH. SUKHRAM SINGH YADAV:

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

- (a) whether it is a fact that the season of crushing of sugarcane has begun but outstanding dues of sugarcane growing farmers have not been paid by sugar mills till now and therefore the outstanding amount is rising day-by-day;
- (b) the steps taken by the Ministry in view of payment of dues to sugarcane growing farmers by sugar mills and the result thereof; and
- (c) the amount of dues of sugarcane growing farmers in the last three years, year-wise and State-wise?

A N S W E R

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

(a)&(b): Depressed sugar price due to excess sugar production during previous sugar season 2017-18 has adversely affected the financial health of sugar mills resulting accumulation of cane price arrears which peaked at Rs. 14538 cr on the basis of Fair and Remunerative Price (FRP) and Rs. 23232 cr on State Advised Price (SAP) basis in the last week of May, 2018.

With a view to improve the liquidity position of sugar mills enabling them to clear cane price arrears of farmers, the Government has taken the following measures during last few months:-

- (i) In order to prevent cash loss and to facilitate sugar mills to clear cane dues of farmers in time, the Government has 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.
- (ii) Extending 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.1540 crore;
- (iii) Created buffer stock of 30 LMT in sugar season 2017-18 for which Government will reimburse carrying cost of Rs.1175 crore towards maintenance of buffer stock;

- (iv) Extending soft loans of Rs. 6139 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;
- (v) 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.4163 crore;
- (vi) 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. 1375 crore.
- (vii) Government has also notified new National Policy on Bio-Fuels, 2018 under which sugarcane juice has been allowed for production of ethanol. Further, the Government has fixed remunerative price of ethanol produced from C-Heavy molasses and B-Heavy molasses/sugarcane juice separately for supply under EBP during ethanol season 2018-19.

As a result of these measures, the cane price arrears for the sugar season 2017-18 have come down to Rs. 1565 cr and Rs.4299 cr on FRP and SAP basis respectively as on 11.12.2018. More than 99% cane dues for 2016-17 and previous Sugar Seasons have already been cleared.

(c): Statement showing amount of dues of sugarcane farmers in the last three years, year-wise and State-wise is at annexure.

ANNEXURE

**ANNEXURE REFERRED TO IN REPLY TO RAJYA SABHA UNSTARRED
QUESTION NO.563 TO BE ANSWERED ON 14.12.2018 IN PARTCC**

AS ON 11.12.2018						
STATEMENT SHOWING AMOUNT OF DUES OF SUGARCANE FARMERS IN THE LAST THREE YEARS, YEAR-WISE AND STATE-WISE						
S.No	Name of State	Cane Price Arrears (in Rs./Cr.)				
		2017-18		2016-17		2015-16 & earlier (SAP)
		FRP	SAP	FRP	SAP	
1	Bihar	208	208	4	4	38
2	Haryana	0	58	0	0	0
3	Punjab	0	432	0	0	0
4	Uttrakhand	252	501	0	0	25
5	Uttar Pradesh	911	2764	0	56	121
6	Andhra Pradesh	35	35	0	0	0
7	Telangana	6	6	0	0	0
8	Gujarat	7	7	17	17	18
9	Maharashtra	81	81	3	3	201
10	Karnataka	36	36	0	0	37
11	Tamil Nadu	0	142	0	394	1134
12	Puducherry	0	0	10	10	11
13	Chhattisgarh	2	2	0	0	0
14	Odisha	7	7	2	2	3
15	Madhya Pradesh	20	20	6	6	2
	All India	1565	4299	42	492	1590
