

GOVERNMENT OF INDIA  
MINISTRY OF CONSUMER AFFAIRS, FOOD & PUBLIC DISTRIBUTION  
DEPARTMENT OF FOOD AND PUBLIC DISTRIBUTION

LOK SABHA  
STARRED QUESTION NO. 25  
TO BE ANSWERED ON 05<sup>th</sup> FEBRUARY, 2019

TASK FORCE FOR SUGAR INDUSTRY

\*25. SHRI G. HARI:

Will the Minister of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION उपभोक्ता मामले, खाद्य और सार्वजनिक वितरण मंत्री be pleased to state:

- (a) whether it is a fact that the Government is considering to set up a task force for the sugar industry to find solutions for the said industry and if so, the details thereof; and
- (b) whether it is also a fact that the Government cannot continue to give packages year after year to the sugarcane industry which has to cut back production and if so, the details thereof?

A N S W E R  
MINISTER OF CONSUMER AFFAIRS, FOOD & PUBLIC DISTRIBUTION  
(SHRI RAMVILAS PASWAN)

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(a) to (b): A statement is laid on the Table of the House.

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STATEMENT REFERRED TO IN REPLY TO PARTS (a) & (b) OF THE STARRED QUESTION NO. \*25 DUE FOR ANSWER ON 05.02.2019 IN THE LOK SABHA

(a) & (b) With a view to find long term solutions for sugarcane and sugar industry so as to rationalize their dependence on state assistance while at the same time encourage farm diversification to reduce adverse impact on the water sector, a task force on Sugarcane and Sugar Industry has been constituted in December, 2018 by NITI Aayog under the Chairmanship of Prof. Ramesh Chand, Member, NITI Aayog.

Sugar production in India has been cyclic in nature. Every few years of high sugar production are followed by low production periods. In surplus phase, ex-mill price of sugar in domestic market gets depressed leading to low realization resulting in accumulation of cane price arrears of farmers. Interventions by Government are therefore, required from time to time to improve liquidity of sugar mills thereby enabling them to clear cane price dues of farmers. However, during last ten months, apart from various short-term interventions, the Government has taken few long-term measures to address the issue of regular intervention by Government. One such measure relates to fixation of Minimum Selling Price (MSP) of sugar which will facilitate a minimum price to sugar mills to recover the cost of cane and minimum cost of conversion in surplus seasons. Further, Government has allowed production of ethanol from B-heavy molasses and from cane juice which will help diversion of sugar for production of ethanol in surplus seasons. Government has also brought out a scheme for assistance to sugar mills to enhance the ethanol production capacity in the country. These measures are expected to minimise the support required by the sugar industry from Government.

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