

A.C.C.

[As amended upto 29.11.2000]

PUBLISHED IN THE GAZETTE OF INDIA EXTRAORDINARY PART II,
SECTION 3, SUB-SECTION(I)

Ministry of Agriculture & Irrigation
(Department of Food)

ORDER

New Delhi, the 16th July, 1966
25th Asadha, 1888.

G.S.R. 1126/Ess.Com./Sugarcane.- In exercise of the powers conferred by Section 3 of the Essential Commodities Act, 1955 (10 of 1955), the Central Government hereby makes the following Order, namely:

1. **Short title, extent and commencement.**- (1) This Order may be called the Sugarcane (Control) Order, 1966.
 - (2) It extends to the whole of India (*except the State of Jammu & Kashmir).
 - (3) It shall come into force at once.
2. **Definitions.**- In this Order, unless the context otherwise requires:-
 - (a) 'crusher' means a crusher drawn by bullock or any other animal and engaged or ordinarily engaged in the crushing of sugarcane and includes any equipment for manufacturing gul, shakkar, gur, jaggery, rab or khandsari sugar,
 - (b) 'co-operative society' means a co-operative society registered under the Co-operative Societies Act, 1912 (2 of 1912), or under any other law for the time being in force relating to co-operative societies;
 - (c) 'factory' means any premises including the precincts thereof in any part of which sugar is manufactured by vacuum pan process;
 - (d) "khandsari sugar" means sugar produced by open pan process;
 - (e) "khandsari unit" means a unit engaged or ordinarily engaged in the manufacture of khandsari sugar from sugarcane juice or rab;
 - (f) "power crusher" means a crusher working with the aid of diesel, electrical or steam power and engaged or ordinarily engaged in crushing sugarcane and extracting juice therefrom for the manufacture of gur, shakkar, gul, jaggery, rab or khandsari sugar;

*deleted vide G.S.R.No. 620/Ess. Com./Sugarcane dated 8.4.1970

*(g) 'price' means the price or the minimum price fixed by the Central Government from time to time for sugarcane delivered

(i) to a sugar factory at the gate of the factory or at a sugarcane purchasing centre; or

(ii) to a khandsari unit;

(h) 'producer of khandsari sugar' means a person carrying on the business of manufacturing sugar by open pan process;

(i) 'producer of sugar' means a person carrying on the business of manufacturing sugar by vacuum pan process;

(j) 'reserved area' means any area where sugarcane is grown and reserved for a factory under sub-clause (1)(a) of Clause 6;

(k) 'year' means the year commencing on the first day of July and ending with the thirtieth day of June in the year next following.

3. **Minimum price of sugarcane payable by producer of sugar.-**

(1) The Central Government may, after consultation with such authorities, bodies or associations as it may deem fit, by notification in the Official Gazette, from time to time, fix the minimum price of sugarcane to be paid by producers of sugar or their agents for the sugarcane purchased by them, having regard to -

(a) the cost of production of sugarcane;

(b) the return to the grower from alternative crops and the general trend of prices of agricultural commodities;

(c) the availability of sugar to the consumer at a fair price;

(d) the price at which sugar produced from sugarcane is sold by producers of sugar; and

(e) the recovery of sugar from sugarcane;

** Provided that the Central Government or with the approval of the Central Government, the State Government may, in such circumstances and subject to such conditions as specified in Clause(3-A), allow a suitable rebate in the price so fixed.

* substituted vide G.S.R. 35/Ess.Com./Sugarcane dated 5.1.1967

** Substituted vide G.S.R. 427(E)/Ess.Com./Sugarcane, dated 3.7.1981

Explanation.-Different prices may be fixed for different areas or different qualities or varieties of sugarcane.

(2) No person shall sell or agree to sell sugarcane to a producer of sugar or his agent, and no such producer or agent shall purchase or agree to purchase sugarcane, at a price lower than that fixed under sub-clause (1).

