

GOVERNMENT OF INDIA
MINISTRY OF CONSUMER AFFAIRS, FOOD & PUBLIC DISTRIBUTION
DEPARTMENT OF FOOD AND PUBLIC DISTRIBUTION

LOK SABHA
UNSTARRED QUESTION NO. 3320
TO BE ANSWERED ON 07TH AUGUST, 2018

LINKING OF SUGAR AND
SUGARCANE PRICES

3320. SHRI DEEPENDER SINGH HOODA:

Will the Minister of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION उपभोक्ता मामले, खाद्य और सार्वजनिक वितरण मंत्री be pleased to state:

- (a) whether the Government has implemented the Revenue Sharing Formula (RSF), as proposed by CACP, for linking price of Sugarcane with the prevailing Sugar prices;
- (b) if so, the details thereof;
- (c) whether the Government has created the Sugar Stabilization Fund (SSF) under this Hybrid approach;
- (d) if so, the details of the corpus of SSF; and
- (e) if not, the reasons therefor?

A N S W E R

MINISTER OF STATE FOR CONSUMER AFFAIRS, FOOD & PUBLIC DISTRIBUTION
(SHRI C. R. CHAUDHARY)

(a) & (b): Commission for Agricultural Costs and Prices (CACP) has suggested to implement Revenue Sharing Formula linking price of Sugarcane with the prevailing Sugar prices as recommended by Dr. Rangarajan Committee. This recommendation has been referred to State Governments for implementation as deemed fit. So far, Maharashtra and Karnataka have implemented the recommendation relating to revenue sharing formula.

(c): No, Madam.

(d): Does not arise.

(e): The Government has been taking several measures from time to time in case of mismatch between production, demand and depressed prices of sugar in order to improve the liquidity position of sugar mills to enable them to clear cane price arrears of farmers; such as extending interest free working capital loans through schemes like Scheme for Extending Financial Assistance to Sugar Undertakings(SEFASU), Soft Loans, fixing remunerative prices for ethanol under the Ethanol Blended Petrol (EBP) Programme, extending assistance to offset the cost of cane, etc. Further, in order to prevent cash loss and to facilitate sugar mills to clear cane dues of farmers in time, the Government has now fixed a minimum selling price of sugar at Rs.29/kg for sale at factory gate in domestic market, below which no sugar mill can sell sugar. Therefore, Central Government does not support creation of Sugar Stabilization Fund.