

**GOVERNMENT OF INDIA
AGRICULTURE
LOK SABHA**

UNSTARRED QUESTION NO:2302

ANSWERED ON:21.07.2009

SUGARCANE PRODUCTION

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Will the Minister of AGRICULTURE be pleased to state:

- (a) the production of sugarcane during each of the last three years and the current year, State-wise;
- (b) whether decline in sugarcane production has necessitated the import of raw sugar at high prices;
- (c) if so, the steps taken/proposed to be taken by the Government in this regard;
- (d) whether the sugarcane growers are not being provided remunerative price for their produce;
- (e) if so, the details thereof and the reasons therefor, State-wise; and
- (f) the steps being taken by the Government to ensure remunerative price to the farmers?

Answer

MINISTER OF AGRICULTURE (SHARAD PAWAR)

(a): State-wise production of sugarcane during the last three years, i.e. 2005-06 to 2007-08 and the current year is given in the Annexure.

(b) & (c): There has been a fall in sugar production in the sugar season 2008-09 in comparison to 2007-08. Hence. In order to augment domestic stock of sugar and to make it available to consumers at reasonable prices, the Central Government has taken certain steps. The Central Government has permitted duty free import of raw sugar under Open General License (O.G.L.) up to 01-08-2009. Under Advance Authorization Scheme up to 30-09-2009 for processing and sale of raw sugar in India without any quantitative restrictions as per their commercial prudence. As per trade circles, about 25 lakh tonnes of raw sugar has been contracted by Indian sugar factories out of which 18.20 lakh tonnes has already arrived or would be arriving shortly by the end of July, 2009.

(d) to (f): No, Madam. In order to ensure remunerative prices to sugarcane growers, the Central Government has been fixing the Statutory Minimum Price (SMP) of sugarcane in terms of Clause 3 of the Sugarcane (Control) Order, 1966 for each sugar season, having regard to various factors, viz., cost of production of sugarcane; return to the growers from alternative crops and the general trend of prices of agricultural commodities; availability of sugar to consumers at a fare price and recovery of sugar from sugarcane. The Sugarcane (Control) Order has been amended on 29.12.2008 to also consider realization made from sale of by-products viz., molasses, bagasse and press-mud or their imputed value in the fixation of SMP of sugarcane. Further, as per Clause 5A of the Sugarcane (Control) Order, the farmers are entitled to an additional price over and above the SMP, depending on the surplus generated by the sugar factories.

In order to check shift in cultivable area from sugarcane to other crops and to ensure that cultivation of sugarcane is not rendered unattractive and unprofitable vis-à-vis wheat and paddy, the Government has recently approved fixation of higher Statutory Minimum Price (SMP) of sugarcane for 2009-10 sugar season at Rs. 107.76 per quintal as compared to SMP of Rs. 81.18 per quintal fixed for the previous sugar season.