*(3) Where a producer of sugar purchases any sugarcane from a grower of sugarcane or from a sugarcane growers' cooperative society, the producer shall, unless there is an agreement in writing to the contrary between the parties, pay within fourteen days from the date of delivery of the sugarcane to the seller or tender to him the price of the cane sold at the rate agreed to between the producer and the sugarcane grower or sugarcane growers' cooperative society or that fixed under sub-clause (1), as the case may be, either at the gate of the factory or at the cane collection centre or transfer or deposit the necessary amount in the bank account of the seller or the cooperative society, as the case may be.

^(3A) Where a producer of sugar or his agent fails to make payment for the sugarcane purchased within 14 days of the date of delivery, he shall pay interest on the amount due at the rate of 15 per cent per annum for the period of such delay beyond 14 days. Where payment of interest on delayed payment is made to a cane growers society, the society shall pass on the interest to the cane growers concerned after deducting administrative charges, if any, permitted by the rules of the said society.

(4) Where sugarcane is purchased through an agent, the producer or the agent shall pay or tender payment of such price within the period and in the manner aforesaid and if neither of them has so paid or tendered payment, each of them shall be deemed to have contravened the provisions of this clause.

(5) At the time of payment at the gate of the factory or at the cane collection centre, receipts, if any, given by the purchaser shall be surrendered by the cane grower or cooperative society.

(6) Where payment has been made by transfer or deposit of the amount to the Bank account of the seller or the cooperative society, as the case may be; the receipt given by the purchaser, if any, to the grower, or the cooperative society, if not returned to the purchaser, shall become invalid.

* Substituted vide G.S.R. 945/Ess.Com./Sugarcane, dated 18.5.1968

^ Inserted vide G.S.R. 62(E)/Ess.Com./Sugarcane, dated 2.2.1978

* (7) In case, the price of the sugarcane remains unpaid on the last day of the sugar year in which cane supply was made to the factory on account of the suppliers of cane not coming forward with their claims therefor, it shall be deposited by the producer of sugar with the Collector of the district in which the factory is situated, within three months of the close of the sugar year. The Collector shall pay, out of the amount so deposited, all claims, considered payable by him and preferred before him within three years of the close of the sugar year in which the cane was supplied to the factory. The amount still remaining undisbursed with the Collector, after meeting the claims from the suppliers, shall be credited by him to the Consolidated Fund of the State, immediately after the expiry of the time limit of 3 years within which claims therefor could be preferred by the suppliers. The State Government shall, as far as possible, utilise such amounts, for development of sugarcane in the State.

^ (8) Where any producer of sugar or his agent has defaulted in furnishing information under clause 9 of this Order or has defaulted in paying the whole or any part of the price of sugarcane to a grower of sugarcane or a sugarcane growers' co-operative society within fourteen days from the date of delivery of sugarcane, or where there is an agreement in writing between the parties for payment of price within a specified time and any producer or his agent has defaulted in making payment within the agreed time specified therein, the Central Government or an officer authorized by the Central Government in this behalf or the State Government or an officer authorized by the State Government in this behalf may either on the basis of information made available by the producer of sugar or his agent or on the basis of claims, if any, made to it or him regarding non-payment of prices or arrears thereof, by the concerned grower of sugarcane or the sugarcane growers' cooperative society, as the case may be, or on the basis of such enquiry that it or he deems fit, shall forward to the Collector of the district in which the factory is located, a certificate specifying the amount of price of sugarcane and interest due thereon from the producer of sugar or his agent for its recovery as arrears of land revenue.

^ (9) The Collector, on receipt of such certificate, shall proceed to recover from such producer of sugar or his agent the amount specified therein as if it were arrears of land revenue.

^ (10) After effecting the recovery, the Collector shall intimate to the concerned growers of the sugarcane or the concerned sugarcane growers' co-operative societies through a public notice to submit their claims in such a manner as he considers appropriate within thirty days:

Provided that the Collector may, for the reasons to be recorded in writing, allow the submission of claims after the period so specified if he is satisfied that there was sufficient cause for not submitting such claim earlier.

* inserted vide G.S.R.62(E)/Ess.Com./Sugarcane, dated 2.2.1978

^ inserted vide G.S.R.903/Ess.Com./Sugarcane, dated 29.11.2000.

