

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

STARRED QUESTION NO:378

ANSWERED ON:18.12.2006

EXPANSION OF SUGAR INDUSTRY

Singh Shri Rajiv Ranjan (Lalan);Suman Shri Ramji Lal

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

- (a) Whether there has been a constant capacity expansion in the sugar industry of the country during the recent years ;
- (b) If so, the average annual rate of capacity expansion of the said industry during the last three years ;
- (c) Whether the factors responsible for the said expansion have been assessed to ensure balanced expansion of the industry for making it profitable and export oriented and providing better price to farmers; and
- (d) If so, the details thereof and the steps taken thereon ?

**Answer**

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

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

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (d) OF THE STARRED QUESTION NO. 378 DUE FOR ANSWER ON 18.12.2006 IN THE LOK SABHA.

(a)&(b) : The annual installed sugar production capacity during the last three years has increased from 188.02 lakh tonnes in 2003-04 sugar season to 189.85 lakh tonnes in 2004-05 sugar season and further to 197.97 lakh tonnes in 2005-06 sugar season. The average annual rate of capacity expansion has been 2.24%, 0.97% and 4.28% respectively.

(c)&(d) : The sugar industry has been delicensed with effect from 11.9.98. With the delicensing of sugar industry, the entrepreneurs are free to set up sugar factories or expand the existing sugar factories as per techno-economic feasibility and commercial viability of their project but maintaining a radial distance of 15 kms from the existing sugar factory. As regards payment of better price to farmers, the interest of farmers is protected under the provisions of the Sugarcane (Control) Order, 1966.