

**GOVERNMENT OF INDIA
CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION
LOK SABHA**

UNSTARRED QUESTION NO:3688
ANSWERED ON:19.12.2005
SUGARCANE DUES
Chavan Shri Harischandra Deoram

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

- (a) whether a number of sugar mills in the country have failed to clear the outstanding sugarcane dues of farmers;
- (b) if so, the details thereof alongwith the reasons therefor, State-wise;
- (c) whether the Government has taken any remedial measures to ensure payment of outstanding sugarcane dues to farmers during the current year; and
- (d) if so, the details thereof?

Answer

MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE AND MINISTER OF STATE IN THE MINISTRY OF CONSUMER AFFAIRS, FOOD & PUBLIC DISTRIBUTION (DR. AKHILESH PRASAD SINGH)

(a) & (b): As per the information received from State Governments/sugar mills, as on 31.8.2005, the total cane price arrears payable by sugar mills to the cane growers, for the sugar season 2004-05, were Rs. 69.48 crores (0.56%) as against cane price payable amount of Rs. 12,305 crores. The accumulation of cane price arrears are attributed to reasons such as sickness of the sugar mill, poor financial position, higher cost of production vis-à-vis lower sales realization, high inventory of stocks due to high levels of sugar production and increased sugarcane price etc. The State-wise details of the cane price arrears are as follows: -

(Figures in crore Rs.)

STATE Sugar season 2004-05

PUNJAB	NIL
HARYANA	0.05
RAJASTHAN	NIL
UTTAR PRADESH	19.44
UTTARANCHAL	3.83
MADHYA PRADESH	0.05
CHATTISGARH	NIL
GUJARAT	3.34
MAHARASHTRA	10.45
BIHAR	0.73
ASSAM	NIL
ANDHRA PRADESH	NIL
KARNATAKA	3.28
TAMIL NADU	28.31
KERALA	NIL
PONDICHERRY	NIL
ORISSA	NIL
W. BENGAL	NIL
GOA	NIL

TOTAL 69.48

(c) & (d): The responsibility of ensuring timely payment of cane price dues to the sugarcane growers lies with the respective State Governments. However, the Central Government on its part, continuously monitored the position of payment of cane price arrears and has taken the following steps for clearing the cane price dues of the sugarcane farmers.

(i) Disbursed an amount of Rs. 451.88 crores (till 30.9.2005) as buffer subsidy utilized towards liquidation of cane price arrears.

(ii) Effective operation of release mechanism for sugar release in the open market leading to better sales realization on sale of open market sugar in the year 2004-05, which has resulted reduction in cane price arrears for the sugar season 2004-05 to a historical low of 0.56%.