^ (11) If the amount recovered is less than the amount specified in the certificate under sub-clause (8), the Collector shall distribute the amount so recovered among the concerned growers of the sugarcane or the concerned sugarcane growers cooperatives in proportion to the ratio determined by the Collector on the basis of the sugarcane supplied by the concerned growers of sugarcane or the sugarcane growers' cooperative society, as the case may be.

^ (12) If the amount recovered and distributed under sub-clause (11) is less than the amount specified in the certificate under sub-clause (8), the Collector shall proceed to recover the remaining amount, as if it were arrears of land revenue till the full amount is recovered and distributed to satisfy the remaining claims.

^ (13) If the amount is given to the concerned sugarcane growers co-operative societies, it shall distribute the amount through cheque/draft/or any other recognized banking instrument on any Scheduled Bank to the concerned sugarcane growers within ten days of the receipt of the amount from the Collector.

^ (14) If the concerned sugarcane grower or the concerned sugarcane growers co-operative society do not come forward to claim or collect the amount so recovered by the Collector within three years from the date of the public notice referred to in sub-clause (10), the unclaimed amount shall be deposited by the Collector in the Consolidated Fund of the State.

@3A. Rebate that can be deducted from the price paid for sugarcane.

A producer of sugar or his agent shall pay, for the sugarcane purchased by him, to the sugarcane grower or the sugarcane growers' cooperative society, either the minimum price of sugarcane fixed under clause 3, or the price agreed to between the producer or his agent and the sugarcane grower or the sugarcane growers cooperative society, as the case may be (hereinafter referred to as the agreed price);

Provided that :

(i) in the case of sugarcane delivered at any purchasing centre:-

(a) if the sugarcane is transported to the factory by the owner by rail, a rebate of thirty-two paise per quintal shall be made from the minimum price or the agreed price, as the case may be, or

@ Inserted vide G.S.R.815(E)/Ess.Com./Sugarcane, dated 24.9.1976

^ Inserted vide G.S.R.903/Ess.Com./Sugarcane, dated 29.11.2000

- (b) if the sugarcane is transported to the factory by road by the owner on his own transport, a rebate not exceeding 2.5 paise (two and a half paise) per quintal, per kilometre subject to a maximum of thirty-two paise per quintal, shall be made from the minimum price or the agreed price, as the case may be, subject to the condition that a certificate regarding the actual distance from the purchasing centre concerned to the factory and the rate per kilometre applicable in that case on the basis of which the rebate is charged, is obtained from the Central Government, or the State Government, or the Director of Agriculture, or the Cane Commissioner, or the District Magistrate, within their respective jurisdiction.

Explanation - For the purpose of clause (b), the distance of less than half a kilometre shall be ignored while a distance of half or more than half kilometre, shall be counted as one kilometre.

- *(ii) the Central Government or the State Government, or the Director of Agriculture, or the Cane Commissioner, or the District Magistrate may allow suitable rebate in the minimum price or the agreed price, as the case may be, for burnt cane or stale cane or dried cane or rejected varieties of cane supplied to factories within their respective jurisdiction, subject to the condition that the rebate so allowed does not exceed the reduction in price on account of the estimated shortfall in the recovery of sugar from burnt cane or stale cane or dried cane or rejected varieties of cane;

- (iii) where the sugarcane is brought bound in bundles and weighted as such, the Central Government, or with the approval of the Central Government, the State Government or the Director of Agriculture, or the Cane Commissioner, or the District Magistrate, within their respective jurisdiction may allow a suitable rebate in regard to the weight of the binding material not exceeding 1.000 kilograms per quintal of sugarcane; and

- ** (iv) The Central Government or the State Government or the Director of Agriculture or the Cane Commissioner or the District Magistrate may allow suitable rebate in the minimum price or the agreed price, as the case may be when the cane is supplied ex-field to sugar factories within their respective jurisdiction subject to the condition that the rebate so allowed shall not exceed the estimated expenditure on harvesting.

