

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

STARRED QUESTION NO:39

ANSWERED ON:02.08.2011

PRICES OF SUGAR

Patil Shri C. R. ;Shankar Alias Kushal Tiwari Shri Bhisma

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

- (a) whether the Government has decided to export five lakh tonnes of sugar;
- (b) if so, the details thereof and the reasons therefor alongwith its likely impact on the prices of sugar in the domestic market;
- (c) whether the Government has assessed the availability and the prices of sugar in the domestic market before taking this decision;
- (d) if so, the details and the outcome thereof indicating the production, demand, export and import of sugar during each of the last three years and the current year;and
- (e) the steps taken to maintain adequate supply and stabilise the prices of sugar in the domestic market?

Answer

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

(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. 39 DUE FOR ANSWER ON 02.08.2011 IN THE LOK SABHA

(a) to (c): The Central Government, in June,2011 has allowed export of 5 lac tonnes of raw, white/refined sugar under Open General Licence(OGL) in addition to 5 lac tonnes allowed earlier in March/April,2011. The decision to allow export of sugar has been taken keeping in view the sugar stocks in the country, the estimated domestic consumption, the initial estimates about the sugarcane planting for the ensuing sugar season and the domestic prices of sugar. The objective is to avoid sugar stock build up and resultant drop in prices, leading to burgeoning of cane price arrears payable to farmers and to provide additional liquidity to the sugar sector by capitalizing on the low global sugar balance and better international prices. The domestic retail prices of sugar are currently stable. Besides, the Government had also permitted export of sugar against Advance Authorization Scheme, exports to neighbouring countries and against preferential quota of European Union and USA to the tune of about 11.23 lac tonnes.

(d): The Directorate of Sugar has issued export release orders for about 18.74 lac tonnes as on 25.07.2011 under various schemes. The physical exports against the release orders issued to sugar mills for such exports are in progress. The Production, demand, export and import of sugar during each of last three years and the current year is given at Annexure.

(e): In order to maintain adequate supply of sugar throughout the year and also to keep the prices stable, the Government has been releasing a calibrated monthly sugar quota of non-levy sugar for sale in open domestic market and levy sugar for supply through targeted public distribution system (TPDS). Besides, the Government has also imposed stock-holding and turnover limits on sugar dealers as also on Khandsari sugar upto 30-09.2011. Stock holding limits have also been imposed on large consumers of sugar which is in force upto 13.08.2011.