

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

UNSTARRED QUESTION NO:2003  
ANSWERED ON:09.03.2010  
SUGAR FOR BULK CONSUMERS  
Sharma Shri Jagdish;Singh Shri Rajiv Ranjan (Lalan)

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

- (a) whether a large portion of the total sugar production in the country is provided to bulk consumers;
- (b) if so, the details thereof indicating the categories that are treated as bulk consumers;
- (c) whether there is a shortage of sugar due to lower production of sugar during the recent years;
- (d) if so, whether the Government proposes to reduce the quota of sugar for such bulk consumers and permit them to import sugar to meet their requirement;
- (e) if so, the details thereof; and
- (f) if not, the reasons therefor?

**Answer**

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

(a) & (b): As per the report of the KPMG commissioned by Indian sugar industry and submitted in June, 2007, over sixty percent of the total non-levy (free-sale) sugar sold in the market is consumed by the non-household (commercial) sector. More than fifty percent of this non-household sector is accounted for by the confectionery, beverage, hotel, etc. industries, which are called bulk consumers in common parlance. However, the Central Government, while imposing stockholding limit on bulk consumers of sugar vide notification dated 22.08.2009, has defined a bulk consumer as a person, establishment or industrial unit who is using or consuming more than ten quintals of sugar per month as a raw material for production or consumption in any manner. Separate categories of bulk consumers have not been identified by the Central Government.

(c), (d), (e) & (f): The production of sugar in 2007-08 and 2008-09 sugar seasons is lower than the estimated demand for sugar in the country. The Central Government, with a view to make more sugar available to the household sector, has imposed stockholding limit on bulk consumers of sugar vide notification dated 22.08.2009 stipulating that they shall not hold stocks exceeding 15 days of their requirement from domestically produced sugar, which came into effect on 19.09.2009. Further, the Central Government vide notification dated 05.02.2010 has reduced the stockholding limit on bulk consumers from fifteen days to ten days of requirement, with effect from 20.02.2010, for a period of one hundred eighty days. As per the extant instructions, bulk consumers are permitted to freely import white / refined sugar without any quantitative ceiling upto 31.12.2010 and sugar imported by an importer is not subject to stockholding limits.