

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.

**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 1<sup>st</sup> 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.

**CURRENT SUGAR SEASON 2020-21**

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.

(b): The Powers to enforce the provisions of Sugarcane (Control) Order, 1966 with regard to payment of cane dues of farmers is vested with the State Governments. The Central Government from time to time issues advisory to the state Governments for ensuring clearance of cane price arrears of farmers on time and to take action against defaulting mills. As informed by State Government of Uttar Pradesh action is being taken by them against the concerned sugar mills regarding payment of interest amount to farmers.

(c) & (d): Payment of cane price to sugarcane growing farmers by the sugar mills is a continuous process. Excess production of sugar than the consumption demand during previous 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 as enumerated in reply to part (a) of the question.

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.

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(e): A statement showing the state-wise details of outstanding dues of cane farmers during last three years is given at Annexure.

(f): Payment of sugarcane is directly paid by sugar mills to cane growers on purchase of sugarcane. However, under the various schemes for extending assistance to sugar mills to enable them to clear outstanding cane dues of farmers, 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.

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## ANNEXURE

ANNEXURE REFERRED IN REPLY TO PART (e) OF THE UNSTARRED QUESTION NO.1355 FOR ANSWER ON 12.02.2021 IN THE RAJYA 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
	<b>All India</b>	<b>199</b>	<b>410</b>	<b>1766</b>	<b>16883</b>

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