

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

UNSTARRED QUESTION NO:1385  
ANSWERED ON:14.07.2009  
SUGAR REFINING CAPACITY  
Reddy Shri Magunta Srinivasulu

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

- (a) the present sugar refining capacity of the existing sugar mills in the country;
- (b) whether the Union Government has provided any assistance to the State Governments to expand the refining capacity of existing sugar mills;
- (c) if so, the details thereof; and
- (d) the extent to which the availability of sugar is likely to be increased in the open market as a result of the expansion alongwith its likely to impact on sugar prices?

**Answer**

MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE AND MINISTER OF STATE IN THE MINISTRY OF CONSUMER AFFAIRS, FOOD & PUBLIC DISTRIBUTION (PROF. K.V. THOMAS)

- (a): Information on refining capacity of the existing sugar mills is not available.
- (b)&(c): The Central Government does not extend assistance from Sugar Development Fund (SDF) to State Governments to expand the refining capacity of existing sugar mills. However, soft loans are sanctioned from the SDF to eligible sugar mills, interalia, for modernization and expansion of crushing capacity which includes setting up of refining capacity.
- (d): It is obvious that with the expansion of crushing and/or refining capacity, sugar factories would be in a position to process higher quantities of crushing of sugarcane and also imported raw sugar, thereby increasing the overall production and availability of sugar in the market. As regards its impact on sugar prices, the prices in the market depend on a number of factors like supply and demand of sugar, availability of other sweeteners like gur and khandsari, market expectations, international prices, etc. As such, it is not possible to isolate and indicate the impact of expansion of crushing or refining capacity by sugar mills on sugar prices.