

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

STARRED QUESTION NO:138  
ANSWERED ON:27.02.2006  
DEREGULATION OF SUGAR INDUSTRY  
Saradgi Shri Iqbal Ahmed

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

- (a) whether the Government has decided to deregulate sugar industry and put it on a sustainable basis;
- (b) if so, the steps taken to secure the interests of the farmers, the industry and the consumers;
- (c) whether the Government proposes to revive the system of maintaining buffer stock of sugar to ensure availability and price stability of sugar in the country; and
- (d) if so, the details thereof and the time by which it is likely to be implemented?

**Answer**

MINISTER OF AGRICULTURE AND MINISTER OF CONSUMER AFFAIRS, FOOD & PUBLIC DISTRIBUTION (SHRI SHARAD PAWAR)

(a), (b), (c) & (d): A Statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (d) OF THE STARRED QUESTION NO. 138 DUE FOR ANSWER ON 27.02.2006 IN THE LOK SABHA.

(a) & (b): The Government is committed to complete deregulation of sugar sector. However, complete deregulation must be on a sustainable basis and it must balance the interests of the principal stakeholders, i.e. the sugarcane growers, the sugar industry and the consumers. The Government has already taken a number of liberalisation measures in this direction. At present, however, the Government continues with the release mechanism.

(c) & (d): The Sugar Development Fund Act, 1982 provides for defraying expenditure to the sugar factories for the purpose of building up and maintenance of buffer stock of sugar by the sugar factories with a view to stabilizing the price of sugar. The Government has been periodically, whenever necessary, defraying such expenditure to the sugar factories. In the recent past, buffer stock of sugar was maintained for two years i.e. from 18.12.2002 to 17.12.2004.