

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

UNSTARRED QUESTION NO:1609
ANSWERED ON:03.08.2010
IMPORT OF SUGAR
Dashmuni Deepa ;Mishra Shri Mahabal

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

- (a) whether sugar is being imported on a large scale in the country;
- (b) if so, the quantity of sugar imported during each of the last two years and the current year;
- (c) the reasons for the said import;
- (d) whether the Government is taking any special steps to increase the production by giving incentives to sugarcane growers and sugar mills so that the demand could be fulfilled;and
- (e) if so, the details thereof?

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) & (b) The Central Government did not import sugar on its account either during last two years or in the current year. It is the sugar mills/public sector undertakings/merchant importers- exporters who are undertaking import of sugar as per their commercial prudence.

As per data received from Directorate General of Commercial Intelligence & Statistics, Kolkata, 3,86,099 MT and 24,24,045 MT of sugar were imported during 2008-09 and 2009-10 financial years respectively.

As reported by Department of Revenue, 528732.38 MT of sugar were imported upto 14.07.2010 during current financial year.

(c): Production of sugar during the previous 2008-09 sugar season was provisionally estimated at about 147 lac MT against estimated consumption of 220 lac MT. Also, production of sugar in the current sugar season 2009-10 was estimated to be lower than the estimated consumption of 230 lac MT. To bridge the gap between production and consumption of sugar in the last sugar season 2008-09 (October – September) and also in the current sugar season 2009-10, the Central Government has allowed duty free import of raw sugar under Advance Authorization Scheme (AAS) by sugar mills on "ton-to-ton" basis with effect from 02.03.2009 upto 30.09.2009 and further allowed duty free import of raw and white / refined sugar under Open General License (OGL) with effect from 17.04.2009. This facility is in force upto 31.12.2010.

(d) & (e): Steps taken by the Government to increase area under sugarcane and sugarcane production is given at Annexure.

ANNEXURE

ANNEXURE REFERRED TO IN REPLY TO PART (d)&(e) OF THE UNSTARRED QUESTION NO.1609 DUE FOR ANSWER ON 03.08.2010 IN THE LOK SABHA.

The Central Government has taken the following steps to boost production of sugar and sugarcane in the country :-

(a) The Central Government has fixed the Fair & Remunerative Price (FRP) of sugarcane payable by sugar mills for 2009-10 sugar season at Rs.129.84 per quintal linked to a basic recovery rate of 9.5% subject to a premium of Rs.1.37 per quintal for every 0.1 percentage point increase in recovery above that level. Hitherto, the Central Government was fixing the Statutory Minimum Price (SMP) of sugarcane. This FRP is substantially high over the SMP of 2008-09 sugar season which was Rs.81.18 per quintal, with an additional premium of Rs.0.90 for every 0.1% point increase in the recovery above 9%.

The 'Fair & Remunerative Price' (FRP) of sugarcane for ensuing sugar season 2010-11 has also been announced at Rs.139.12 per quintal linked to a basic recovery rate of 9.5% subject to a premium of Rs.1.46 per quintal for every 0.1 percentage point increase in recovery above that level.

(b) The Sustainable Development of Sugarcane Based Cropping System (SUBACS) is one of the components of Centrally Sponsored Scheme (CSS), namely Revised Macro Management of Agriculture Scheme (RMMA). The main thrust of SUBACS 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.

(c) The Central Government provides Concessional loans at an interest rate of 4% per annum to sugar factories from Sugar Development Fund (SDF) for modernization of plant and machinery, expansion of crushing capacity, utilization of by-products viz. baggasse for co-generation of power and molasses for production of ethanol, upgradation of technology and sugarcane development including better irrigation facilities, improved seed variety, ratoon management etc.

(d) A short term scheme was announced for cane development in the financial year 2009-10 under which loans of Rs.1.0 to 2.5 crore at 4% simple interest from the Sugar Development Fund (SDF) were made available to sugar factories depending upon their crushing capacity, for purchase of seeds, fertilizers and pesticides etc. to be passed on to the farmers at the same rate of interest.

(e) To optimize processing of raw sugar along with cane juice to produce white sugar, a scheme was introduced in the financial year 2009-10 for loans from SDF at 4% simple interest to be given to sugar factories to install balancing equipment so as to maximize availability of processed sugar from imported raw sugar in 2009-10 sugar season.