

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

STARRED QUESTION NO:346
ANSWERED ON:18.12.2012
SUGARCANE RESERVE AREA
Sinh Dr. Sanjay;Vasava Shri Mansukhbhai D.

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

- (a) whether the sugar mills are required to procure sugarcane from their respective sugarcane reserve areas only;
- (b) if so, the details thereof including the norms for determining the said sugarcane reserve area and the reasons therefor;
- (c) whether farmers are suffering losses as a result of the said regulation restricting procurement from the sugarcane reserve areas only; and
- (d) if so, the details thereof and the reaction of the Government thereto along with the corrective steps taken by the Government in this regard?

Answer

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

(a) to (d): A Statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (d) OF THE STARRED QUESTION NO. 346 DUE FOR ANSWER ON 18.12.2012 IN THE LOK SABHA.

(a) & (b) The Sugarcane (Control) Order, 1966 confers powers on the Central Government to regulate distribution and movement of sugarcane. Sub-clause 1 of clause 6 provides that the Central Government may by Order notified in the official gazette reserve any area where sugarcane is grown for a factory having regard to the crushing capacity of the factory, the availability of sugarcane in the reserved area and the need for production of sugar, with a view to enabling the factory to purchase the quantity of sugarcane required by it. The Central Government has delegated power of cane area reservations to the State Governments concerned vide notification dated 16th July, 1966.

(c) & (d) The Cane Commissioners of Andhra Pradesh, Gujarat, Haryana, Punjab, Tamil Nadu, Uttarakhand and Uttar Pradesh have reported that farmers in their States are not suffering losses as a result of cane area reservation system. However, the Cane Commissioner, Karnataka has reported that a few farmers in the State have complained of having received lower cane price and irregular payments because of area restrictions. In the State of Maharashtra, there is no cane area reservation system. The Central Government had constituted a Committee under the Chairmanship of Dr. C. Rangarajan, Chairman, Economic Advisory Council (EAC) to Prime Minister to look into all issues of deregulation of sugar sector. The Committee has submitted its report to the Government on 5th October, 2012. The Committee has, interalia, recommended that the regulations regarding cane area reservation and bonding may be dispensed with by States over the long run. The recommendations of the Committee are under consideration of the Government.