

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

UNSTARRED QUESTION NO:904

ANSWERED ON:10.12.2013

SUGAR INDUSTRY

Dhruvanarayana Shri R. ;Singh Shri Pradeep Kumar

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

(a) whether the sugar industry in the country is in a crisis and most of the mills including those in the co-operative sector are reeling under heavy financial burden;

(b) if so, the details thereof and the reasons therefor along with the remedial steps taken in this regard during each of the last three years and the current year, Statewise;

(c) whether reforms have been initiated in the co-operative sugar mills in some States to make them more competitive, professional and innovative to face competition from the private mills; and

(d) if so, the details and the present status thereof?

Answer

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

(a) & (b): Sugar production in the country has exceeded the domestic consumption requirement in the last three sugar seasons and is likely to exceed in the current sugar season also. The surplus domestic stock coupled with global surplus situation has resulted in low sugar prices in the domestic market and consequently low realization from sale of sugar. This has adversely affected the financial health of the sugar mills including those of cooperative sector. The Central Government has taken appropriate steps as and when needed to help the sugar industry in the last three seasons which inter-alia included abolition of levy obligation on the sugar mills for sugar produced after October, 2012, dispensing away with the release mechanism on sale of sugar, liberalization of sugar export and increase in import duty from 10% to 15%. The Central Government has recently constituted an informal group of Ministers under the Chairmanship of Minister of Agriculture to look into the problems being faced by the sugar industry.

(c) & (d): The measures initiated by some of the States to make the sugar factories of their States competitive, professional and innovative are given at Annexure.