

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

UNSTARRED QUESTION NO:2639
ANSWERED ON:16.08.2004
HIGHER PRICES OF SUGARCANE
Rao Shri Sambasiva Rayapati

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

(a) whether the Supreme Court upheld right of the State Governments to set sugarcane prices that mills are obliged to pay to farmers higher than the statutory minimum prices prescribed by Centre; and

(b) if so, the details of the verdict and its impact on sugar sector ?

Answer

MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE AND MINISTER OF STATE IN THE MINISTRY OF CONSUMER AFFAIRS, FOOD & PUBLIC DISTRIBUTION (DR. AKHILESH PRASAD SINGH)

(a)&(b): In the Civil Appeal No.460 of 1997 filed in the Supreme Court of India in the matter of U.P. Cooperative Cane Unions Federations Vs. West U.P. Sugar Mills Association and Others etc., the Hon'ble Supreme Court has held that States which have enacted legislations regarding regulation of supply and purchase of sugarcane have the right to fix prices for sugarcane purchased by sugar mills and which can be higher than the Statutory Minimum Price (SMP) determined by the Central Government. The impact, if any, would differ from State to State depending on its legal framework, price fixed, the sugarcane availability and market price of sugar.