7

4. **Minimum price of sugarcane payable by producers of khandsari sugar -**

The Central Government or a State Government, with the concurrence of the Central Government, may, by notification in the Official Gazette, from time to time, fix the minimum price or the price of sugarcane to be paid by producers of khandsari sugar or their agents for the sugarcane purchased by them.

Provided that the minimum price or the price of sugarcane so fixed shall not exceed the minimum price of sugarcane fixed for payment by producers of sugar in the region.

Provided further that, no person shall sell or agree to sell sugarcane to a producer of khandsari sugar or his agent, and no such producer or his agent shall purchase or agree to purchase sugarcane, at a price lower than that fixed under clause 4.

* Provided also that the Central Government or with the approval of the Central Government, the State Government, may in such circumstances and subject to such conditions as specified in clause 4A allow a suitable rebate in the price so fixed.

****4A. Rebate that can be deducted from the price paid for sugarcane by producers of khandsari sugar:-**

A producer of khandsari sugar or his agent shall pay, for the sugarcane purchased by him, to the sugarcane grower or the sugarcane growers' cooperative society, either the minimum price of sugarcane fixed under clause 4, or the price agreed to between the producer or his agent and the sugarcane grower or the sugarcane growers' cooperative society, as the case may be (hereinafter referred to as the agreed price) :

Provided that -

(i) In the case of sugarcane delivered at any purchase centre, -

(a) if the sugarcane is transported to the khandsari unit by the producer of khandsari sugar by rail, a rebate of thirty-two paise per quintal shall be made from the minimum price or the agreed price, as the case may be; or

* Substituted vide notification No. GSR. 427(E)/Ess.Com./Sugarcane dated 3.7.1981

** Inserted vide notification No. GSR 197(E)/Ess.Com./Sugarcane dated 20.3.1978

- (b) if the sugarcane is transported to the khandsari unit by road by the producer of khandsari sugar in his own transport, a rebate, not exceeding 2.5 paise (two and half paise) per quintal, per kilometre, subject to a maximum of thirty-two paise per quintal, shall be made from the minimum price or the agreed price, as the case may be, subject to the condition that a certificate regarding actual distance from the purchasing centre concerned to the khandsari unit and the rate per kilometre applicable in that case, on the basis of which the rebate is charged, is obtained from the Central Government or the State Government or the Director of Agriculture or the Cane Commissioner or the District Magistrate within their respective jurisdiction.

Explanation: For the purpose of clause (b) the distance of less than half a kilometre shall be ignored while a distance of half or more than half a kilometre, shall be counted as one kilometre;

- ii) the Central Government or the State Government or the Director of Agriculture or the Cane Commissioner or the District Magistrate may allow a suitable rebate in the minimum price or the agreed price, as the case may be, for burnt cane or stale cane, or dried cane or rejected varieties of cane supplied to khandsari units within their respective jurisdiction, subject to the condition that the rebate so allowed does not exceed the reduction in price on account of the estimated shortfall in the recovery of khandsari sugar from burnt cane or stale cane or dried cane or rejected varieties of cane;

- iii) where the sugarcane is brought bound in bundles and weighed as such, the Central Government or, with the approval of the Central Government, the State Government or the Director of Agriculture or the Cane Commissioner or the District Magistrate within their respective jurisdiction, may allow a suitable rebate in regard to the weight of the binding material not exceeding 1.000 kilogram* per quintal of sugarcane; and

- \$ iv) the Central Government or the State Government or the Director of Agriculture or the Cane Commissioner or the District Magistrate may allow a suitable rebate in the minimum price or the agreed price as the case may be, when cane is supplied ex-field to khandsari units within their respective jurisdiction subject to the condition that the rebate so allowed shall not exceed the estimated expenditure on harvesting.

^ amended vide Notification No. G.S.R. 427(E)/Ess.Com./Sugarcane, dated 3.7.1981

* Modified vide Notification G.S.R. 695(E)/Ess.Com./Sugarcane, dated 9.9.1983

\$ Substituted vide Notification G.S.R. 427(E)/Ess.Com./Sugarcane, dated 3.7.1981

5. **Additional price for sugarcane purchased:**

(1) Where a producer of sugar or his agent purchases any sugarcane from a grower of sugarcane or a growers' cooperative society during each of the four successive years beginning on the 1st day of November, 1958, the producer shall, in addition to the minimum price of sugarcane fixed under sub-clause (1) of clause 3, pay to the grower or the cooperative society, as the case may be, an additional price, if found due, in accordance with the provisions of the Schedule hereto annexed.

