

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

**LOK SABHA**

**UNSTARRED QUESTION NO. 409  
TO BE ANSWERED ON 26<sup>th</sup> FEBRUARY, 2013**

**DEREGULATION OF SUGAR SECTOR**

**409. SHRIMATI USHA VERMA:**

**SHRIMATI SUSHILA SAROJ:**

**SHRIMATI SEEMA UPADHYAY:**

**SHRI SONAWANE PRATAP NARAYANRAO:**

**SHRI HARSH VARDHAN:**

**SHRI HARIBHAU JAWALE:**

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

- (a) the salient features of the recommendations made by the Rangarajan Committee regarding deregulation of sugar sector along with the reaction of the Union and State Governments thereto;
- (b) whether the Government proposes to bring reforms and deregulate the sugar sector;
- (c) if so, the details thereof and the reasons therefor along with its likely impact on the availability and price of sugar in the country; and
- (d) the steps taken/proposed to be taken by the Government for ensuring the availability of sugar at affordable price to the consumers in the country?

**A N S W E R**

**MINISTER OF STATE (INDEPENDENT CHARGE) FOR CONSUMER AFFAIRS,  
FOOD & PUBLIC DISTRIBUTION  
(PROF. K.V. THOMAS)**

(a): The committee headed by Dr. C. Rangarajan on Sugar Industry submitted its report to the Government on 5<sup>th</sup> October, 2012. The Committee has, inter alia, recommended removal of the levy sugar obligation and dispensing with the regulated release mechanism on non-levy sugar; Rationalisation of sugarcane pricing; Abolition of cane area reservation system and bonding; Doing away with the minimum distance norms as states discontinue cane area reservation; liberalisation of sugar trade; market determination of prices of by-products with no earmarked end use allocations; and taking out sugar from the purview of Jute Packaging Materials (Compulsory use in Packaging Commodities) Act, 1987. The recommendations of the Committee are under consideration of the Government. In its process of consideration, the Central Government has also invited comments of the concerned State Governments. A statement indicating summary of the responses received thus far from State Governments/Union Territory Administrations is annexed.

(b) & (c): The Government is yet to take decision on the recommendations of the Committee.

(d): The Government has released adequate quota of non-levy sugar for the period December, 2012 to March, 2013 and sugar prices are currently stable in the domestic market.

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**ANNEXURE REFERRED TO IN REPLY TO PART (a) OF THE UNSTARRED QUESTION NO. 409 DUE FOR ANSWER ON 26.02.2013 IN THE LOK SABHA**

The main recommendations of Dr. C. Rangarajan Committee relate to the issues of Cane Area Reservation, Minimum Distance Criteria, Sugarcane Price, Revenue Sharing, Removal of Levy Sugar obligation, Regulated Release Mechanism, Trade Policy and Compulsory Jute Packing. On these issues the comments received from State Governments / UTs are as under:

S. No.	States/UT	Comments
1	Andaman and Nicobar Islands	On the issue of removal of levy sugar obligation, the UT Administration has stated that the present system may continue. No comments have been offered on other recommendations.
2	Andhra Pradesh	The State Government has agreed with all the recommendations except the one relating to removal of levy sugar obligation and opined that the present system may continue.
3	Chhatisgarh	As regards removal of levy sugar obligation, the State Government has opined that the present system may continue. No comments have been offered on other recommendations.
4	Delhi	The Government of NCT of Delhi has offered its comments only on the recommendation relating to removal of levy sugar obligation and opined that its removal may affect supply through Public Distribution System (PDS).
5	Gujarat	The State Government has agreed with all recommendations except those relating to Cane area reservation and minimum distance criteria. As regards Cane area reservation, the State Government has opined that cane area reservation should be on long term basis and with regard to minimum distance criteria, it has stated that it should be 40 km.
6	Himachal Pradesh	The State Government has offered no comments on the recommendations except the one relating to removal of levy sugar obligation and opined that the present system may continue.
7	Karnataka	The State Government has agreed with all the recommendations of the Committee.
8	Puducherry	On the issue of removal of levy sugar obligation, the UT Administration has stated that the subsidy should be in proportion to increase in market rate. It has offered no comments on any other recommendation.
9	Punjab	The State Government has offered its comments only on the recommendation relating to removal of levy sugar obligation and opined that the alternative arrangements to ensure supply should be made.
10	Sikkim	The State Government has offered its comments only on the recommendation relating to removal of levy sugar obligation and opined that supply of sugar under PDS should continue.
11	Tripura	The State Government has opposed removal of levy sugar obligation and release mechanism for NE States. As regards trade policy, it has stated that internal market should be protected. No comments have been offered on other recommendations.
12	West Bengal	The State Government has disagreed with the recommendations relating to removal of levy sugar obligation and compulsory jute packing. No comments have been offered on other recommendations.