

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

UNSTARRED QUESTION NO:4048  
ANSWERED ON:15.12.2009  
PRICE OF LEVY SUGAR  
Jawale Shri Haribhau Madhav

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

- (a) whether the Government proposes to revise the limit and price of levy sugar;
- (b) if so, the details thereof and the reasons therefor;
- (c) whether the Government proposes to have varying levy prices and subsidy provisions to offset the geographical disadvantage faced by some sugar mills;
- (d) if so, the details thereof; and
- (e) if not, the reasons therefor?

**Answer**

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

(a) and (b): The levy obligation on sugar factories has been increased from 10% to 20% for 2009-10 sugar season vide notification dated 07.10.2009. Further, following a 'Supreme Court Ruling on Revision of Levy Price', the Central Government has issued an Ordinance under the title 'The Essential Commodities (Amendment and Validation) Ordinance, 2009 (No.9 of 2009)' on 21.10.2009 to amend the Essential Commodities Act, 1955 and to make provisions for validation of certain orders issued by the Central Government determining the price of levy sugar and actions taken under those orders and for matters connected therewith. The said Ordinance provides for determination of levy sugar prices up to 2008-09 sugar season by taking into account Statutory Minimum Price of sugarcane. The Ordinance also provides that for sugar season 2009-10 which has started on 01.10.2009 and in future, levy sugar price will be determined taking into account, inter-alia, the 'Fair and Remunerative Price' of sugarcane. Further, the Central Government has introduced a Bill on 4.12.2009 in the Lok Sabha under the title 'The Essential Commodities (Amendment and Validation) Bill, 2009' to replace the said Ordinance by an Act of Parliament.

(c),(d)&(e): The levy sugar prices are fixed on zonal basis and all the sugar producing States have been divided in 19 zones, based on the agro-climatic and geographical conditions. As such, question of giving subsidy to the sugar mills on account of varying levy sugar prices does not arise.