

### **Payment of Sugarcane to the Farmers**

**\*98. Smt. Shalley Choudhary, M.L.A.:** Will the Agriculture and Farmers Welfare Minister be pleased to state whether it is a fact that the payment of the sugarcane of farmers is outstanding against Naraingarh Sugar Mill for the last few years; if so, the yearwise details thereof togetherwith the time by which the outstanding amount is likely to be paid.?

#### **REPLY BY SHRI JAI PARKASH DALAL, AGRICULTURE AND FARMERS WELFARE MINISTER**

Sir, there are no cane price arrears outstanding against the Naraingarh sugar mills till the 2018-19 crushing season. The mill has issued post dated cheques of Rs. 35,31,07,000/- to the sugarcane farmers for the crushing season 2018-19, out of which a payment of Rs. 29,82,07,000/- has been made and the remaining amount of Rs. 5,49,00,000/- is expected to be paid by 17.03.2020.



## NOTE FOR PAD

### Starred Assembly Question No.98

At present, there are 14 Sugar Mills in operation in the State of Haryana. Out of these Sugar Mills, 11 Sugar Mills are in Cooperative sector and remaining three sugar mills namely, The Saraswati sugar mill, Yamunanagar, The Naraingarh sugar mill, Naraingarh and The Piccadily Agro Industries Ltd., Bhadson are in private sector. No amount of cane price arrears is outstanding against any sugar mills (Coop. and Private both) in the State for previous seasons except The Naraingarh Sugar Mill, Naraingarh which had issued post dated cheques amounting to Rs. 35,31,07,000/- to the sugarcane farmers for the crushing season 2018-19, out of which payment of Rs. 29,82,07,000/- has been made and remaining amount of Rs. 5,49,00,000/- is expected to be paid by 17.03.2020.

**The details of the Total Cane Price Due and Total cane price paid by the sugar mills from Crushing season 2016-17 to 2018-19 is as under:-**

(Amount in Rs. crore)

Sr. No	Mills	Total cane price Due			Total cane price paid		
		2016-17	2017-18	2018-19	2016-17	2017-18	2018-19
Cooperative Sector							
1	Panipat	88.84	109.53	86.77	88.84	109.53	86.77
2	Rohtak	152.92	209.22	164.41	152.92	209.22	164.41
3	Karnal	91.08	132.57	114.92	91.08	132.57	114.92
4	Sonipat	72.17	105.52	72.89	72.17	105.52	72.89
5	Shahabad	213.09	281.45	236.78	213.09	281.45	236.78
6	Jind	82.97	104.85	83.87	82.97	104.85	83.87
7	Palwal	91.19	104.54	85.35	91.19	104.54	85.35
8	Meham	128.61	145.02	111.77	128.61	145.02	111.77
9	Kaithal	118.48	160.65	137.31	118.48	160.65	137.31
10	Gohana	114.01	143.98	112.08	114.01	143.98	112.08
11	Assandh	119.95	144.45	126.12	119.95	144.45	126.12
		1273.31	1641.78	1332.27	1273.31	1641.78	1332.27
Private Sector							
12	Y.Nagar	457.13	572.69	553.54	457.13	572.69	553.54
13	Naraingarh	156.29	218.32	206.13	156.29	218.32	200.64
14	Bhadson	162.48	229.80	197.24	162.48	229.80	197.24
	Total	775.9	1020.81	956.91	775.9	1020.81	951.42
	G.Total	2049.21	2662.59	2289.18	2049.21	2662.59	2283.69

An amount of **Rs. 504.37 crore** is outstanding as cane price arrears against the different sugar mills for the current crushing season 2019-20 (as on 15.02.2020) and the payment is being made to the farmers by the concerned sugar mill as the crushing operations is at full swing. The



sugar mill-wise details of cane purchased, cane price paid and balance (as on 15.02.2020) are as under: -

(Amount in Rs. crore)