(2) Nothing in sub-clause (1) shall apply to the purchase of sugarcane:-

(a) where such sugarcane is used for the production of sugar in a newly established factory until the expiry of three years commencing from the year in which the factory is so established;

(b) where the purchase is made by a producer of sugar, which is a cooperative society, from the member of that cooperative society.

(3) If the Central Government is satisfied that during any year a factory has made no profit or has made inadequate profit, that Government may by order in writing, exempt either wholly or partially, any producer of sugar from payment of the additional price due from him under sub-clause (1) in respect of sugarcane purchased for that factory during that year.

(4) the Central Government may appoint any person or authority as it thinks fit for the purpose of determining the additional price due from a producer of sugar under sub-clause (1) for each of the successive four years beginning on the 1st day of November, 1958 and when the price is so determined, the person or authority, as the case may be, shall intimate the same in writing to the producer and to the growers' cooperative societies or the local growers' associations, if any, connected with the supply of sugarcane to the factory.

(5)(a) Any producer of sugar or grower of sugarcane or growers' cooperative society who or which feels aggrieved by any decision of the person or authority referred to in sub-clause (4), may, within thirty days from the date of communication of such decision under that sub-clause, appeal to the Central Government:

Provided that the Central Government may, if it is satisfied that the appellant had sufficient cause for not preferring the appeal within the aforesaid period of thirty days, admit the appeal if presented within a further period of fifteen days.

(b) The Central Government may, after giving an opportunity to the appellant to represent his case and after making such further enquiry as may be necessary, pass such order as it thinks fit.

(c) The decision of the officer or authority referred to in sub-clause (4) where no appeal is filed, and of the Central Government where an appeal is filed, shall be, final.

(6) The price determined under sub-clause (4) or sub-clause (5), as the case may be, shall be paid at such time and in such manner as the Central Government may from time to time direct.

(7) Where any payment has been made in accordance with the directions issued by the Central Government under sub-clause (2) of clause 5 as it stood immediately before the commencement of the Sugarcane (Control) Amendment Order, 1962 then, notwithstanding anything contained in the foregoing provisions of this clause, such payment shall be deemed to have been made in lieu of the payment provided for in this clause as if that sub-clause were in force when the directions were issued or payment was made.

****5A**

Additional price for sugarcane purchased on or after 1st October, 1974.

(1) Where a producer of sugar or his agent purchases sugarcane, from a sugarcane grower during such sugar year, he shall, in addition to the minimum sugarcane price fixed under clause 3, pay to the sugarcane grower an additional price, if found due, in accordance with the provisions of the Second Schedule annexed to this Order.

(2) The Central Government or the State Government, as the case may be, may authorise any person or authority, it thinks fit, for the purpose of determining the additional price payable by a producer of sugar under sub-clause (1) and the person or authority, as the case may be, who determines the additional price, shall intimate the same in writing to the producer of sugar and the sugarcane grower connected with the supply of sugarcane to such producer of sugar.

(3) (a) Any producer of sugar or sugarcane grower, who is aggrieved by any decision of the person or authority, referred to in sub-clause (2), may, within thirty days from the date of communication of such decision under that sub-clause, appeal to the Central Government or the State Government, as the case may be.

Provided that the Central Government or the State Government as the case may be, may, if it is satisfied that the appellant had sufficient cause for not preferring the appeal within the aforesaid period of thirty days, admit the appeal if presented within a further period of fifteen days.

(b) The Central Government or the State Government, as the case may be, may, after giving an opportunity to the appellant to represent his case and after making such further enquiry as may be necessary, pass such order as it thinks fit.

