

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

STARRED QUESTION NO:264
ANSWERED ON:19.12.2003
CONSUMPTION AND EXPORT OF SUGAR
MANIKRAO HODLYA GAVIT;PRABODH PANDA

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

- (a) the details of production, consumption and export of sugar during each of the last three years and as on date;
- (b) the facilities being provided by the Government to boost the production and export of sugar;
- (c) whether any financial assistance is also being given to State Governments for this purpose; and
- (d) if so, the details of assistance so far provided to each State during the above period?

Answer

MINISTER OF CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION (SHRI SHARAD YADAV)

(a) to (d): A Statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (d) OF STARRED QUESTION NO. 264 DUE FOR ANSWER ON 2003 IN THE LOK SABHA.

(a): The details of sugar production, consumption and export of sugar during each of the last three sugar seasons and during the current crushing season 2003-2004 (upto 31st October, 2003) are at Annexure:

(Qty. in lakh tonnes)

| Sugar Season | Production | Consumption | Exports |
|--------------|------------|-------------|---------|
|--------------|------------|-------------|---------|

| | | | |
|-----------|--------|--------|-------|
| 2000-2001 | 185.10 | 162.00 | 9.87 |
| 2001-2002 | 184.96 | 167.48 | 10.94 |

2002-2003

(Provisional) 201.32 173.35 15.00

2003-2004 (upto Oct.
2003) (Provisional) 1.61 13.14 0.36

(b): The Government has taken the following measures for increasing the production of sugar:

(i) The sugar industry has been delicensed with effect from 11.9.1998. The entrepreneurs are now free to take investment and technology decision for establishment of new sugar factories and expansion in the existing sugar factories keeping in view the techno-economic feasibility of their projects.

(ii) The compulsory levy percentage was reduced from 40% to 30% w.e.f. 1.1.2000, 30% to 15% w.e.f. 1.2.2001 and, w.e.f. 1.3.2002, from 15% to 10%. This has enabled to sugar factories to sell more sugar under the free sale quota in the open market and thereby obtain better realization.

(iii) Financial assistance from Sugar Development Fund (SDF) is provided for modernization/rehabilitation, expansion of capacity, cane development, research and development etc.

In order to promote export of sugar, the following measures have been taken:

- (i) The sugar meant for export has been exempted from the levy obligation.
- (ii) The quantity of sugar released for export is treated as advance freesale release to be adjusted in the freesale stocks of the sugar factories after a period of 18 months.
- (iii) DEPB at the rate of 4% of the FOB value of export of sugar has been allowed.
- (iv) With effect from 21st June 2002, the sugar factories have been allowed to claim reimbursement of expenditure incurred on internal transport and freight charges @ Rs.1000 per tonne (maximum) on export shipments of sugar.
- (v) With effect from 14th February, 2003, the sugar factories have been allowed neutralization of ocean freight disadvantage on export shipments of sugar @ Rs.350 per tonne.
- (vi) With effect from 3rd October, 2003, the Handling and Marketing Charges have been allowed @ Rs.500 per tonne on export shipments of sugar.

(c): No, Sir.

(d): Question does not arise.