

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

UNSTARRED QUESTION NO:1182
ANSWERED ON:03.03.2015
DECONTROL OF SUGAR INDUSTRY
Chudasama Shri Rajeshbhai Naranbhai

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

- (a) whether the Government has decontrolled or proposes to decontrol the sugar industry;
- (b) if so, the details thereof and the reasons therefor along with its likely impact on consumers;
- (c) the rate at which Government procures sugar for ration shops and the likely rate after decontrol;
- (d) whether the problems caused to consumers, due to decontrol of open market prices of sugar have been identified; and
- (e) if so, the details thereof?

Answer

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

- (a) & (b): The Central Government has decontrolled the sugar sector in April, 2013 by removing the levy obligation on sugar mills and doing away with the regulated release mechanism of open market sale of sugar. These measures intended to increase competitiveness, improve efficiency and promote development of the sugar sector on sustainable basis which in turn were to help in meeting the aspirations of consumers for better prices and adequate availability of sugar.
- (c): Prior to de-regulation, sugar mills were mandated to supply a certain percentage of their production to the Government for distribution under Public Distribution System (PDS) at a fixed price notified on zonal basis for every sugar season by the Government. Under the new dispensation, put in place for distribution of sugar through PDS after de-regulation, State Governments/UT Administrations have been asked to procure it from the open market through a transparent system.
- (d): The prices of sugar in the open market continue to be subdued due to sugar production exceeding domestic demand. Besides, the BPL families continue to get sugar at subsidized rate through PDS. There are no problems faced by consumers due to decontrol.
- (e): Does not arise.