

Uneconomic Cost of Production of Sugar

5570. SHRI BALASAHEB VIKHE PATIL : Will the Minister of FOOD AND CIVIL SUPPLIES be pleased to state :

(a) whether it is a fact that in some of the States during the last eight months the price of free sale sugar was below the levy sugar price and as a result of this many sugar mills surrendered their free sale sugar quota and used the levy sugar price and reaped profit while the people were denied the benefit of the low price;

(b) if so, names of the sugar mills in the country who had indulged in the above practice and the margin of profit they have earned over the sale that they would have been compelled to incur if they had to sell sugar at free price; and

(c) if so; what steps Government contemplate to take to ensure that this is not indulged in the future and the details of the rules/directive framed in this regard for compliance by the sugar mills ?

THE MINISTER OF STATE OF THE MINISTRY OF FOOD AND CIVIL SUPPLIES (SHRI BHAGWAT JHA AZAD) : (a) In the case of certain sugar factories in some of the States the ex-factory realisations from the sale of freesale sugar during the last few months were reported to be lower than the prices fixed for levy sugar. Request was received from some of the factories that their freesale portion out of 1981-82 season's production may be procured by the Government at prices fixed for levy sugar for public distribution. No such request was accepted and each factory has been required to sell and deliver its due freesale quota in open market irrespective of the consideration whether the open market prices are lower or higher than the prices of levy sugar.

(b) In view of above, question does not arise.

(c) In respect of each factory its due entitlement of levy and freesale sugar out of a particular season's production is worked out in accordance with the prescribed percentages. The levy and free sale entitlements so worked out are released separately under the release orders prescribed for levy and freesale sugar. In the case of each factory it is ensured that ultimately its entire freesale portion as released under free sale release orders is sold and delivered in open market while its entire levy portion as released under levy release orders is sold and delivered at controlled prices. These release orders are issued under statutory provisions and any violation thereof is punishable under the Essential Commodities Act, 1955.

Utilisation of Funds from Cane Development Fund and Cess Fund for Expansion of sugar Mills

5571. SHRI BALASAHEB VIKHE PATIL : Will the Minister of FOOD AND CIVIL SUPPLIES be pleased to state :

(a) the total amount of money with the cane development fund and cane cess fund as on 31 December 1982;

(b) whether out of these funds, Government have given any loan or grant to any sugar factory for the purpose of their expansion or setting up new units;

(c) if so, the names of such units and the amounts of loan given to each;

(d) whether Government feel that the utilisation of these funds is being done properly and it has helped in the growth of sugar allied industry particularly in the cooperative and in the rural areas; and

(e) if not, what steps are being