

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

UNSTARRED QUESTION NO:3150

ANSWERED ON:13.12.2011

SUGAR PRODUCTION

Chaudhary Shri Jayant;Jawale Shri Haribhau Madhav;Majhi Shri Pradeep Kumar;Owaisi Shri Asaduddin;Panda Shri Prabodh;Patel Shri Kishanbhai Vestabhai;Premajibhai Dr. Solanki Kiritbhai;Premdas Shri ;Rajbhar Shri Ramashankar;Reddy Shri Magunta Srinivasulu;Singh Dr. Raghuvansh Prasad

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

- (a) the policy followed by the Government to decide the level of sugar exports alongwith the estimated production and export of sugar during the ensuing sugar season;
- (b) whether the sugar industry has requested the Government to deregulate the industry and formulate a clear policy regarding export of sugar to improve its viability;
- (c) if so, the details thereof and the reaction of the Government thereto;
- (d) whether the cane arrears of the farmers are likely to rise due to the increase in production cost, fall in sugar price and consequent losses to sugar mills; and
- (e) if so, the details thereof and the steps taken to ensure clearance of sugarcane dues?

Answer

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

(a): The Central Government takes into account various factors like sugar stock with the mills, sugar production, demand in the season, global prices of sugar etc. to decide the level of sugar exports. At present, sugar production is estimated at about 246 lakh tons. Central Government has since approved export of upto 10 lakh tons of sugar during 2011-12 sugar season under Open General Licence.

(b) & (c): Sugar Industry have represented through National Federation of Cooperative Sugar Factories Ltd. and Indian Sugar Mills Association, the apex organisations of co-operative and private sugar factories in the country respectively, on the issue of deregulation of sugar industry. Their demands interalia include doing away with levy obligation on sugar mills; dispensing with the release mechanism for sale of non-levy sugar; removal of sugar from the purview of Essential Commodities Act; and a stable export import policy regarding sugar. The Central Government has taken no decision on the demands of the sugar industry.

(d) & (e): Cane arrears are a result of various factors including sugarcane price, conversion costs, domestic and international price of sugar etc. It is the endeavour of the Central Government to maintain the price of sugar in the open market at reasonable levels which enables sugar mills to pay remunerative cane price to sugarcane farmers in time and is also fair to consumers, through the policy of regulated release mechanism by way of making judicious releases of monthly non-levy sugar quotas. As stated earlier, the Government has recently announced export of 10 lakh MT of sugar during the current sugar season 2011-12, so as to increase the financial liquidity of the sugar mills to ensure clearance of sugarcane dues.