

GOVERNMENT OF INDIA

MINISTRY OF CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION

LOK SABHA

UNSTARRED QUESTION NO 2000

ANSWERED ON 17.12.2013

SUGAR INDUSTRY

**2000 . Shri GURUDAS DAS GUPTA
RAOSAHEB PATIL DANVE**

PRABODH PANDA

HARSH VARDHAN

HANSRAJ GANGARAM AHIR

EKNATH MAHADEO GAIKWAD

ANAND PRAKASH PARANJPE

TABASSUM BEGUM

SEEMA UPADHYAY

SUBHASH BAPURAO WANKHEDE

KHATGAONKAR PATIL BHASKARRAO BAPURAO

RUDRAMADHAB RAY

MAHESHWAR HAZARI

R. THAMARAISELVAN

K. SUGUMAR

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

(a) whether there has been a standoff between the agitating sugarcane farmers and the sugar mills which have refused cane crushing during the current season on account of various reasons including cane prices, sugarcane dues etc.;

(b) if so, the details thereof and the corrective measures taken in this regard including a bailout package for the sugar industry and measures to strike a balance between remunerative price to farmers and maintaining the viability of sugar mills;

(c) whether the import of sugar at cheap rates has also affected the viability of the industry and if so, the details thereof and the corrective steps taken in this regard; and

(d) whether the production of sugar is likely to be affected during the current season and if so, the details thereof and the reasons therefor along with the corrective steps taken in this regard, State-wise?

ANSWER

MINISTER OF STATE (INDEPENDENT CHARGE) FOR CONSUMER AFFAIRS, FOOD & PUBLIC DISTRIBUTION

(PROF. K.V. THOMAS)

(a) & b): The State Government of Uttar Pradesh has informed that initially many private sector sugar mills gave notices mentioning that they could not afford to pay even last year's State Advised Price (SAP) to sugarcane growers for the on-going crushing season. The State Government granted some reliefs and concessions to the sugar mills, after that all the sugar mills agreed to pay SAP to cane growers in current sugar season 2013-14. Presently, there is no standoff between sugarcane farmers and sugar mills. The Government has formed an Informal Group of Ministers under the Chairmanship of Minister of Agriculture to look into the problems being faced by the Sugar industry. The group has, inter-alia recommended extending bank loans to sugar mills with interest subvention by the Central Government. The other relief measures taken by the Central Government to help the sugar industry inter-alia include dispensing with the release mechanism for sale of sugar, abolition of levy obligation on sugar mills for sugar produced from October, 2012, increasing the customs duty on import of sugar under Open General Licence (OGL) from 10% to 15% and liberalisation of sugar exports etc.

(c): In order to discourage import of sugar, the customs duty on sugar import has been raised from 10% to 15% with effect from 8.7.2013. Since then there has been hardly any imports under Open General Licence (OGL) worth affecting domestic market.

(d): Delay in commencement of cane crushing may not have any significant impact on sugar production in the current sugar season which is estimated to be about 241 lac tons.