

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

UNSTARRED QUESTION NO:4091  
ANSWERED ON:18.08.2000  
PERFORMANCE OF SUGAR INDUSTRY  
CHANDRAKANT BHAURAO KHAIRE

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

- (a) whether the Government in the recent past have reviewed the performance of sugar industry;
- (b) if so, the details thereof with special reference to Maharashtra;
- (c) whether the Government have assured that such review would streamline and strengthen sugar industry;
- (d) if so, the details thereof; and
- (e) if not, the reasons therefor?

**Answer**

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

(a),(b),(c),(d) & (e): The performance of the sugar industry in general and Maharashtra in particular has improved in the last few years as may be observed from the sugar production for the seasons 1997-98 to 1999-2000:-

Season      Production (In lakh tonnes) (All India)      Production of Maharashtra

(In lakh tonnes)

1997-98	128.44	38.47
1998-99 (Provisional)	155.20	53.43
1999-2000 (Provisional)	179.20	64.68

(Upto 22nd July)

Due to high level of production during the two consecutive sugar seasons namely, 1998-99 and 1999-2000, the stocks of sugar available with the sugar factories particularly in the State of Maharashtra have substantially increased. As per the current estimates, the closing stocks of sugar at the end of the current 1999-2000 season would be of the order of 96.39 lakh tonnes.

2. The following steps have been taken to help the sugar mills to overcome these problems:-

- (i) The Government have reduced the levy obligation of sugar factories from 40% to 30% with effect from 01.01.2000 with a view to improving the financial position of the sugar factory which would enable them to pay the cane price dues promptly.
- (ii) To restrict inflow of imported sugar in the country, Government have increased the custom duty to 60% with effect from 9.2.2000, alongwith the existing countervailing duty of Rs.840 per tonne.
- (iii) The Government have been pursuing a policy of encouraging stability and reasonable level of sugar prices in the domestic market through judicious release of freesale sugar quotas to enable the sugar factories to clear the cane price dues of the farmers.
- (iv) Government have decided to allow export of 10 lakhs tonnes of sugar, and exempt the sugar to be exported from levy obligation. This exemption is given for a period of six months beginning from 1st June, 2000.

3. The above mentioned measures are aimed at strengthening the domestic sugar industry including the sugar factories located in Maharashtra.