

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

STARRED QUESTION NO:200

ANSWERED ON:23.11.2010

SUGAR PRODUCTION

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

- (a) whether a gap in the production and demand of sugar was witnessed during the past three years;
- (b) if so, the details thereof and the reasons therefor indicating the production, demand and prices of sugarcane and sugar during the said period;
- (c) whether the sugarcane price paid to the farmers is commensurate with the price of sugar;
- (d) if so, the details thereof, and if not, the reasons therefor; and
- (e) the steps taken to increase production and availability and to check the prices of sugar?

Answer

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

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

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (e) OF THE STARRED QUESTION NO. 200 DUE FOR ANSWER ON 23.11.2010 IN THE LOK SABHA.

(a) to (e) : The production of sugar during sugar season 2007-08 was surplus whereas it was deficit in 2008-09 and 2009-10 sugar seasons as indicated below:

Sugar season Sugar Production Demand/Consumption in
(October-September) (in lakh tones) (lakh tones)

2007-08 263 215

2008-09 147 220

2009-10 188 220

The reasons for decline in production are : shortfall in both years 2008-09 and 2009-10 in acreage and in 2008-09, also productivity of sugarcane; decline in productivity of sugarcane on account of delay and deficiency of rains in the south and un-seasonal rains elsewhere during 2008-09; shift in acreage from sugarcane to other foodgrain crops; more diversion of sugarcane to gur and khandsari units particularly in 2008-09 and fall in recovery rate due to less sucrose content in sugarcane.

The decline in production put pressure on prices of sugar in the open market. The Central Government took a slew of measures to increase production and availability of sugar and check its prices as indicated in Annexure I and to increase sugarcane and sugar production in the country as given in Annexure IA. A statement indicating month-wise range of ex-mill non-levy prices of S-30 grade of sugar in different centres of the country during the last three sugar seasons is enclosed at Annexure II.

As regards the prices of sugarcane, the Central Government is concerned with the fixation of 'Fair and Remunerative Price' (FRP) [earlier Statutory Minimum Price of sugarcane (SMP)]. The FRP/ SMP of sugarcane as fixed by the Central Government during the last three sugar seasons is given at Annexure III. However, the sugar mills generally pay cane price higher than the FRP/SMP fixed by the Central Government.

The provisions under sub-clause (1) of clause 3 of the Sugarcane (Control) Order, 1966 relating to fixation of FRP/SMP has an item stipulating such price fixation to take into account "the price at which sugar produced from sugarcane is sold by producers of sugar."

