

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

UNSTARRED QUESTION NO:3787

ANSWERED ON:05.08.2014

SUGAR PRODUCTION

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

- (a) whether the quantum of sugarcane is adequately available to meet the demand of sugar industry and the demand of sugar to the consumers in the country;
- (b) if so, the details thereof along with the estimates of production and consumption of sugar in the country during current sugar season 2013-14 and the ensuing sugar season 2014-15 and if not, the steps taken to ensure adequate supply to the mills and the consumers;
- (c) the details of stock of sugar available during each of the last three years and the current year;
- (d) the steps taken to increase production, ensure adequate availability and control prices of sugar in the country; and
- (e) the factors taken into account for determining the Fair and Remunerative Price of sugarcane?

Answer

MINISTER OF STATE FOR CONSUMER AFFAIRS, FOOD & PUBLIC DISTRIBUTION (SHRI RAOSAHEB PATIL DANVE)

(a) & (b): In the 3rd Advance Estimates of the Department of Agriculture and Cooperation (DAC), released in May, 2014, the sugarcane production has been estimated at 3483.8 lakh tons in the current sugar season 2013-14 which is sufficient to meet the requirements of the sugar industry and demand of sugar in the country. However, the sugarcane availability to individual mills may differ from State to State depending upon the production of sugarcane in the State. The production of sugar during current sugar season 2013-14 is provisionally estimated to be at about 243 lakh tons as against the estimated domestic consumption of 240 Lac tons. The production of sugar depends upon sugarcane production, recovery & its availability to the sugar mills for crushing during the season. The first advance estimates of production for the year 2014-15 for kharif crops including sugarcane are yet to be released by the Department of Agriculture and Cooperation. As such, it is too early to estimate the sugar production for the ensuing season 2014-15. Domestic consumption, as per Credit Rating Information Services of India Ltd. (CRISIL), is set to increase at a compound Annual Growth Rate (CAGR) of 3 to 4% during next few years.

(c): The details of closing stocks of sugar with the sugar mills at the end of the sugar season during the last three sugar seasons and the current sugar season are as under:-

Sugar Season(October-September) closing stocks of sugar at the end
of the sugar season (In Lac Tons)

2010-11	58.19
2011-12	66.96
2012-13	91.09
2013-14(Current season)	68.36 (provisional)

(d): The Government has taken the following steps for increasing the sugarcane and sugar production in the country:-

(i) The Fair and remunerative Price (FRP) of sugarcane payable to the sugarcane farmers for the ensuing sugar season 2014-15, has been fixed at Rs. 220/- per quintal linked to a basic recovery rate of 9.5 % subject to a premium of Rs. 2.32 per quintal for every 0.1percentage point increase in recovery above that level which is higher by Rs.10/- per quintal as compared to last season.

(ii) The Central Government has approved implementation of commercial crops development programme under the National Food Security Mission (Commercial Crops) by following cropping system approach for sugarcane crop to encourage farmers to improve productivity of this crop through proper crop rotation, multiple cropping systems, intercropping, etc. The National Food Security Mission-Commercial Crops (Sugarcane) is implemented in various States namely, Andhra Pradesh, Telangana, Bihar, Gujarat, Haryana, Karnataka, Madhya Pradesh, Maharashtra, Orissa, Punjab, Tamil Nadu, Uttar Pradesh & Uttarakhand and involving the Central agencies like ICAR and other research institutes, etc.

(iii) The concessional loans to sugar mills from Sugar Development Fund (SDF) are provided for sugarcane development including better irrigation facilities, improved seed variety, ratoon management etc.

Sugar prices in the domestic market are presently stable.

(e) : The Central Government fixes the Fair and Remunerative Price (FRP) of sugarcane having regard to the factors mentioned in clause 3(1) of the sugarcane (Control) Order, 1966 viz., cost of production of sugarcane; return to the growers from alternative crops and the general trend of prices of agricultural commodities; availability of sugar to consumers at a fair price; price at which sugar produced from sugarcane is sold by sugar producers; recovery of sugar from sugarcane; realization made from sale of by-products viz. Molasses, bagasse and press-mud or their imputed value and reasonable margins for the growers of sugarcane on account of risk and profits. The FRP so fixed is based on the recommendations of the Commission for Agricultural Costs and Prices (CACP) and after consultations with State Governments and other stake-holders".