

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

UNSTARRED QUESTION NO:6441  
ANSWERED ON:07.05.2013  
SUBSIDY ON SUGAR  
Dhanaplan Shri K. P.

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

- (a) whether the Government proposes to provide subsidy for sugar;
- (b) if so, the details thereof indicating the amount proposed to be provided as subsidy;
- (c) whether the State Governments can collect it locally and avail subsidy for sugar; and
- (d) if so, the details thereof?

**Answer**

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

(a)&(b) The Central Government is providing subsidy for distribution of sugar through fair price shops in the Targeted Public Distribution System (TPDS) at a uniform Retail Issue Price (RIP) throughout the country.

The Central Government has considered the recommendations of Dr. C. Rangarajan Committee on de-regulation of sugar sector on 4.4.2013 and, has, inter-alia, decided to do away with levy obligation on sugar mills. However, to make sugar available in the TPDS at the existing RIP of Rs.13.50 per kg., the Central Government would reimburse the subsidy @ Rs.18.50 per kg, limited to the quantity based on the States/UTs existing allocations. Considering that the States /UTs quota is about 27 lac tons, the total subsidy would amount to approximately Rs.4995 crores.

(c) & (d) Under the new dispensation, State Governments/UT Administrations would procure sugar in a transparent manner from the open market and claim subsidy from the Central Government for the quantity distributed in the TPDS. The guidelines for claiming subsidy are being framed and would be issued shortly.