

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

UNSTARRED QUESTION NO:879

ANSWERED ON:14.08.2012

PRICE OF SUGAR

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

- (a) whether the price of sugar has spiralled recently despite surplus production and stock of sugar in the country;
- (b) if so, the details thereof and the reasons therefor indicating the total production, demand and stock of sugar along with its price during the last week of July 2012;
- (c) whether the cartelization among the sugar mills is reportedly the possible cause for this sudden spurt in prices;
- (d) if so, the details thereof and the reaction of the Government thereto; and
- (e) the corrective steps, including action against such mills, taken in this regard?

Answer

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

(a) and (b):- The market price of sugar remained stable upto June, 2012 but started showing an upward trend from July, 2012 onwards. This recent increase in sugar prices is possibly on account of deficient monsoon leading to market's expectation of lower production in the ensuing 2012-13 sugar season, etc. Sugar production in 2011-12 sugar season is provisionally estimated at 260 lac MT, as against the domestic demand of about 220 lac MT. Based on the estimated production/demand and export permitted, the stock at the end of the current sugar season with the sugar mills are provisionally estimated at 62 lac MT. The retail price of sugar was in the range of Rs. 35-40/kg. during the last week of July, 2012 in four metropolitan cities.

(c), (d) and (e):- No report of cartelization among the sugar mills has been received in the current sugar season. However, the price of sugar depends upon a number of factors like cost of raw material mainly sugarcane, conversion cost, domestic demand and supply situation, market sentiments, trends of international prices and production, etc. Further, it is the endeavour of the Government to keep sugar prices stable through the policy of regulated release mechanism.