

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

**RAJYA SABHA**  
UNSTARRED QUESTION NO. 1355  
TO BE ANSWERED ON 12<sup>TH</sup> FEBRUARY, 2021

**PAYMENT OF DUES TO SUGARCANE GROWING FARMERS**

1355 # CH. SUKHRAM SINGH YADAV:  
SHRI VISHAMBHAR PRASAD NISHAD:  
SMT. CHHAYA VERMA:

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

- (a) amount released by Government to sugar mills towards payment of outstanding dues to sugarcane farmers during last five years;
- (b) number of farmers who have been paid their dues with interest under rules of Central Sugarcane Order during last five years;
- (c) whether year by year the dues of farmers are not being paid in time by mill owners;
- (d) keeping in view tendency of non-payment to farmers by mill owners, steps taken by Government and its outcome;
- (e) details of outstanding amount, year-wise and State-wise; and
- (f) whether Government would consider the proposal to credit payment dues directly into accounts of farmers?

**A N S W E R**

MINISTER OF STATE FOR MINISTRY OF CONSUMER AFFAIRS, FOOD &  
PUBLIC DISTRIBUTION  
(SHRI DANVE RAOSAHEB DADARAO)

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(a): For every sugar season, Government fixes Fair and Remunerative Price (FRP) of sugarcane which is directly paid by sugar mills to cane growers on purchase of sugarcane. However, on account of surplus sugar production during the previous sugar seasons (except 2016-17), the sugar prices remained depressed which adversely affected the liquidity of the sugar mills resulting in accumulation of cane price arrears of the farmers. With a view to improve liquidity of sugar mills enabling them to clear cane price arrears of farmers, the Central government has taken various measures in past five sugar seasons viz. extended assistance to sugar mills to facilitate export of sugar; extended assistance to mills for maintaining buffer stocks; extended soft loans to sugar mills through banks to clear cane price dues; fixed Minimum Selling Price of Sugar etc.

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Under different schemes, financial assistance is being paid by the Central Government to sugar mills to enable them to clear outstanding dues of sugarcane farmers during last five sugar seasons and current sugar season 2020-21, as under:-

**Sugar seasons 2015-16**

- (i) Extended interest subvention of Rs. 2630 crores for working capital loans amounting to Rs. 6486 crores availed by sugar mills from banks under Scheme for Extending Financial Assistance to Sugar Undertakings for payment of cane dues of farmers.
- (ii) Extended interest subvention of about Rs. 436 crores against soft loan of about Rs. 4343 crore availed by sugar mills from banks for payment of cane dues of farmers.
- (iii) Extended assistance of about Rs. 525 crore @ Rs.4.50 per quintal of cane crushed for sugar season 2015-16 to offset the cost of cane.

**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 30<sup>th</sup> 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. 14<sup>th</sup> February, 2019.

**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.
- 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.