

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

UNSTARRED QUESTION NO:2421  
ANSWERED ON:12.03.2013  
CHANGES IN SUGAR POLICY  
Mahato Shri Narahari; Tirkey Shri Manohar

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

- (a) whether the Sugar Industry has been adversely affected due to frequent changes in the policies related to the sugar industry during the last one decade;
- (b) if so, the details thereof and the reasons for the frequent changes in sugar policy along with the salient features of the present sugar policy and since when it is under implementation;
- (c) whether sugar output continues to fluctuate between extreme lows and highs in regular cycles due to these frequent policy changes;
- (d) if so, the details thereof; and
- (e) the steps being taken by the Government to boost the sugar industry in the coming years?

**Answer**

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

(a) & (b) The policies relating to sugar have been stable during the last decade. However, some interventions were considered necessary when there was excess or short fall in sugar production, to ensure adequate supply of sugar to consumers at reasonable price as well as ensuring payment of cane price to farmers and to keep sugar industry healthy. The salient features of sugar and sugarcane policies, in brief, are indicated in Annexure- I.

(c) & (d) As indicated in reply to parts (a) & (b) of the question, the sugar and sugarcane policies have remained stable. Despite stable policies, the sugar production remained cyclic in nature. But the production of sugar in the last three sugar seasons has been consistently higher than domestic demand due to appropriate interventions made in the policies.

(e) The following measures have been taken to help the sugar industry:-

(i) Government of India is implementing a Centrally Sponsored Scheme on Sustainable Development of Sugarcane Based Cropping System Area (SUBACS) under Macro Management Mode of Agriculture. Apart from this, under Rashtriya Krishi Vikas Yojana (RKVY), the State Governments have been given flexibility to choose their priorities for formulation of the crop development project including sugarcane. All the above programs are focused on planting material, transfer of technology, improving productivity, knowledge up-gradation and mechanization etc.

(ii) The Central Government provides concessional loans to sugar factories from Sugar Development Fund (SDF) for modernization of plant and machinery, expansion of crushing capacity, utilization of by-products viz. baggasse for co-generation of power and molasses for production of ethanol, up-gradation of technology and sugarcane development including better irrigation facilities, improved seed variety, ratoon management etc.

(iii) 5% blending of ethanol with petrol has been made mandatory vide notification dated 2nd January, 2013 for better utilization of molasses, the major by-product of the sugar industry.