

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

RAJYA SABHA
UNSTARRED QUESTION NO.1031
TO BE ANSWERED ON 28TH JULY 2023

**OUTSTANDING PAYMENTS OWED BY SUGAR PROCESSING MILLS
TO SUGARCANE FARMERS**

1031 SHRI P. WILSON:

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

- (a) the total outstanding payments owed by sugar processing mills to sugarcane farmers from 2018 to 2023 across the country including Tamil Nadu;
- (b) whether Government has taken any measures regarding pending payments to sugarcane farmers;
- (c) whether the sugar crushing units that have undergone liquidation in the past five years, including the total amount they owed to farmers and farming units across the country, including Tamil Nadu; and
- (d) if so, the details thereof, if not, the reasons therefor?

A N S W E R
**MINISTER OF STATE FOR MINISTRY OF RURAL DEVELOPMENT AND
CONSUMER AFFAIRS, FOOD & PUBLIC DISTRIBUTION**
(SADHVI NIRANJAN JYOTI)

(a) to (b): As per the information received from State Governments, the position of outstanding payments owed by sugar processing mills to sugarcane farmers including Tamil Nadu as on 15.07.2023 is as under:

(Figures in Crore Rupees)

| Sugar Season | All States (including Tamil Nadu) | Tamil Nadu |
|--------------|-----------------------------------|------------|
| 2018-19 | 271 | 73.10 |
| 2019-20 | 77 | 0 |
| 2020-21 | 73 | 0 |
| 2021-22 | 115 | 0 |
| 2022-23 | 9395 | 46.45 |

With a view to facilitate payments of outstanding dues to the sugarcane farmers, the Central Government has taken various steps in the form of policy interventions for Sugar Sector in recent years, which are as under:

.....2/-

- Minimum Selling Price of sugar was fixed to prevent fall in ex-mill prices of sugar & accumulation of cane arrears (initially at ₹ 29/ kg w.e.f 07-06-2018; revised to ₹ 31/kg w.e.f. 14-02-2019).
- Financial assistance of more than ₹ 18,000 crore extended to mills resulting in clearance of farmer's dues during 7 years i.e. sugar season 2014-15 to 2020-21.
- Diversion of surplus sugar to production of ethanol led to improved financial conditions of sugar mills. Since 2013-14, more than ₹ 85,000 crore has been generated by sugar mills/distilleries from the sale of ethanol to Oil Marketing Companies. As a result, they are able to clear cane dues early.

As a result of these measures, significant reduction has been seen in cane price arrears. About 99.9% of cane dues up to sugar seasons 2020-21 have been cleared. For the previous sugar season 2021-22, more than 99.9% cane dues have been cleared and in the current Sugar Season 2022-23, about 92.45 % cane dues are cleared as on 24.07.2023.

(c) to (d): It is the responsibility of the entrepreneurs, concerned, to take steps to re-open/revive the closed/sick sugar mills as far as private sector is concerned and the state Governments/UTs, concerned, in the case of the public and cooperative sector sugar mills. At the level of Central Government, time to time interventions has been announced to support the sugar industry and cane farmers of the country. As per the information received from State Governments, only the sugar mills in Tamil Nadu have gone under liquidation in past five years. In Tamil Nadu 7 sugar mills have gone under liquidation with outstanding cane dues of about Rs.150 Crores.
