

**GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA**

UNSTARRED QUESTION NO:2834
ANSWERED ON:13.03.2015
EXPORT OF SUGAR
Chandumajra Shri Prem Singh

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

- (a) whether the Government has taken note that export of Indian sugar in the international market has become difficult due to sale of sugar at cheap rate by Brazil;
- (b) if so, the facts thereof along with its impact on domestic sugar industry;
- (c) the reasons for higher cost of sugar produced in the country in comparison to other countries like Brazil;
- (d) whether the domestic sugar industry has requested to provide subsidy to promote sugar export in the international market;
- (e) if so, the details thereof along with the reaction of the Government thereto; and
- (f) the other corrective measures taken by the Government in this regard?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (INDEPENDENT CHARGE) (SMT. NIRMALA SITHARAMAN)

(a & b) Due to record production of sugar in major sugar producing countries like Brazil, Thailand and India in the market year 2012-13 and 2013-14 coupled with fall in commodity prices of agriculture goods and crude oil the international prices of sugar are depressed thereby making export of sugar from India unviable. The export data for sugar for the last 2 years and the current year (sugar season Oct. 14 to Dec. 14) is as under:-

Period	Export Qty (MT)	Value (In Rs)
Oct. 12 to Sep. 13	1213312	3,652.10
Oct. 13 to Sep. 14	2764474	7,674.96
Oct. 14 to Dec. 14	400489	1,116.68

Source: DGCI&S

ITCHS: 1701 and 170290

Apr. 14-Dec. 14 figures are provisional

(c) The cost of sugar production depends upon a number of factor like cost and quality of raw material mainly sugarcane, conversion cost, efficiency of plant and Machinery etc. The cost of such inputs varies from country to country. Besides, in Brazil, the mill owner have major share of their own land holdings for cultivating sugarcane whereas in India cane is grown and supplied to mill by Indian farmers having small land holdings. The policy of cane pricing in Brazil are linked to prices of sugar and ethanol whereas in India Central Government fixes Fair and Remune- rative Price (FRP) of sugarcane which is minimum price to be paid by sugar mills to farmers. These are some of the reasons for higher cost of sugar production in India.

(d to f) The apex bodies of the sugar industry i.e. Indian Sugar Mills Association (ISMA) and National Federation of Cooperative Sugar Factories Ltd (NFCSF), have request the Government to provide subsidy on marketing and promotion services of raw sugar production linked to export market. The Central Government vide notification dated 28.02.2014 has allowed to provide incentive for export of raw sugar during 2013-14 sugar season which was subsequently extended for the current sugar season 2014-15 vide

notification dated 27.02.2015. During current season the incentive is available @ Rs. 4000 per MT upto a maximum of 14 Lakh MT.