

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

UNSTARRED QUESTION NO:2798  
ANSWERED ON:27.08.2013  
COST OF SUGAR PRODUCTION  
Panda Shri Prabodh

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

- (a) the current landed cost of imported raw sugar at various ports of the country and the ex-factory cost of white sugar processed therefrom;
- (b) the average cost of production of sugar produced from sugarcane separately, in Northern, Western and Southern parts of the country during the 2012-13 season;
- (c) whether the cost of production of domestically produced sugar is higher than the cost of white sugar processed from the imported raw sugar and if so, the details thereof; and
- (d) the reasons for not increasing the import duty to protect the interests of domestic sugar industry and sugarcane farmers?

**Answer**

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

- (a): The port-wise landed cost of imported raw sugar varies from consignment to consignment depending upon the prevailing raw sugar prices in the country of origin, exchange rate of rupee with US Dollar, freight, insurance and other overhead expenses etc. As per trade sources, the current landed cost of imported raw sugar at Indian ports except Haldia (for bulk import at current international raw sugar price of 16.28 cent per pound and exchange rate of Rs 64.63 per US Dollar) is about Rs 32,250 per ton. At Haldia, it is about Rs 32,400 per ton. The imported raw sugar is processed by the stand alone refineries or sugar mills. The processing cost of imported raw sugar varies in mills and refineries depending upon the technical efficiency of the plant, cost of inputs, etc. The Central Government does not maintain data on port-wise landed cost of imported raw sugar or the ex-factory cost of white sugar processed from imported raw sugar.
- (b): The production cost of sugar from sugarcane depends upon various factors like availability of adequate raw material, recovery from sugarcane, duration of the season, plant size, efficiency of plant, up-gradation and diversification, cost of working capital, managerial efficiency etc. Besides, the factors like State Advised Price of Sugarcane, control of molasses etc which affect cost of production substantially, are decided by the State Governments concerned. Therefore, the production cost varies from mill to mill as also from state to state. As such, it is not possible to indicate the average cost of production of sugar produced from sugarcane separately, in Northern, Western and Southern parts of the country during the 2012-13 season.
- (c): As indicated in reply to parts (a) and (b) of the question, the Government does not maintain data on ex-factory cost of white sugar processed from imported raw sugar or sugar produced from sugarcane.
- (d): The Government has considered the request of the Apex bodies of the sugar industry and has increased the customs duty on import of sugar including raw sugar from 10% to 15% with effect from 8th July,2013 to discourage imports and protect the interests of industry and sugarcane farmers.