

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

LOK SABHA
UNSTARRED QUESTION NO. 1115
TO BE ANSWERED ON 24TH JULY, 2018

NON PAYMENT OF DUES TO
SUGARCANE FARMERS

1115. KUNWAR HARIBANSH SINGH:
SHRI ASHOK SHANKARRAO CHAVAN:
SHRI SUDHEER GUPTA:
SHRI GAJANAN KIRTIKAR:
SHRI S.R. VIJAYAKUMAR:
SHRI BIDYUT BARAN MAHATO:
SHRI T. RADHAKRISHNAN:
SHRI S. RAJENDRAN:

Will the Minister of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION उपभोक्ता मामले, खाद्य और सार्वजनिक वितरण मंत्री be pleased to state:

- (a) whether the sugar mills are not making payments of dues to the sugarcane farmers even after the end of sugar cane crushing season;
- (b) if so, the details of the amount to be paid to sugarcane farmers along with the reasons for non-payment of dues, till date, company and State-wise;
- (c) whether the Government has approved a package and made other announcement for the sugar mills recently to help pay dues to farmers;
- (d) if so, the details thereof and the number of sugar mills likely to be benefited through this announcement; and
- (e) whether the said announcement is appropriate for payment of the dues to the sugarcane farmers and if not, the further action being taken by the Government to ensure the payment of dues to the sugarcane farmers by the sugar mills?

A N S W E R

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

(a)& (b): Payment of dues to the sugarcane farmers is a statutory obligation on sugar mills under the provisions of the Sugarcane (Control) Order, 1966. However, payment of cane price dues of farmers by sugar mills is a continuous process and low realisation from sale of sugar due to surplus sugar production leads to accumulation of cane price arrears. As on 18.07.2018 for 2017-18 Sugar Season, out of total cane dues payable of Rs.73431 Crore, an amount of Rs.64218 Crore has been paid and Rs.9213 Crore is pending on Fair and Remunerative Price (FRP) basis; and on State Advised Price (SAP) basis, out of total cane dues payable of Rs.84,580 Crore, an amount of Rs.66,896 Crore has been paid and Rs.17,684 Crore is pending. State/ company-wise details of the same are at Annexure.

(c)& (d): To mitigate the situation by improving the liquidity position of sugar industry by stabilizing domestic sugar price so as to facilitate liquidation of cane price arrears, the Government has undertaken the following measures:-

- (i) Increased customs duty on import of sugar from 50% to 100%.
- (ii) Withdrawn customs duty on export of sugar.
- (iii) Allocated mill-wise Minimum Indicative Export Quotas (MIEQ) of 20 LMT of sugar during sugar season 2017-18.
- (iv) Allowed Duty Free Import Authorization (DFIA) in respect of sugar.
- (v) Fixed minimum selling price of sugar at factory gate @ Rs.29 per kg for sale in the domestic market.
- (vi) Imposed stock holding limits on sugar mills to maintain demand supply balance.
- (vii) Extended financial assistance to sugar mills @ Rs. 5.50 per quintal of cane crushed during 2017-18 sugar season to offset the cost of cane. Assistance amounting to Rs. 1540 Crore to be paid directly to the farmers on behalf of the mills under the scheme.
- (viii) Notified Scheme for creation and maintenance of buffer stock of 30 Lakh MT of sugar for one year w.e.f. 1.7.2018 for which carrying cost and storage & insurance charges of about Rs. 1175 Crore will be borne by the Government.
- (ix) Notified a scheme to augment and enhance ethanol production capacity by extending loans of about Rs. 4440 Crore on which interest subvention of Rs. 1332 Crore to be borne by the Government.

All the sugar mills to be equitably benefitted by the various measures announced by the Government.

(e) Yes, Madam. As on 01.06.2018 cane price arrears of farmers for 2017-18 Sugar Season were Rs.14003 Crore and Rs.22645 Crore on FRP & SAP basis respectively. As a result of these measures, as on 18.07.2018, cane price arrears have come down to Rs.9213 Crore and Rs.17684 Crore on FRP & SAP basis respectively.

ANNEXURE

ANNEXURE REFERRED TO IN REPLY TO PARTS (a) & (b) OF THE UNSTARRED QUESTION NO. 1115 DUE FOR ANSWER ON 24.07.2018 IN THE LOK SABHA.

Statement showing state/company- wise pending cane price arrears (as on 18.07.2018)			
			Figures in crores
S.No.	State Name	No.of Company/Sugar Mills which have pending arrears	Cane Price Arrears
1.	PUNJAB	15	788
2.	HARYANA	14	693
3.	UTTAR PRADESH	118	11618
4.	UTTARAKHAND	7	612
5.	MADHYA PRADESH	12	86
6.	CHHATISGARH	1	4
7.	GUJARAT	15	601
8.	MAHARASHTRA	89	1158
9.	BIHAR	11	619
10.	ANDHRA PRADESH	9	47
11.	KARNATAKA	41	1046
12.	TAMIL NADU	10	187
13.	ODISHA	2	58
14.	GOA	1	58
15.	TELANGANA	6	109
	TOTAL	351	17684