

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

UNSTARRED QUESTION NO:89
ANSWERED ON:23.02.2010
PROCESSING OF IMPORTED SUGAR
Singh Dr. Raghuvansh Prasad

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

- (a) the quantum of raw sugar imported into the country during the financial year 2009-10;
- (b) whether problems are being faced in processing of this sugar in some States including Uttar Pradesh;
- (c) if so, the details thereof and the remedial steps taken to sort out these issues; and
- (d) the steps taken for improving the availability and controlling prices of the sugar?

Answer

MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE AND MINISTER OF STATE IN THE MINISTRY OF CONSUMER AFFAIRS, FOOD & PUBLIC DISTRIBUTION (PROF. K.V. THOMAS)

- (a): Department of Revenue has reported import of 25.13 lac ton (customs cleared) of raw sugar between 17.4.2009 (when duty-free import of raw sugar was permitted) and 14.2.2010.
- (b): The sugar mills importing raw sugar in Uttar Pradesh are facing problem in movement and processing the raw sugar in the State as Government of Uttar Pradesh has put restrictions on transportation of sugar in the State.
- (c): In order to resolve the difficulties of Uttar Pradesh sugar mills in getting imported raw sugar processed in the State, the Department of Revenue vide its circular dated 12.01.2010 prescribed a procedure for processing raw sugar on job work basis by other mills or refineries till 30.06.2010. Further, the Department of Revenue vide circular dated 10.2.2010 has permitted such importing sugar mills or refineries to make a one time sale upto 31.12.2010 of imported raw sugar stock to other sugar mills/refineries for raw sugar imported upto 30.06.2010.
- (d): The Central Government has taken a slew of measures to augment the availability of sugar and control its prices in the domestic market as indicated in Annexure.

ANNEXURE

ANNEXURE REFERRED TO IN REPLY TO PART (d) OF THE UNSTARRED QUESTION NO.89 DUE FOR ANSWER ON 23.02.2010 IN THE LOK SABHA.

Measures to augment domestic availability of sugar and moderate prices

Allowed import of raw sugar under Advance Authorization Scheme by sugar mills at zero duty on ton-to-ton basis from 17.02.2009 upto 30.09.2009.

Allowed import of raw sugar by sugar mills at zero duty under Open General License (OGL) with effect from 17.04.2009 and opened to private trade from 31.07.2009 for being processed by domestic factories on job basis without any cap. This facility is in force upto 31.12.2010.

Allowed duty free import of white / refined sugar by STC/MMTC/PEC and NAFED upto 1 million tons with effect from 17.04.2009. Further, duty free import of white / refined sugar under OGL was opened to other Central / State Government agencies and to private trade in addition to existing designated agencies with effect from 31.07.2009. The cap on imports was removed from 27.11.2009. Presently, the facility is available till 31.12.2010.

Levy obligation has been removed in respect of all imported raw sugar and white / refined sugar. The white / refined sugar has been also allowed to be sold at the discretion of the importing organizations, while sugar processed from imported raw sugar is subject to accelerated releases.

The levy obligation on sugar factories has been enhanced from 10% to 20% of production for 2009-10 sugar season only.

Stockholding and turnover limits on sugar dealers were imposed vide notification dated 12.03.2009. Further, khandsari sugar has

been brought under the ambit of stockholding and turnover limit from 16.07.2009. The period of stockholding and turnover limits has been further extended till 30.09.2010.

An order has been issued vide notification dated 22.08.2009 imposing stockholding limit on large consumers of sugar who are using or consuming more than ten quintals of sugar per month as a raw material for production or consumption or use, stipulating that such bulk consumers shall not hold sugar stock exceeding fifteen days of their requirement. The notification has come into effect from 19.09.2009. The stockholding limit has been lowered to ten days, and the revised limit has been notified on 05.02.2010 to come into effect from 20.02.2010 and will continue till 18.08.2010 (180 days).

Monthly quotas of non-levy sugar for sale by sugar mills in open market, have been sub-divided into fortnightly and periodically weekly targets for sale to ensure even flow of sugar into open market.