Sr.No.	Name of the mill	Cane purchased (in lac qtl.)	Total cane price due	Paid	Balance
<b>Cooperative Sector</b>					
1	Panipat	14.65	49.78	27.69	22.08
2	Rohtak	24.19	82.14	36.59	45.55
3	Karnal	18.18	61.81	31.21	30.60
4	Sonipat	14.47	49.16	23.35	25.81
5	Shahabad	35.57	120.90	64.90	56.00
6	Jind	14.16	48.09	32.29	15.80
7	Palwal	7.45	25.33	7.90	17.43
8	Meham	18.35	62.39	27.50	34.89
9	Kaithal	20.96	71.23	41.83	29.41
10	Gohana	17.38	59.06	37.16	21.90
11	Assandh	17.56	59.54	32.84	26.70
<b>Total</b>		<b>202.92</b>	<b>689.43</b>	<b>363.26</b>	<b>326.17</b>
<b>Private Sector</b>					
12	Yamunanagar	78.14	265.65	196.80	68.85
13	Naraingarh	32.95	110.45	62.88	47.57
14	Bhadson	39.35	133.74	71.96	61.78
<b>Total</b>		<b>150.44</b>	<b>509.84</b>	<b>331.64</b>	<b>178.20</b>
<b>G.Total</b>		<b>353.36</b>	<b>1199.27</b>	<b>694.90</b>	<b>504.37</b>

#### **Financial Assistance provided by the State Government**

The State Government has provided financial assistance in the form of loan and subsidy to the cooperative and private sugar mills both for making cane price payment to the farmers on certain terms and conditions. The financial assistance in terms of loan provided during the last five year is as under:-

(Amount in Rs. crore)

Sr. No.	Name of the sugar mill	Amount of loan provided				
		2014-15	2015-16	2016-17	2017-18	2018-19
1	Cooperative Sugar mills	190	646	252	510	350
2	Saraswati Sugar Mills, Yamunanagar	100	40.05	Nil	Nil	Nil
3	Naraingarh Sugar Mills, Naraingarh	34.10	11.11	Nil	Nil	60.00
4	Piccadily Agro Industries Ltd., Bhadson	30.825	10.796	Nil	Nil	Nil
<b>Total</b>		<b>354.925</b>	<b>707.956</b>	<b>252</b>	<b>510</b>	<b>410</b>

#### **Note:-**

1. The Narangarh Sugar Mill, Naraingarh was provided a loan of Rs. 34.10 Crore for the crushing season 2014-15 on Govt. guarantee after approval from the Council of Ministers, meeting held on 07.10.2015.



2. The said sugar mills was also provided an interest free and unsecured loan of Rs. 11.11 Crore for the Crushing season 2015-16 after approval from the Council of Ministers, meeting held on 28.06.2016.
3. The said sugar mill was provided a loan of Rs. 60.00 Cr. for the crushing season 2018-19 after approval from the Council of Ministers, meeting held on 30.08.2019.

The State Government has also provided subsidy to the sugar mills for the crushing season 2017-18 and 2018-19 to mitigate the difference of State Advised Price (SAP) announced by the State Govt. and Fair and Remunerative Price (FRP) announced by the Central Government for timely payment of the sugarcane farmers. The detail of the subsidy provided for the said seasons are as under:-

(Amount in Rs. crore)				
Sr. No.	Name of the sugar mill	Amount of Subsidy provided		
		2017-18 (subsidy @ Rs. 16/- per qtl.)	2018-19	2019-20
1	Cooperative Sugar mills	72.84	104.34	-
2	Saraswati Sugar Mills, Yamunanagar	28.315	35.69	-
3	Naraingarh Sugar Mills, Naraingarh	11.15	18.03	2.96
4	Piccadily Agro Industries Ltd., Bhadson	10.696	16.66	-
5	Hafed sugar mill, Assandh (Governed by Hafed)	-	-	1.093
	<b>Total</b>	<b>123.001</b>	<b>174.72</b>	<b>4.053</b>

- Note:- 1. The subsidy amount to be provided to the Cooperative sugar mills and the Private sugar mills namely Saraswati sugar mill, Yamunanagar and Piccadily Agro Industries Ltd., Bhadson for the current crushing season 2019-20 is under process.
2. The subsidy amount to be provided to Hafed sugar mill, Assandh (Governed by Hafed) for the last crushing season 2018-19 is under process.

The Naraingarh Sugar mill failed to repay the loan amount provided for the crushing seasons 2014-15, 2015-16 and 2018-19 as per terms and conditions of the Govt. However, Govt. have taken many measures to ensure the timely payment of the sugarcane farmers and repayment of the loans given to the said sugar mill.

