



**GOVERNMENT OF INDIA
MINISTRY OF CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION
RAJYA SABHA
QUESTION NO 345
ANSWERED ON 13.08.2012**

Price rise of sugar

345

SHRI SHIVANAND TIWARI

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

(a) whether it is a fact that the price of sugar had reached 3,600 per quintal in July, 2012 in spite of adequate availability of sugar as a result of bumper production of sugar in the country;

(b) if so, the facts in this regard and the reasons for such sky rocketing rates; and

(c) whether steps have been taken by Government to control the price of sugar and if so, the details thereof?

ANSWER

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

(a) to (b) : Yes Sir. The market price of sugar remained stable upto June, 2012 but started showing an upward trend from July, 2012 onwards. This recent increase in sugar prices is possibly on account of deficient monsoon leading to market's expectation of lower production in the ensuing 2012-13 sugar season and fluctuations in international sugar prices, etc., as the price of sugar depends upon a number of factors like cost of raw material mainly sugarcane, conversion cost, domestic demand and supply situation, market sentiments, trend of international prices and production, etc.

(c): It is the endeavour of the Government to keep sugar prices stable through the policy of regulated release mechanism. To control the recent increase in sugar prices the Government has taken following steps:-

(i) The unsold non-levy quota of about 2 lac tonnes from April to June quarter was allowed for sale in the open market upto 14.08.2012 on 13.07.2012;

(ii) Sugar mills have been directed to sell at least 70% of July-September quota by August, 2012 vide order dated 24.07.2012;

(iii) Additional quota of 2.66 lac tonnes has been released on 27th July, 2012 to be sold off by 31st August, 2012; and

(iv) Another additional quota of 4 lac tonnes has been released on 7th August, 2012 to be sold off by 31st August, 2012.