

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

UNSTARRED QUESTION NO:4662
ANSWERED ON:12.08.2014
SUGAR DEREGULATION
Patil Shri Shivaji Adhalrao

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

- (a) whether the proposed deregulation would end the State control and give a free hand to mills with regard to pricing and procurement of sugarcane and production/ distribution of sugar;
- (b) if so, the details thereof along with its impact on livelihood of the farmers and the policy of cane reserve area;
- (c) whether some States have expressed reservation over the decision of the Government to deregulate the sector; and
- (d) if so, the details thereof and the response of the Government thereto?

Answer

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

(a)& (b): The Central Government has considered the recommendations of Dr. C. Rangarajan Committee on deregulation of sugar sector and with a view to increase competitiveness and efficiency in the sugar sector has decontrolled it by doing away with the levy obligation on sugar mills and dispensing with the regulated release mechanism on open market sale of sugar. The other recommendations of the Committee relating to adoption of the Cane Price Formula and Cane Area Reservation wherein sugar mills are required to procure sugarcane from their respective sugarcane reservation areas only, have been left to the State Governments for adoption and implementation, as considered appropriate by them. The de-regulation of the sugar sector is likely to improve the financial health of the sugar mills, increase the cash flow, reduce their inventory cost and also result in timely and better payment of cane price to sugarcane farmers in the country.

(c) & (d): Dr. C. Rangarajan Committee on deregulation of sugar sector had finalized its report by taking into account the views of the various State Governments, concerned stakeholders in the sector and discussions held with them in its meetings. The Central Government decontrolled the sugar sector based on the recommendations of the said Committee after duly sharing the recommendations with the State Governments/ UT Administrations and considering their views.