1. The Cane Commissioner has issued Recovery Certificate on 12.07.2019 to Deputy Commissioner, Ambala to recover the outstanding cane price arrear from the said sugar mill as if it were arrears of land revenue, exercising the power vested under Rule 18 (vi) of the Haryana Sugarcane (Regulation of Purchase and Supply) Rule, 1993.
2. The State Govt. has appointed Deputy Commissioner, Ambala and Managing Director, HARCO Bank, Chandigarh as Chairman and Director (Finance) respectively of the said sugar mill for smooth running of the mill.
3. Managing Director, HARCO Bank has been directed to assess comprehensively the long term prospectus for continuance of the Naraingarh Sugar mill and possibilities of financial revival.
4. Haryana Electricity Regulatory Commission (HERC) has granted a 'must run' status to the said sugar mill for one year on trial basis and as such the State Government has allowed the Naraingarh sugar mill, Naraingarh to run its co-generation power plant (25 MW) during the off season as well.



5. A committee under the chairmanship of Managing Director, HARCO Bank has been constituted to assess the valuation of the assets available with the said sugar mill and its liabilities.
6. The State Govt. has deputed the Managing Director, HARCO Bank-cum- Director (Finance), Narainagr sugar mill, Naraingarh to conduct a forensic audit into the sale of sugar by the Narainagr sugar mill, Naraingarh and other activities in the last one year.
7. The revenue generated from the sale of sugar, molasses, power etc. is being used to clear the cane price arrears of the sugarcane farmers and for other operational expenses of the sugar mill after getting prior approval from the Deputy Commissioner, Ambala.

### **Sugar Industries In The State**

The details of the Sugar Mills set up in Haryana alongwith capacity and name of the places are as under: -

Sr. No	Name of the Mills	Place	Capacity (in TCD)
<b>Cooperative Sugar Mills</b>			
1.	Panipat Coop. Sugar Mills Ltd.	Panipat	1800
2.	The Haryana Coop. Sugar Mills Ltd.	Rohtak	3500
3	Karnal Coop. Sugar Mills Ltd.	Karnal	2200
4.	Sonipat Coop. Sugar Mills Ltd.	Sonipat	2200
5.	Shahabad Coop. Sugar Mills Ltd.	Shahabad	5000
6.	Jind Coop. Sugar Mills Ltd.	Jind	1600
7.	Palwal Coop. Sugar Mills Ltd.	Palwal	1900
8.	Meham Coop. Sugar Mills Ltd.	Meham	2500
9.	Kaithal Coop. Sugar Mills Ltd.	Kaithal	2500
10.	Ch. Devi Lal Coop. Sugar Mills Ltd.	Gohana	2500
11.	Hafed Sugar Mills	Assandh	2500
<b>Private Sugar Mills</b>			
12	Saraswati Sugar Mills	Y.Nagar	10000
13	Piccadilly Sugar Mills	Bhadson	5000
14	Naraingarh Sugar Mills	Naraingarh	4000
<b>Total</b>			<b>47200</b>

### **Area under sugarcane**

The details regarding the area, production and productivity of sugarcane during the last five years and current year are as under: -

Sr. No.	Year	Area (Lakh hectare)	Productivity (Qtls./hectare)	Production (Lakh Qtls.)
1	2014-15	0.97	739.07	716.9
2	2015-16	0.93	751.83	699.2
3	2016-17	1.02	806.14	822.3
4	2017-18	1.14	844.99	963.3
5	2018-19	1.09	782.43	850.5
6	2019-20 (Target)	1.17	806.45	948.4



### **Cane Crushing and sugar production**

The details regarding quantity of cane crushed, sugar produced and the average sugar recovery percentage in the State for the last five seasons are as under:-

Sr. No.	Season	Quantity of cane crushed	Quantity of sugar produced	(Quantity in lakh qtls.)
				Average Sugar recovery percentage(%)
1	2014-15	579.44	57.58	9.94
2	2015-16	512.01	53.88	10.52
3	2016-17	645.18	66.43	10.30
4	2017-18	812.35	84.39	10.39
5	2018-19	677.38	70.20	10.36

A total quantity of 700 lac qtl. sugarcane has been allotted to different sugar mills for crushing during the current crushing season 2019-20. Out of which, 366.79 lac qtl. sugarcane has been crushed and 36.51 lac qtl. sugar has been produced with the average sugar recovery percentage of 9.95% during the current crushing season 2019-20 (as on 18.02.2020). A statement showing sugar mill wise quantity of cane crushed, sugar produced and sugar recovery percentage for the season 2019-20 as on 18.02.2020 is annexed as Annexure-A.

