

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

STARRED QUESTION NO:166

ANSWERED ON:08.03.2011

SUGAR PRODUCTION

Mohan Shri P. C., Sharma Shri Jagdish

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

- (a) whether the Government has made any estimates of the production and demand of sugar in the country for the current sugar season;
- (b) if so, the details thereof;
- (c) whether the Government has put on hold the proposal to permit the export of sugar;
- (d) if so, the details thereof and the reasons therefor; and
- (e) the details of the steps being taken by the Government to ensure adequate availability of sugar at reasonable rates in the country during the said period?

**Answer**

MINISTER OF STATE (INDEPENDENT CHARGE) FOR CONSUMER AFFAIRS, FOOD & PUBLIC DISTRIBUTION (PROF. K.V. THOMAS)

(a),(b),(c),(d), and (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. 166 DUE FOR ANSWER ON 08.03.2011 IN THE LOK SABHA

(a) & (b): Yes, Madam. Provisionally estimated domestic production and demand of sugar during the current sugar season (2010-11) are about 245 lac tons and 220-225 lac tons, respectively.

(c) & (d): Based on initial prospects of high production of sugar during current sugar season, Government decided to allow export of 5 lac tons of sugar under Open General License (OGL). However, in view of inflationary trends in food items, it has been decided to further assess the sugar supply and demand situation in greater detail and the proposed export of sugar has been put on hold.

(e): The Government has taken a slew of measures to ensure adequate availability of sugar at reasonable prices in the country as detailed at Annex.

Annex

ANNEXURE REFERRED TO IN REPLY TO PART (e) OF THE STARRED QUESTION NO. 166 DUE FOR ANSWER ON 08.03.2011 IN THE LOK SABHA

STEPS TAKEN TO AUGMENT AVAILABILITY OF SUGAR AND MODERATE SUGAR PRICES

1. Allowed sugar mills on 17.02.2009 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, such imports have been slowed upto 31.03.2011.
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 by other Central / state Government Agencies and private trade without any cap on the quantity. Presently, this facility is in force upto 31.03.2011.
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 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 31.03.2011.

6. Vide notification dated 22nd August 2009, stockholding limits have been imposed on large consumers of sugar. Presently, this is in force upto 13.08.2011.

7. Forward Markets Commission suspended futures trading in sugar upto 30.09.10. However the future trading has since been resumed, with effect from 27.12.2010.

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