

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

UNSTARRED QUESTION NO:3796
ANSWERED ON:05.08.2014
DEREGULATION OF SUGAR SECTOR
Choudhary Col. (Retd) Sona Ram;Salim Shri Mohammad

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

- (a) whether the Government has only deregulated the sugar sale and not the sugarcane pricing and if so, the details thereof and the reasons therefor;
- (b) whether the Rangarajan Committee had recommended to rationalise the sugarcane pricing across the country and if so, the details thereof and the response of the Government thereto; and
- (c) whether the Government is considering any proposal to rationalise sugarcane pricing to make the sugar industry globally competitive and if so, the details thereof?

Answer

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

- (a) & (b): Dr. C. Rangarajan Committee on deregulation of sugar sector has inter alia recommended removal of the levy sugar obligation, dispensing with the regulated release mechanism on non levy sugar and rationalisation of sugarcane pricing so that there should be a sharing of the revenues/ value created in the sugarcane value chain between the farmers and the millers in a fair and equitable manner. The Central Government considered the recommendations of the Committee and inter alia decided to do away with the levy obligation on sugar mills for sugar produced after September, 2012 and dispense with the regulated release mechanism on open market sale of sugar. The recommendation of the Committee regarding sugarcane pricing has been referred to the State Governments for adoption and implementation, as considered appropriate by them.
- (c) As indicated in reply to parts (a) & (b) above, the concerned State Governments have been requested to rationalise their sugarcane pricing policies as per the recommendations of the Committee.