### **Average sale rate of sugar in the State:-**

The sugar mill wise average sale rate of sugar of different sugar mills of last three years are as under:-

Sr. No.	Name of sugar mills	Average sale rate of sugar (in Rs. per qtl.)			
		2016-17	2017-18	2018-19	2019-20 (upto Jan. 2020)
1	Panipat	3549.91	3523.87	3105.78	3263.49
2	Rohtak	3521.86	3510.48	3034.79	3237.99
3	Karnal	3533.35	3537.22	3050.38	3245.01
4	Sonipat	3592.59	3550.52	3077.80	3236.02
5	Shahabad	3557.62	3553.95	3070.44	3267.21
6	Jind	3521.99	3536.01	3065.37	3262.22
7	Palwal	3537.08	3540.34	3081.82	3164.78
8	Meham	3516.86	3514.83	3037.51	3226.66
9	Kaithal	3537.38	3548.57	3055.89	3269.09
10	Gohana	3518.30	3515.02	3093.23	3241.17
11	Assandh	3543.71	3649.20	3032.42	3217.49
12	Y.Nagar	3515.80	3585.92	3080.43	3229.73
13	Bhadson	3540.35	3465.37	3092.56	3249.98
14	N.garh	3538.98	3450.85	3069.07	3133.11
	Avg.	3537.56	3534.44	3067.68	3231.72

### **Average Sales Realization of Molasses (Rs. per qtl.)**

Mills	2014-15	2015-16	2016-17	2017-18	2018-19
Panipat	529.06	410.47	676.74	335.42	240.39
Rohtak	559.19	421.61	625.82	433.36	191.15



Karnal	589.56	356.30	565.65	372.47	518.38
Sonipat	581.89	384.56	628.08	466.68	186.50
Shahabad	544.86	361.16	550.63	420.86	194.69
Jind	673.15	315.85	570.34	492.58	219.64
Palwal	662.89	411.95	593.28	485.88	225.83
Meham	631.32	380.10	613.05	361.38	197.76
Kaithal	558.44	368.69	544.99	427.71	231.97
Gohana	541.25	407.6	574.96	371.54	227.44
Assandh	511.09	440.44	594.94	425.08	194.99
Yamunanagar	432.56	342.31	524.06	195.64	251.59
Bhadson	574.81	422.54	608.17	556.35	499.29
Naraingarh	526.18	331.56	485.07	400.79	172.47

**Average Sales Realization of Bagasse (Rs. per qtl.)**

Mills	2014-15	2015-16	2016-17	2017-18	2018-19
Panipat	Nil	Nil	Nil	Nil	Nil
Rohtak	Nil	Nil	Nil	Nil	139.88
Karnal	179.63	180.65	182.00	158.00	158.00
Sonipat	176.94	205.28	199.11	152.39	176.47
Shahabad	209.64	184.59	Nil	Nil	Nil
Jind	213.15	218.19	210.00	145.95	149.15
Palwal	172.75	198.05	194	156.45	137.08
Meham	158.07	205.00	197.78	119.00	127.50
Kaithal	185.59	209.35	190.00	170.35	157.92
Gohana	172.92	Nil	Nil	136.62	138.37
Assandh	215.00	180.00	196.50	122.33	144.00
Yamunanagar	201.61	192.65	235.65	177.50	184.69
Bhadson	167.77	184.20	225.02	130.82	164.84
Naraingarh	201.19	206.97	190.11	200.00	Nil

**Note:-** The word “Nil” as mentioned above indicate that the concerned sugar mills have not sold any quantity of Bagasse in the respective months.

