

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

UNSTARRED QUESTION NO: 3660

ANSWERED ON: 05.08.2014

LEVY QUOTA OF SUGAR

DHARMENDRA YADAV

Shrirang Appa Barne

C.S. PUTTARAJU

ANANDRAO ADSUL

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

- (a) whether the Government has deregulated or proposes to deregulate the sugar sector and if so, the details thereof and the reasons therefor indicating the salient features of the said proposal and its impact on prices;
- (b) whether the States have expressed their reservation regarding the said proposal and if so, the details thereof and the response of the Government thereto;
- (c) whether sugar industry is required to supply 10 per cent of its output to the Government at State-determined prices as levy for sale through the Public Distribution System (PDS) and if so, the details thereof; and
- (d) the steps taken by the Government to check hoarding and to ensure steady supply of sugar to control its prices?

ANSWER

MINISTER OF STATE FOR CONSUMER AFFAIRS, FOOD & PUBLIC DISTRIBUTION (SHRI RAOSAHEB PATIL DANVE)

- (a) The Central Government has considered the recommendations of Dr. C. Rangarajan Committee on deregulation of sugar sector and with a view to increase competitiveness and efficiency in the sugar sector has decontrolled it by doing away with the levy obligation on sugar mills and dispensing with the regulated release mechanism on open market sale of sugar. The prices of sugar in the domestic market depend upon a number of factors viz. cost of raw material, conversion cost, production, domestic demand and supply situation, market sentiments, international sugar prices, etc. The prices of sugar have remained stable in the domestic market even after deregulation of the sugar sector.
- (b) Dr. C. Rangarajan Committee on deregulation of sugar sector had finalized its report by taking into account the views of the various State Governments, concerned stakeholders in the sector and discussions held with them in its meetings. The Central Government decontrolled the sugar sector based on the recommendations of the said Committee after duly sharing the recommendations with the State Governments/ UT Administrations and considering their views.
- (c) As indicated in reply to part (a) above the levy obligation on sugar mills has been removed.

(d) Sufficient stock of sugar is available in the country to meet domestic requirement/ consumption and the prices of sugar are currently stable in the domestic market. However, advisory has been issued to State Governments/ UTs to take stringent action against hoarding and black marketing.