

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

STARRED QUESTION NO:217

ANSWERED ON:06.03.2006

INCREASE IN SUGAR PRICE

Gangwar Shri Santosh Kumar;Reddy Shri Karunakara G.

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

- (a) whether there has been a continuous increase in sugar prices in the country;
- (b) if so, the details of the rates at which the sugar was sold in open market at the end of each month during the last one year;
- (c) the steps taken/proposed to be taken to contain the sugar prices;
- (d) whether the Government proposes to raise the price of sugarcane in view of the increase in price of sugar; and
- (e) if so, the details thereof ?

Answer

MINISTER OF AGRICULTURE AND MINISTER OF CONSUMER AFFAIRS, FOOD & PUBLIC DISTRIBUTION(SHRI SHARAD PAWAR)

(a), (b), (c) (d) & (e): A Statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (e) OF THE STARRED QUESTION NO. 217 DUE FOR ANSWER ON 06.03.2006 IN THE LOK SABHA.

(a) & (b): The month end wholesale prices of sugar that prevailed in the principal markets of the country during the last one year are at Annexure-I.

(c): To control sugar prices, the Government have inter-alia taken the following steps:

- (i) Additional release of 4.5 lakh M.Ts of free sale sugar for the quarter January-March, 2006,
- (ii) Making mandatory the sale of non levy sugar released for a particular month within the stipulated period,
- (iii) Conversion of unsold/undespatched quantity of free sale sugar into levy sugar,
- (iv) Enforcement/checks of the sugar mills on a random basis,
- (v) Closely and constantly monitoring the price of sugar in the country,

(d) & (e): The Statutory Minimum Price payable by sugar mills to the sugarcane growers for each sugar season is fixed by the Government on the recommendations of the Commission for Agricultural Costs and Prices (CACP) having regard to factors like cost of production of sugarcane, return to the grower from alternative crops, recovery of sugar from sugarcane, price at which sugar produced from sugarcane is sold by sugar producers etc. Accordingly, as per the recommendation of the CACP, the Statutory Minimum Price (SMP) for 2005-06 sugar season has already been fixed at Rs. 79.50 per quintal linked to a basic recovery of 9.0% subject to a premium of 0.88 paise per quintal for every 0.1% increase in recovery.

However, some of the State Governments have been advising the sugar factories to pay cane prices generally at levels higher than the SMP.

ANNEXURE-I

ANNEXURE REFERRED TO IN REPLY TO PARTS (a) AND (b) OF THE STARRED QUESTION NO. 217 DUE FOR ANSWER ON 06.03.2006 IN THE LOK SABHA.

Month and wholesale prices of sugar in the principal markets of the country as per Price Monitoring Cell, Department of Consumer Affairs.

(Rs. per quintal)

Year/Month Delhi Mumbai Kolkata Chennai

2005/January 1870 1850 1900 1800
February 1840 1875 1850 1800
March 1785 1828 1865 1740
April 1800 1868 1870 1740
May 1755 1820 1815 1700
June 1830 1773 1845 1680
July 1875 1905 1910 1700
August 1865 1905 1900 1770
September 1860 1848 1890 1710
October 1820 1930 1890 1740
November 1852 1880 1920 1740
December 1830 1930 1910 1765
2006/January 2003 1980 2000 1790
February 2050 2015 2080 2050
(upto 15th)