

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

**LOK SABHA
STARRED QUESTION NO.113
TO BE ANSWERED ON 9th February, 2021**

OUTSTANDING DUES OF SUGARCANE FARMERS

***113. SHRI CHANDESHWAR PRASAD:**

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

- (a) the amount of dues of sugarcane farmers outstanding against sugar mills during the last three years and the current year, year-wise and State-wise;
- (b) whether the sugar mills are not paying the dues of sugarcane farmers year-by-year and as a result, the outstanding amount is continuously increasing; and
- (c) if so, the steps taken by the Government to ensure the payment of dues by sugar mills to the sugarcane farmers on time and the outcome thereof?

**A N S W E R
MINISTER OF RAILWAYS, COMMERCE & INDUSTRY AND CONSUMER
AFFAIRS, FOOD & PUBLIC DISTRIBUTION
(SHRI PIYUSH GOYAL)**

(a) to (c): A statement is laid on the Table of the House.

* * * *

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (c) OF THE STARRED QUESTION NO. *113 DUE FOR ANSWER ON 09.02.2021 IN THE LOK SABHA.

(a) to (c): As per information received from State Governments, the amount of dues of sugarcane farmers outstanding against sugar mills state-wise during the last three sugar seasons(October –September) and the current sugar season 2020-21, as on 31.01.2021, is at Annexure.

Excess production of sugar than the consumption demand during last three sugar seasons has resulted in subdued ex-mill prices of sugar which has adversely affected the liquidity of sugar mills resulting in accumulation of cane price arrears of farmers. To improve liquidity of sugar mills thereby enabling them to clear cane price dues of farmers, Central Government has taken various measures during the last three sugar seasons and the current sugar season, which are as under:

I. SUGAR SEASON 2017-18:

(i) Extended Assistance of Rs.430 crore to sugar mills @Rs.5.50/quintal of cane crushed for sugar season 2017-18 to offset the cost of cane.

(ii) Allocated buffer stock of 30 LMT of sugar amongst sugar mills for a period of one year from 1st July, 2018 to 30th June, 2019 for which Government is reimbursing carrying cost of Rs.780 crore towards maintenance of buffer stock.

(iii) Fixed Minimum Selling Price (MSP) of sugar w.e.f 07.06.2018 at Rs.29/kg for sale at factory gate in domestic market, below which no sugar mill can sell sugar. MSP has further been increased to Rs.31/Kg. w.e.f. 14th February, 2019.

II. SUGAR SEASON 2018-19:

i. Extended 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.3000 crore.

ii. Extended 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 and reimbursing about Rs. 900 crore under this scheme.

.....2/

- iii. **Extended soft loans amounting to Rs 7402 crore to sugar mills through banks to clear cane price arrears, for which interest subvention of about Rs 518 crore @ 7% for one year is being borne by the Government.**

III. SUGAR SEASON 2019-20

- (i) **Allocated buffer stock of 40 Lakh Metric Tonne (LMT) of sugar amongst sugar mills for a period of one year from 1st August, 2019 to 31st July, 2020 for which Government is reimbursing carrying cost of Rs.1674 crore towards maintenance of buffer stock.**
- (ii) **Providing assistance to sugar mills @ Rs 10448/MT to facilitate export of sugar for expenses on export of 60 LMT of sugar in sugar season 2019-20 for which an estimated expenditure of Rs 6268 Cr is being borne by Government.**

IV. CURRENT SUGAR SEASON 2020-21

- (i) **Providing assistance to sugar mills @ Rs 6000/MT to facilitate export of sugar for expenses on export of 60 LMT of sugar in sugar season 2020-21 for which an estimated expenditure of Rs 3500 Cr is being borne by Government.**

Under the various schemes for sugar sector, funds are credited to the accounts of farmers on behalf of sugar mills against their cane dues and balance, if any is credited to the accounts of sugar mills.

With a view to support sugar sector and in the interest of sugarcane farmers, Government is encouraging sugar mills to divert excess sugarcane & sugar to ethanol. Government has allowed production of ethanol from B-Heavy Molasses, sugarcane juice, sugar syrup and sugar; & has also been fixing the remunerative ex-mill price of ethanol derived from various feed stocks. To increase ethanol production capacity in the country, Government is extending interest subvention of Rs 4687 crore to sugar mills/ distilleries against loans availed by them from banks to set up new distilleries or to expand their existing capacities. As the revenues generated from sale of ethanol by sugar mills/ distilleries reach to the accounts of sugar mills in just 3 weeks time as compared to 12-15 months time taken for realizing revenue from sale of sugar, production of ethanol would improve liquidity of sugar mills enabling them to make timely payment of cane dues of sugarcane farmers .

Payment of cane price to sugarcane growing farmers by the sugar mills is a continuous process. In sugar seasons 2017-18, 2018-19 & 2019-20, cane price payable to sugarcane farmers on all India basis was Rs. 85179 crore, Rs. 86723 crore & Rs. 75845 crore respectively. As a result of various measures taken by the Government, as enumerated above, the cane dues of farmers for sugar seasons 2017-18, 2018-19 & 2019-20 have been reduced to Rs. 199 crore, Rs. 410 crore & Rs. 1766 crore respectively, as on 31.01.2021.

ANNEXURE**ANNEXURE REFERRED IN REPLY TO PARTS (a) TO (c) OF THE STARRED QUESTION NO.113 FOR ANSWER ON 09.02.2021 IN THE LOK SABHA.****(RS. IN CRORE)**

S. No.	Name of State	Sugar Season 2017-18	Sugar Season 2018-19	Sugar Season 2019-20	Current Sugar Season 2020-21.
1	Bihar	0.18	57.74	84.96	411
2	Haryana	0	0	4.08	669.66
3	Punjab	0	0	137.15	576.19
4	Uttarakhand	74.56	104.74	0	416.29
5	Uttar Pradesh	33.51	0	1406.14	7555.09
6	Andhra Pradesh	0	36.73	43.58	90.56
7	Telangana	0	0	11.50	114
8	Gujarat	1.50	0	0.09	1044
9	Maharashtra	27.24	117.91	0.16	2030.31
10	Karnataka	0	11.20	49.01	3585.18
11	Tamil Nadu	60.70	74.08	29.76	56.20
12	Puducherry	0	0	0	0
13	Chhattisgarh	2.00	6.00	0	55
14	Odisha	0	0	0	22.41
15	Madhya Pradesh	0	0	0	257.13
16	Goa	0	2.0	0	0
	All India	199	410	1766	16883
