

## Cane arrear reaches ₹17,134 cr so far in 2019-20 season: Centre

**NEW DELHI:** Cane dues to be paid by sugar mills to farmers have reached Rs 17,134 crore so far in the 2019-20 season that will end in September, according to the Union food ministry.

The arrears been calculated on the basis of fair and remunerative price (FRP) fixed by the central government.

Under the Sugarcane (Control) Order, 1966, sugar mills are required to make cane price payment to farmers within 14 days of supply of cane. If mills fail to make payment, they have to pay interest at the rate of 15 per cent per annum on amount due for the delayed period beyond 14 days.

According to the latest data maintained by the Union food ministry, mills have paid Rs 47,127 crore cane price dues out of the total payable of Rs 64,261 crore as on May 28 of the 2019-20 season. "And, the total cane arrear is Rs 17,134 crore so far," the data said.

The cane price arrears of the 2018-19 season (October-September) was Rs 18,140 crore.

Depressed sugar prices due to surplus sugar production in seasons 2017-18 and 2018-19 adversely affected the liquidity of mills resulting in accumulation of cane price arrears of the farmers. Food Secretary Sudhanshu Pandey said the government has taken several measures to ensure that mills make cane price payment to farmers.

Soft loans of about Rs 18,600 crore are being extended through banks to 362 sugar mills and molasses-based standalone distilleries for enhancement and augmentation of ethanol production capacity, for which an interest subvention of about Rs 4,045 crore for five years is being borne by the central government, he said. The government is reimbursing the carrying cost of Rs 1,674 crore towards maintenance of buffer stock of 40 lakh tonne of sugar.

PTI