

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

UNSTARRED QUESTION NO:389  
ANSWERED ON:25.11.2014  
DEVELOPMENT COUNCIL FOR SUGAR INDUSTRY  
Gopalakrishnan Shri R.

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

- (a) whether there is any proposal to disband the Development Council for Sugar Industry;
- (b) if so, the details thereof and the reasons therefor; and
- (c) the steps proposed to be taken by the Government for the welfare of sugar industry and sugarcane growers of the country?

**Answer**

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

(a): Yes, Madam.

(b): It has been decided with the approval of Competent Authority to discontinue the Development Council for Sugar Industry.

Over a period of time following developments have taken place in sugar sector which necessitated discontinuation of the Development Council for Sugar Industry:

# Licensing requirements have been removed for Sugar Industry

# Sugar Sector has been partially decontrolled by doing away with levy obligation on sugar mills for sugar produced after September, 2012

# Regulated release mechanism on open market sale of sugar has also been dispensed with.

In view of the above, there is no meaningful role for the Development Council.

(c): It is the endeavour of the Government to protect the interests of all stakeholders of the sugar sector mainly the sugar industry, sugarcane growers and consumers of the country and accordingly, appropriate steps are taken for the welfare of all stakeholders of the sugar sector.

In this process Central Government is providing loans at the rate of 2% below the bank rate to sugar mills for modernisation/ expansion, setting up/ expansion of bagasse based cogeneration of power, ethanol plant and for sugarcane development. Besides, a Scheme for Extending Financial Assistance to Sugar Undertakings, 2014 has been notified on 3.1.2014 envisaging an interest subvention upto 12% on working capital loans by banks to sugar mills for clearance of cane price arrears.