

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

STARRED QUESTION NO:49  
ANSWERED ON:07.07.2009  
DECLINE IN SUGAR PRODUCTION  
Chauhan Shri Sanjay Singh;Lingam Shri P.

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

- (a) whether in the wake of the decline in the production of sugar during the year 2008-09, there has been a steep rise in prices of sugar in the market;
- (b) if so, the steps taken/proposed to be taken to encourage production of sugarcane and sugar in the country; and
- (c) the other steps taken to check the rising price of sugar including the punitive action taken against hoarders and black marketeers of sugar?

**Answer**

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

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

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (c) OF THE STARRED QUESTION NO.49 DUE FOR ANSWER ON 07.07.2009 IN THE LOK SABHA.

(a): Production of sugar during current sugar season 2008-09 (October – September) is estimated to be lower as compared to last three years' production. Lower production of sugar has put pressure on prices of sugar in the market.

(b): The Government has taken the following steps to encourage cultivation of sugarcane and increase sugar production in the country:-

i) Statutory Minimum Price (SMP) of sugarcane for the sugar season 2009-10 has been increased to Rs. 107.76 per quintal, with an additional premium of Rs.1.13 for every 0.1% point increase in the recovery above 9.5%. The SMP for the previous sugar season was Rs.81.18 per quintal, with an additional premium of Re.0.90 for every 0.1% point increase in the recovery above 9%.

ii) A centrally sponsored scheme of Sustainable Development of Sugarcane Based Cropping System(SUBACS) is under implementation. The main thrust of the scheme is on the transfer of improved production technology to the farmers through field demonstrations, training of farmers, supply of farm implements, enhancing production of planting materials, efficient use of water, treatment of planting materials etc. The scheme is under implementation in 22 States/Union Territories.

iii) Concessional loans at an interest rate of 4% per annum are given to sugar factories from Sugar Development Fund (SDF) for modernization of plant and machinery, expansion of crushing capacity, upgradation of technology and sugarcane development including better irrigation facilities, improved seed variety, ratoon management, etc.

(c) The Central Government has taken a slew of measures to check the price hike as indicated below:

(i) Stock-holding and turnover limit on sugar have been imposed vide Notifications dated 09.03.2009 and 12.03.2009. Violation of such limit constitutes an offence punishable under the provisions of the Essential Commodities Act, 1955.

(ii) Additional releases of non-levy sugar quota were given during the quarter April – June, 2009.

(iii) Futures trading in sugar on NCDEX has since been suspended to check speculative tendencies in sugar trade with effect from 27th May, 2009.

(iv) Permitting import of raw sugar by sugar mills and one million ton of white/refined sugar by designated agencies, at zero customs duty under Open General License (OGL).