

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

UNSTARRED QUESTION NO:3287
ANSWERED ON:17.03.2015
SUGAR PRODUCTION
Shetty Shri Gopal Chinayya

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

- (a) whether the sugar production cost in Maharashtra is the highest in the country;
- (b) if so, the details thereof and the reasons therefor along with its impact on the price of sugar indicating the cost of sugar production in various parts of the country particularly in Maharashtra, Statewise; and
- (c) the steps being taken by the Government to reduce the production cost of sugar?

Answer

MINISTER OF CONSUMER AFFAIRS, FOOD & PUBLIC DISTRIBUTION (SHRI RAMVILAS PASWAN)

(a) & (b): The production cost of sugar varies from factory to factory as also from state to state. It 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, State Advised Price of sugarcane, cost of working capital, managerial efficiency etc. The Central Government does not maintain the data in this regard. The price of sugar gets affected by various factors like cost of production, domestic demand and supply, market sentiments, trends of international prices etc.

(c): It is the responsibility of the entrepreneur concerned to take necessary steps to reduce production cost in respect of private sector sugar mills and that of the State Governments/ UT Administration in the case of the public and cooperative sugar mills. The Central Government extends concessional loans from Sugar Development Fund (SDF) for (i) modernization/ rehabilitation of plant and machinery (ii) sugarcane development (iii) production of ethanol from molasses and (iv) Bagasse-based cogeneration projects.