

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

UNSTARRED QUESTION NO:3401

ANSWERED ON:30.11.2010

SUGAR PRODUCTION

Agarwal Shri Jai Prakash;Bapurao Shri Khatgaonkar Patil Bhaskarrao;Chavan Shri Harischandra Deoram;Chinta Mohan Dr. ;Reddy Shri K. Jayasurya Prakash;Shukla Shri Balkrishna Khanderao Balu Shukla;Siddeswara Shri Gowdar Mallikarjunappa;Tewari Shri Manish;Yadav Shri Dinesh Chandra

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

- (a) whether the present sugar production is adequate to meet the demand in the country;
- (b) if so, the details thereof indicating the estimated production and demand of sugar during 2010-11 alongwith the carry over stocks from previous year;
- (c) whether the Government proposes to lift the ban on export and allow futures trading in sugar;
- (d) if so, the details thereof and the reasons therefor particularly in view of increased demand during the festive season; and
- (e) the steps including imports taken/ proposed to be taken to ensure availability and check the prices of sugar in the country?

**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) : Yes, Madam. The provisional estimated sugar production of about 245 lac tons alongwith the provisional estimated carry over stock of about 51 lac tons from last sugar season 2009-10 is adequate to meet the estimated domestic demand of about 225 – 230 lac tons during the current sugar season 2010-11 in the country.

(c) & (d) : There is no ban on export of sugar. However, it is regulated through issue of export release orders. The Forward Market Commission suspended futures trading in sugar upto 30th September, 2010. However, the forward trading in sugar is yet to resume. The festival season is already over.

(e) In view of the decline in sugar production in 2008-09 and 2009-10 sugar seasons, the Central Government took a slew of measures to augment domestic stocks of sugar and check the prices in the country as indicated at Annexure.

Annexure

ANNEX REFERRED TO IN REPLY TO PART (e) OF UNSTARRED QUESTION NO. 3401 DUE FOR ANSWER ON 30.11.2010 IN LOK SABHA

STEPS TAKEN TO AUGMENT AVAILABILITY OF SUGAR AND MODERATE SUGAR PRICES IN 2008-09 AND 2009-10 SUGAR SEASONS

1. Allowed sugar mills on 17.02.2009/02.03.2009 to import duty-free raw sugar under Advance Authorization Scheme on ton-to-ton basis upto 30.09.2009.
2. Allowed sugar mills on 17.04.2009 to import duty-free raw sugar under Open General License (O.G.L.). Later on, this facility was extended to private trade on job basis. Presently it is in force upto 31.12.2010.
3. Allowed STC/MMTC/PEC and NAFED on 17.04.2010 to import duty-free white / refined sugar initially with a cap of 1 million tons. Later on, duty-free import was also allowed to other Central / state Government Agencies and private trade without any cap on the quantity. Presently, this facility is in force upto 31.12.2010.
4. Levy obligation has been removed in respect of all imported raw sugar and white/refined sugar. The white/refined sugar has been also allowed to be sold at the discretion of the importing organizations and sugar processed from imported raw sugar is subject to accelerated releases.
5. Imposed stock-holding and turnover limits on sugar dealers vide notification dated 12.03.2009. Also, Khandsari sugar has been brought under the ambit of stockholding and turnover limits. The Government has extended these limits upto 31.12.2010.

6. Vide notification dated 22nd August 2009, stockholding limits have been imposed on large consumers of sugar. Presently, this is in force upto 14.02.2011.

7. The Forward Markets Commission suspended the futures trading in sugar upto 30.09.10.

8. In order to ensure adequate availability of sugar for the households covered under PDS for sugar, the levy obligation on sugar factories was increased from the earlier 10% to 20% for 2009-10 sugar season. However, the levy obligation has been restored to 10% for sugar season 2010-11.