

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

UNSTARRED QUESTION NO:2114
ANSWERED ON:23.11.2010
SUGAR MILLS
Angadi Shri Suresh Chanabasappa

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

- (a) whether the Government has allowed sugar mills to source sugar from third parties to meet their export obligations;
- (b) if so, the details thereof; and
- (c) the reasons therefor?

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) to (c) : In order to augment domestic supplies and to make sugar available to the common man at affordable prices, the Central Government in September, 2004 and again in March, 2009 decided to liberalise the Advance Authorisation Scheme (earlier known as Advance License Scheme) and permitted advance authorization/license holders to import raw sugar on ton-to-ton basis instead of normal scheme of grain-to-grain basis. Such advance authorization/license holders were permitted to import duty-free raw sugar, process and sell it in the domestic market and fulfil export obligation within the period prescribed by the Directorate General of Foreign Trade (DGFT). The scheme remained in operation from 21.9.2004 to 15.4.2008 and 2.3.2009 to 30.9.2009. As the nexus between imported raw sugar and refined sugar was broken, the Government has allowed such advance license holders to procure sugar from other factories for export through merchant exporters. However, to satisfy the third party export arrangement, the shipping bill is to have the endorsement of names of all the three parties in the chain viz., advance licence holder, producer of sugar and merchant exporter.