**** Added by G.S.R. 402(E)/Ess.Com./Sugarcane, dated 25.6.1974.**

(c) The decision of the person or authority referred in sub-clause (2) where no appeal is filed, and of the Central Government or State Government, as the case may be, where an appeal is filed, shall be final.

(4) The additional price determined under sub-clause (2)* or sub-clause (3), as the case may be, shall be paid by the producer of sugar to the sugarcane grower, at such time and in such manner as the Central Government or the State Government, as the case may be, may, from time to time, direct.

(5) No additional price determined under sub-clause (2)* or sub-clause (3), as the case may be, shall become payable by a producer of sugar who pays a price higher than the minimum sugarcane price fixed under clause 3 to the sugarcane grower,

Provided that the price so paid shall in no case be less than the total price comprising the minimum sugarcane price fixed under clause 3 and the additional price determined under sub-clause (2) * or sub-clause (3) as the case may be.

(6) Where any extra price is paid by the producer of sugar to the sugarcane grower for the supply of sugarcane in addition to the minimum sugarcane price fixed under clause 3, the extra price so paid shall be adjusted against the additional sugarcane price determined under sub-clause (2) * or sub-clause (3), as the case may be, and the balance, if any, shall be paid to the sugarcane grower.

(7) Subject to the provisions of sub-clause (4), the additional price shall become payable to a sugarcane grower, if he, in performance of his agreement with a producer of sugar, supplies not less than 85% of the sugarcane so agreed.

** Provided that the additional price shall become payable to a sugarcane grower, even when he supplies less than 85% of the sugarcane so agreed, if for the same supply he has not been subjected to any penalty by or under any Central or State Act or any rules or orders made thereunder for his failure to supply 85% of sugarcane so agreed.

(8) Where the additional price determined under sub-clause (2) or sub-clause (3), as the case may be is paid to a sugarcane growers' cooperative society or the local sugarcane growers' association of whatever name it may be called, it shall disburse the said additional

* amended vide Corrigendum No. G.S.R./799(E)/Ess.Com./Sugarcane dated 13.9.1976.

** Added by G.S.R.492(E)/Ess.Com./Sugarcane dated 12.9.1975.

price to such of its member who has supplied not less than 85% of the agreed sugarcane in performance of his agreement with it, within one month of the receipt of such additional price by it from the producer of sugar.

- (9) The additional price payable but not actually paid in view of sub-clause (7) shall be added to the amount found payable for the following sugar year arrived at as per provisions of the Second Schedule.

- *(10) In case, the additional price determined under sub-clause (2) or sub-clause (3), as the case may be remains unpaid on account of the sugarcane grower not coming forward to claim it, it shall be deposited by the producer of sugar with the Collector of the District in which the factory is situated, within six months of the close of the sugar year. The Collector shall pay, out of the amount so deposited, all claims, considered payable by him and preferred before him within three years of the close of the sugar year in which the sugarcane was supplied to the factory. The amount still remaining undischarged with the Collector, after meeting the claims of the sugarcane growers, shall be credited by him to the Consolidated Fund of the State, immediately after the expiry of the time limit of three years within which claims therefor could have been preferred by the sugarcane growers. The State Government shall, as far as possible, utilise such amounts, for the development of sugarcane in the State.

- @(11) Where any producer of sugar or his agent has defaulted in paying the whole or any part of the additional price of sugarcane within the time specified in this regard by the Central Government or an officer authorized by the Central Government in this behalf or the State Government or an officer authorized by the State Government in this behalf, then such Government or officer may after making such enquiries or calling for such additional information from the producer of sugar or his agent as deems fit, or on the basis of claims of the sugarcane growers, forward to the Collector of the district in which the factory is situated, a certificate specifying the amount of arrears of additional price of sugarcane due from the producer of sugar or his agent for its recovery as arrears of land revenue.

- @(12) The Collector, on receipt of such certificate shall proceed to recover from such producer of sugar or his agent the amount specified therein as if it were arrears of land revenue.

*Added by G.S.R.79(E)/Ess.Com./Sugarcane, dated 24.2.1962

@ Inserted vide G.S.R.No.903/Ess.Com./Sugarcane, dated 29.11.2000