

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

STARRED QUESTION NO:350

ANSWERED ON:18.02.2014

SUBSIDY FOR SUGAR

Choudhary Shri Harish;Karwariya Shri Kapil Muni

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

- (a) whether the Government has assessed the impact of deregulation of the sugar industry on sugar prices, particularly in non-sugar producing States;
- (b) if so, the details and the outcome thereof along with the steps taken to control its prices;
- (c) whether the Government proposes to provide subsidy for sugar and if so, the details thereof indicating the amount proposed to be provided as subsidy;and
- (d) whether the States would be allowed to collect sugar locally and avail the said subsidy thereon and if so, the details thereof?

**Answer**

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

(a), (b) (c) & (d) A Statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (d) OF THE STARRED QUESTION NO. 350 DUE FOR ANSWER ON 18.02.2014 IN THE LOK SABHA

(a) & (b) After partial deregulation of sugar sector, the price of sugar have remained stable throughout the country and infact declined in the recent months due to surplus sugar production in the last three sugar seasons and low exports on account of subdued international sugar prices.

(c) The Central Government is providing fixed subsidy @ Rs.18.50 per kg, to States/UTs for maintaining the current Retail Issue Price (RIP) of Rs.13.50 per kg. for distribution of sugar through Fair Price Shops in the Targeted Public Distribution System (TPDS). Considering that the States/UTs quota is about 27 lac tons, the total subsidy would amount to approximately Rs. 4995 crores.

(d) Under the new dispensation, State Governments/UT Administrations have been advised to procure sugar in a transparent manner from open market and claim subsidy from the Central Government for the quantity distributed in the TPDS. The guidelines have already been issued in this regard.