

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

UNSTARRED QUESTION NO:409

ANSWERED ON:26.02.2013

DEREGULATION OF SUGAR SECTOR

Jawale Shri Haribhau Madhav;Pratap Narayanrao Shri Sonawane;Saroj Smt. Sushila;Upadhyay Seema;Vardhan Shri Harsh;Verma Smt. Usha

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

- (a) the salient features of the recommendations made by the Rangarajan Committee regarding deregulation of sugar sector along with the reaction of the Union and State Governments thereto;
- (b) whether the Government proposes to bring reforms and deregulate the sugar sector;
- (c) if so, the details thereof and the reasons therefor along with its likely impact on the availability and price of sugar in the country;and
- (d) the steps taken/proposed to be taken by the Government for ensuring the availability of sugar at affordable price to the consumers in the country?

**Answer**

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

(a) The committee headed by Dr. C. Rangarajan on Sugar Industry submitted its report to the Government on 5th October,2012. The Committee has, interalia, 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. In its process of consideration, the Central Government has also invited comments of the concerned State Governments. A statement indicating summary of the responses received thus far from State Governments/Union Territory Administrations is annexed.

(b) & (c) The Government is yet to take decision on the recommendations of the Committee.

(d) The Government has released adequate quota of non-levy sugar for the period December, 2012 to March, 2013 and sugar prices are currently stable in the domestic market.