

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

UNSTARRED QUESTION NO:7556
ANSWERED ON:22.05.2012
BY-PRODUCTS OF SUGAR
Panda Shri Prabodh

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

- (a) whether the sugar mills earn revenue from the sale of by-products of sugar;
- (b) if so, the details thereof;
- (c) whether the Government has any data regarding various by-products of sugar, their utilisation and the revenue earned therefrom;
- (d) if so, the details thereof for each of the last three years;
- (e) whether the sugarcane growers are receiving their legitimate due/share from the said sugar mills; and
- (f) if so, the details thereof and if not, the reasons therefor?

Answer

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

(a)and(b):Yes, Madam. Three major by-products are obtained during the production of sugar viz ((i) Molasses,(ii) Bagasse and (iii) Press-mud. Sugar factories which have distilleries produce alcohol using molasses and others sell it in the open market. Also some factories have set up plants for production of ethanol from alcohol and other derivatives. Bagasse is used for cogeneration for inhouse consumption or export to the power grid. Mills having surplus bagasse sell it in the open market. Press mud is a minor by-product which is mainly used for production of organic manure.

(c)&(d): The quantity of molasses, bagasse and press mud produced is as under:-

By-product % of Cane Crushed

Molasses 4.2 to 4.5

Bagasse 30 to 35

Press mud 3 to 5

The Central Government does not maintain data on utilization of by-products and revenue earned therefrom on regular basis.

(e)and (f): The Central Government is concerned with the fixation of Fair and Remunerative Price (FRP) of sugarcane which is the bench mark price. Clause 3 (1) of the Sugarcane (Control) Order, 1966 (SCO) inter-alia provides for taking into account the realization made from sales of by-products or their imputed value while fixing the FRP. However, sugarcane growers generally receive sugarcane price higher than FRP. The Central Government has received no complaint regarding the payment of cane price below FRP.