

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

UNSTARRED QUESTION NO:834

ANSWERED ON:27.11.2012

DECONTROL OF SUGAR SECTOR

Bapurao Shri Khatgaonkar Patil Bhaskarrao;Bhoi Shri Sanjay;Das Gupta Shri Gurudas;Das Shri Khagen;Gaikwad Shri Eknath Mahadeo;Lingam Shri P.;Mani Shri Jose K.;Mitra Shri Somendra Nath;Paranjpe Shri Anand Prakash;Patil Shri A.T. Nana;Shekhar Shri Neeraj;Singh Shri Yashvir;Venugopal Shri P.

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

- (a) whether the Prime Minister's Economic Advisory Council panel on decontrol/deregulation of the sugar sector headed by C. Rangarajan has since submitted its report;
- (b) if so, the details thereof indicating the major recommendations made therein along with the steps taken by the Union Government for its implementation;
- (c) whether the move of the Union Government for deregulation of the sector has been opposed by various sections including the State Governments and the farmers;
- (d) if so, the details thereof and the reaction of the Union Government thereto indicating the additional financial burden to be borne by the States in this regard; and
- (e) the steps taken to address the objections/apprehensions raised while finalising the policy and to control sugar prices after decontrol?

Answer

MINISTER OF STATE (INDEPENDENT CHARGE) FOR CONSUMER AFFAIRS, FOOD & PUBLIC DISTRIBUTION

(PROF. K.V. THOMAS)

(a) & (b): Yes Madam. The Committee headed by Dr. C. Rangarajan on Sugar Industry has submitted its report to the Government on 5th October, 2012. The Committee has, inter alia, recommended removal of the levy sugar obligation and dispensing with the regulated release mechanism on non-levy sugar; Rationalisation of sugarcane pricing; Abolition of cane area reservation system and bonding; Doing away with the minimum distance norms as States discontinue cane area reservation; liberalisation of sugar trade; market determination of prices of by-products with no earmarked end use allocations; and taking out sugar from the purview of Jute Packaging Materials (Compulsory use in Packaging Commodities) Act, 1987. The recommendations of the Committee are under consideration of the Government.

(c): In the process of considering the recommendations of the Committee, comments of the State Governments have been invited by the Central Government.

(d) & (e): Do not arise as the Government is yet to finalise its stand on the recommendations of the Committee.