

GOVERNMENT OF INDIA
MINISTRY OF CONSUMER AFFAIRS, FOOD AND PUBLIC
DISTRIBUTION
RAJYA SABHA
QUESTION NO 1204

ANSWERED ON 27.07.2018

Payment of arrears to sugarcane growers in Tamil Nadu

1204 Smt. Sasikala Pushpa Ramaswamy

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

- (a) whether Government has conceived any comprehensive plan to ensure that sugarcane farmers across the country get payment for the raw cane they supply to a mill within 14 days, after which it is considered due;
- (b) if so, the details thereof;
- (c) whether Government is aware of the fact that sugar mills owners, both private and Government, have not cleared dues of farmers, particularly in the State of Tamil Nadu;
- (d) if so, the details thereof; and
- (e) the steps taken by Government hitherto to ensure timely payment of arrears to the farmers?

ANSWER

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

(a) & (b): Sugarcane (Control) Order, 1966 mandates payment of cane price within 14 days of supply of sugarcane, failing which, interest @15% per annum on amount due for the delayed period beyond 14 days is payable. The powers for enforcing these provisions are vested with the State Governments/UT Administrations who have necessary field formation. The Central Government is regularly monitoring position of payment of cane price dues of farmers and has been advising the State Governments from time to time to ensure timely payment of cane dues.

(c) & (d): In the state of Tamil Nadu, the total cumulative cane price arrears of Rs. 1714.43 cr on SAP basis are pending upto current sugar season 2017-18. All the Co-operative and Public sector sugar mills have cleared cane price dues on FRP basis upto 2017-18 sugar season; however some private sector sugar mills are yet to pay cane arrears of Rs. 203.97 cr on FRP basis.

(e): With a view to ensure timely payment of cane price arrears of farmers, the Government has recently brought out a comprehensive package with the following to improve the liquidity position of sugar mills:

(i) Scheme for "Assistance to sugar mills" under which financial assistance @Rs.5.50/quintal of cane crushed will be provided to sugar mills to offset the cost of cane amounting to about Rs.1540 crore;

(ii) Creation of buffer stock of 30 LMT for which Government will reimburse carrying cost of Rs.1175 crore towards maintenance of buffer stock;

(iii) Extending soft loans of Rs.4,440 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;

(iv) Further, in order to prevent cash loss and to facilitate sugar mills to clear cane dues of farmers in time, the Government has also 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.