**Power Sold**

The details of power sold by the Sugar Mills during the season 2018-19 and 2019-20 (as on 10.2.2020) are as under: -

Sr. No	Name of Sugar Mills	2018-19 (till 10.02.2019)		2019-20 (till 10.02.2020)	
		Units sold (in crore)	Value (Rs. in crore)	Units sold (in crore)	Value (Rs. in crore)
Cooperative Sector					
1.	Rohtak	1.45	5.86	1.02	4.12
2.	Shahabad	2.28	9.21	2.20	8.89
3.	Gohana	0.08	0.32	0.10	0.40



4.	Assandh	0.18	0.73	0.13	0.53
	<b>Total:</b>	<b>3.99</b>	<b>16.12</b>	<b>3.45</b>	<b>13.94</b>
<b>Private Sector</b>					
5	Naraingarh	4.77	30.19	1.75	10.77

**Note:- A “Must Run” status has been granted to Naraingarh sugar mill, Naraingarh for one year on trial basis and as such, the said mill is allowed to run its co-generation power plant during the off season also.**

#### **Information regarding capacity enhancement of Sugar Mills.**

##### **Cooperative Sector:-**

For the purpose of improving the financial health and economic viability of the Cooperative Sugar Mills, following steps have been taken by the State Govt.:-

- i. The crushing capacity of Sonapat Sugar Mills has been enhanced from 1600 TCD to 2200 TCD during 2018-19 within an investment of Rs.20.00 crore, which after initial teething problems now running successfully at desired crush rate.
- ii. The Cooperative sugar mills Palwal has completed 1<sup>st</sup> phase capacity enhancement from 1600 TCD to 1900 TCD in the month of Dec., 2019 and 2<sup>nd</sup> Phase Capacity enhancement from 1900TCD to 2200 TCD will be completed by the month of Oct., 2020.
- iii. It has been decided to set up a new Sugar Mills of 5000 TCD (expandable to 7500 TCD) at village Dahar in Panipat District at a cost of Rs.356.00 crore. The work has already been started and it is expected that this new Mills will start crushing during next season 2020-21. This new plant shall also have Cogeneration plant of 28 MW on the pattern of Shahabad and Rohtak Sugar Mills which are earning revenue of Rs.18.61 crores and Rs.10.21 crores respectively during the year 2018-19 from the cogen plant of 24 MW (Shahabad) and 14 MW (Rohtak).
- iv. Similarly, setting up of a new project of 3500 TCD (expandable to 5000 TCD) with cogeneration of 18 MW alongwith sugar refinery at existing site of Karnal Sugar Mills is under process. The cost of this project is Rs.263.00 crores. The work has already started and it will be operational by November, 2020.
- v. An ethanol project of 60 KLPD is being set up at Shahabad Coop. Sugar Mills at a cost of Rs.99.00 crores for which tenders has already been awarded and the project will likely be completed by Feb.,2021.
- vi. The cooperative sugar mill, Rohtak is having Co-generation (Power) of 16MW and there is a plan for establishment of 60 KLPD ethanol Plant in the said sugar mills.
- vii. The work to enhance crushing capacity of cooperative sugar mills, Kaithal from 2500 TCD to 3500 TCD alongwith installation of a ethanol plant of 50 KLDP and incidental cogeneration on the basis of cost benefit analysis is under consideration. The DPR preparation work with national federation is under progress.
- viii. Efforts are being made to achieve better sugar sales realization by putting in place a transparent on-line mechanism for sale of sugar and from refined sugar (sulphur free), by making attractive and convenient packaging and better sales strategy.



- ix. The Hafed Sugar Millm Assandh has prepared DPR for extension of crushing capacity from 2500 TCD to 3500 TCD and is under consideration. This mills is having co-generation (power) of 6MW capacity.

**Private Sector:-**

- Naraingarh is having cogeneration power plant of 25 MW per hour capacity and is running at its full capacity.
- Piccadily Agro Industries Ltd., Bhadson (Pvt. Sector) is planning to increase its crushing capacity from 5000 TCD to 5500 TCD. The mill is having a cogeneration plant of 3 MW.

