

GOVERNMENT OF INDIA
MINISTRY OF CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION
RAJYA SABHA
QUESTION NO 27.11.2009
ANSWERED ON
MEASURES TO CHECK PRICE RISE OF SUGAR .

958

SHRI MAHENDRA MOHAN

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

- (a) whether Government has adopted a slew of measures to check rising sugar prices;
- (b) if so, the details thereof and to what extent those measures have proved effective;
- (c) whether Government has also allowed companies to import raw sugar to meet the demand and also to contain price rise of sugar; and
- (d) if so, the details thereof?

ANSWER

MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE AND MINISTER OF STATE IN THE
MINISTRY OF CONSUMER AFFAIRS, FOOD & PUBLIC DISTRIBUTION

(PROF. K.V. THOMAS)

(a)&(b): Yes, Sir. The Central Government has taken a slew of measures to augment domestic stocks of sugar and to moderate prices of sugar in the open market. Details of these measures are given as Annexure. As a result of these measures, the ex-mill prices of sugar remained subdued upto the month of July, 2009. However, indications that sugar production in the current sugar season 2009-10 would also be substantially lower than the overall consumption requirement of sugar in the country in view of deficient and irregular rainfall during current year, have pushed up sugar prices.

(c)&(d: Yes, Sir. The Government has allowed companies/sugar mills to import duty-free raw sugar. The details are indicated in the Annexure enclosed in reference to part (a) and (b) of the Question.

ANNEXURE

ANNEXURE REFERRED TO IN REPLY TO PART (a) & (b) OF THE UNSTARRED QUESTION NO.958
DUE FOR ANSWER ON 27.11.2009 IN THE RAJYA SABHA.

Measures taken by the Central Government to augment domestic stocks of sugar and to contain sugar prices

? Allowed import of raw sugar under Advance Authorization Scheme by sugar mills at zero duty upto 30.09.2009.

? Allowed import of raw sugar at zero duty under O.G.L. upto 01.08.2009 by sugar mills, later extended upto 31.03.2010. This has now been further extended upto 31.12.2010 vide notification dated 11.11.2009.

? Import of raw sugar was opened to private trade upto 31.03.2010 for being processed by domestic factories on job basis. This has now been further extended upto 31.12.2010 vide notification dated 11.11.2009.

? Allowed duty free import of white/refined sugar by STC/MMTC/PEC and NAFED upto 1 million tons by 01.08.2009 which was extended upto 30.11.2009. Further, duty free import of white/refined sugar under OGL has also been opened to other Central/State Government agencies and to private trade in addition to existing designated agencies, upto 30.11.2009. This has now been extended upto 31.3.2010 vide notification dated 11.11.2009.

? Levy obligation has been removed in respect of all imported raw sugar and white/refined sugar. The white/refined sugar has been also allowed to be sold at the discretion of the importing organizations, but sugar processed from imported raw sugar is subject to accelerated releases.

? The levy obligation on sugar factories has been enhanced from 10% to 20% of production w.e.f. 01.10.2009 for 2009-10 sugar season only, vide notification dated 7th October, 2009.

1.1 Besides augmenting the sugar stocks by permitting import of raw and white/refined sugar in 2008-09

sugar season, the Central Government has imposed stock holding and turnover limits to moderate prices of sugar as follows:

- > Stock-holding and turnover limits on sugar dealers vide notification dated 12.03.2009 for a period of four months, and thereafter for another period of six months i.e. upto 08.01.2010 vide the notification dated 16.7.2009. Further, Khandsari sugar has now been brought under the ambit of stockholding and turnover limit.

- > An order has been issued vide notification dated 22.08.2009 imposing stockholding limit on large consumers of sugar who are using or consuming more than ten quintals of sugar per month as a raw material for production or consumption or use, stipulating that such bulk consumers shall not hold sugar stock exceeding fifteen days of their requirement. The notification has come into effect from 19.9.2009.

- > Futures trade in sugar in domestic exchanges has been suspended w.e.f. 27.5.2009 till the end of 2009.