

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

UNSTARRED QUESTION NO:4999  
ANSWERED ON:25.08.2000  
SUGAR COOPERATIVES  
GANTA SRINIVASA RAO

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

- (a) whether sugar cooperatives in different States of the country are facing crisis;
- (b) if so, the reasons therefor; and
- (c) the steps taken by the Government to survive the sugar cooperatives and to make the sugar Industry competitive in domestic and international market?

**Answer**

THE MINISTER OF STATE IN THE MINISTRY OF CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION ( SREENIVASA PRASAD )

(a), (b) & (c) : As per information provided by the National Bank for Agriculture and Rural Development (NABARD), out of 241 cooperative sugar units in the country, 92 cooperative sugar mills were having negative net-worth as on 31st March, 1999.

A high level committee has been constituted by the Government under the Chairmanship of Secretary (F&PD) to examine the case of sick Cooperative Sugar Mills and to recommend revival packages of potentially viable units. Besides, the following steps have been taken by the Government to make the sugar units competitive in the domestic and international market.

- (i) The ratio of levy to free sale sugar has been changed from 40:60 to 30:70 with effect from 1.1.2000.
- (ii) Duty on imported sugar has been raised to 60% with effect from 9.2.2000.
- (iii) The imported sugar has been brought under the release mechanism.
- (iv) Levy @ 30% on the stocks of imported sugar held by the importers has been imposed with effect from 17.2.2000.