

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

UNSTARRED QUESTION NO:5115  
ANSWERED ON:08.05.2012  
SUGAR PRODUCTION COST  
Rawat Shri Ashok Kumar

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

- (a) the details of the production cost of sugar in various parts of the country, State-wise;
- (b) whether the said production cost is very high in some States;
- (c) if so, the reasons therefor alongwith the impact thereof on the prices of sugar; and
- (d) the steps being taken by the Government to reduce the said production cost?

**Answer**

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

(a) to (c): The production cost of sugar depends upon various factors like availability of adequate raw material, recovery from sugarcane, duration of the season, plant size, efficiency of plant, up-gradation and diversification, State Advised Price of sugarcane, cost of working capital, managerial efficiency etc. Besides, the factors like State Advised Price of sugarcane, control of molasses etc. which affects cost of production substantially, are decided by the concerned State Governments. Therefore, the production cost varies from factory to factory as also from state to state. As such, it is not possible to indicate the state-wise production cost of sugar and the Central Government does not maintain the data in this regard.

(d): It is the responsibility of the entrepreneur concerned to take necessary steps to reduce production cost in respect of private sector sugar mills and that of the State Governments/ UT Administration in the case of the public and cooperative sugar mills. The Central Government extends concessional loans from Sugar Development Fund (SDF) for (i) modernization/ rehabilitation of plant and machinery (ii) sugarcane development (iii) production of ethanol from molasses and (iv) Bagasse-based cogeneration projects.