

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

UNSTARRED QUESTION NO:5442
ANSWERED ON:06.09.2011
LONG TERM POLICY ON SUGAR PRODUCTION
Devappa Anna Shri Shetti Raju Alias

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

- (a) whether the Government proposes to formulate a long-term policy on sugar production;
- (b) if so, the details thereof; and
- (c) if not, the manner in which the Government proposes to regulate the fluctuations in the production of sugar?

Answer

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

(a) to (c): The Central Government has already taken certain long-term policy measures with a view to reduce fluctuations in production of sugar. The concept of Statutory Minimum Price (SMP) has been replaced by Fair and Remunerative Price (FRP) of sugarcane in December 2009, which provides for upfront payment of margins on account of profit and risk to sugarcane farmers, not available under the SMP. Sugar factories have been permitted in December 2007 to produce ethanol directly from sugarcane juice. Also, liberal funding is made available from Sugar Development Fund (SDF) for setting up ethanol and co-generation plants to improve the economic viability of sugar factories. Further, to deal with the dynamic situation in the sugar sector, appropriate policy interventions are made as and when required.