

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

STARRED QUESTION NO:225
ANSWERED ON:09.12.2014
ASSISTANCE FOR SUGAR INDUSTRY
Ram Mohan Naidu Shri Kinjarapu

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

- (a) whether the Government has received representations from the sugar industry for providing financial and other assistance in view of the surplus sugar availability/stocks, if so, the details thereof and the follow-up action taken thereon;
- (b) whether the Government has since decided to discontinue any sort of assistance in view of its deregulation and if so, the details thereof;
- (c) whether there is any proposal to relax this norm to provide assistance to the industry on lines of similar assistance provided to several other decontrolled industries; and
- (d) if so, the details thereof and the action taken thereon?

Answer

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

(a) to (d): A Statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (d) OF THE STARRED QUESTION NO. 225 DUE FOR ANSWER ON 09.12.2014 IN THE LOK SABHA.

(a): In the recent past, representations from Association of Sugar Industry have been received by the Government, seeking financial and other assistance in view of the surplus sugar availability/ stocks. The assistance has primarily been sought in the form of :-

- (i) a hike up to 40% in duty on import of sugar,
- (ii) continuance of export incentive scheme for raw sugar exports for the sugar season 2014-15
- (iii) creation of strategic sugar stocks
- (iv) mandatory ethanol blending at 10% and increase in ethanol procurement price
- (v) diversion of excess sugar to produce ethanol through B-molasses
- (vi) participation of State Governments in cane price payment over and above of Fair and Remunerative Price (FRP) of sugarcane.

Import duty on sugar has already been increased from 15% to 25% with effect from 20th August, 2014. It has not been found feasible to create strategic sugar stocks. Further, under Ethanol Blending Petrol Programme (EBP), 5% blending of ethanol is presently mandatory and Oil Marketing Companies can sell ethanol-blended petrol with percentage of ethanol up to 10% to achieve 5% ethanol blending across the country as a whole. Procurement price of ethanol is decided between Oil Marketing Companies and suppliers of ethanol.

The request for payment of the differential between State Advised Price (SAP) and FRP relates to the respective State Governments. Continuance of export incentive scheme for sugar season 2014-15 is under examination.

(b) & (c): No, Madam.

(d): Does not arise.