**Sugarcane Price**

The State Government fixes the State Advised Price (SAP) of sugarcane every year which is to be paid by the sugar mills to the sugarcane farmers. The State Advised Price (SAP) fixed for the season 2014-15 to 2019-20 is given below:-

Crushing season	Variety-wise Cane price (in Rs. per qtl.)		
	Early	Mid	Late
2014-15	310	305	300
2015-16	310	305	300
2016-17	320	315	310
2017-18	330	325	320
2018-19	340	335 (other varieties)	
2019-20	340	335 (other varieties)	

**Note:**

The State Advised price (SAP) announced by the State Government is the Highest in the Country.

**Provision for Payment as per Act:-**

As per provision of Section 15(A) of the Punjab Sugarcane (Regulation of Purchase & Supply) Act, 1953, a Sugar Mills is liable to pay the price of cane as soon as the sugarcane is supplied to the Sugar Mills. In case the Sugar Mills makes default in payment of price for a period exceeding 14 days from the date of supply of sugarcane to Sugar Mills, the Sugar Mills is liable to pay interest thereon at such rate, not exceeding 15% per annum, as the State Govt. may, by notification, determined from the said date. The present such rate fixed by the State Govt. is 15% per annum.

The State Government is regularly monitoring the status of cane price arrears outstanding against the sugar mills. The Govt. will take all possible steps required to ensure timely payment to the farmers for the cane supplied to sugar mills in the State. All sugar mills have been directed to clear the cane price arrears without any delay.

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STATEMENT SHOWING QUANTITY OF CANE CRUSHED, SUGAR PRODUCED AND RECOVERY % OF  
DIFFERENT SUGAR MILLS DURING THE SEASON 2019-20 as on 18.02.2020

Sr. No.	Name of Mill	Date of Start		Quantity of Cane Crushed		Quantity of Sugar Produced		Recovery %		(Quantity in Lakh quintals)	
		2018-19	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19	To Date	2019-20	To Date
Coop. Sector											
1.	Panipat	21-11-2018	19.11.2019	13.77	15.16	1.34050	1.44550	10.45	9.96	10.40	9.81
2.	Rohtak	15-11-2018	04.12.2019	30.79	25.24	2.77700	2.29850	10.00	9.32	10.20	9.43
3.	Karnal	13-11-2018	19.11.2019	19.60	18.72	1.86440	1.83350	10.50	9.80	10.67	10.07
4.	Sonipat	05-12-2018	21.11.2019	9.96	15.05	0.91400	1.31150	10.40	9.82	10.10	9.16
5.	Shahabad	20-11-2018	27.11.2019	38.51	37.04	3.78400	3.72900	10.90	10.04	11.02	10.31
6.	Jind	13-11-2018	22.11.2019	16.13	14.64	1.56525	1.37130	10.90	9.84	10.23	9.65
7.	Palwal	16-11-2018	14.12.2019	14.33	7.98	1.38930	0.71985	10.20	9.95	11.00	9.56
8.	Meham	14-11-2018	28.11.2019	20.72	19.00	1.81500	1.71600	9.75	9.00	10.00	9.32
9.	Kaithal	17-11-2018	21.11.2019	23.27	21.67	2.23340	2.04150	10.30	9.80	10.15	9.70
10.	Gohana	4-12-2018	05.12.2019	18.52	18.12	1.71790	1.67890	10.80	9.51	10.25	9.60
11	Assandh	12-11-2018	30.11.2019	23.02	18.05	2.10600	1.68400	10.25	9.54	10.33	9.76
	Total			228.62	210.67	21.50675	19.82955	10.36	9.41	10.39	9.41
Private Sector											
12.	Yamunanagar	20.11.2018	26.11.2019	87.75	81.12	9.45840	9.07900	11.30	10.93	11.93	11.31
13.	Bhadson	03.12.2018	22.11.2019	30.43	40.80	2.63530	4.19620	9.20	10.32	11.20	10.44
14.	Naraingarh	10.11.2018	12.11.2019	39.85	34.20	4.03910	3.40795	10.45	10.27	10.72	10.15
	Total			158.03	156.12	16.13280	16.68315	10.32	10.21	11.28	10.69
	G. Total			386.65	366.79	37.63955	36.51270	10.34	9.73	10.84	9.95

**Note:- Piccadily Agro Industry Ltd., Bhadson has utilized 1.5 percent sugar recovery for ethanol production in last season 2018-19.**