

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

**LOK SABHA
UNSTARRED QUESTION NO.2070
TO BE ANSWERED ON 3rd MARCH, 2020**

DECLINE IN SUGAR PRODUCTION

**2070. SHRI GIRISH BHALCHANDRA BAPAT:
KUMARI SHOBHA KARANDLAJE:**

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

- (a) whether it is a fact that sugar output is down 24 per cent in the current sugar season 2019-20, if so, the details thereof;
- (b) whether the decline in sugar production is due to fall in the production of sugarcane mainly in the major sugar producing States of Maharashtra and Karnataka due to drought in some parts and heavy rains and floods in some other parts of these States, if so, whether this would lead to shortage of sugar and escalated sugar prices in the coming months, if so, the details thereof;
- (c) whether the availability of sugar is sufficient to meet the domestic consumption of about 260 lakh MT and if so, the details thereof;
- (d) whether the sugar prices in the domestic market are expected to remain stable due to decline in sugar production in the current season and the steps taken to increase the sugar production; and
- (e) the steps being taken by the Government to protect the interests of sugar producers and sugarcane growers in these States?

**A N S W E R
MINISTER OF STATE FOR MINISTRY OF CONSUMER AFFAIRS, FOOD &
PUBLIC DISTRIBUTION
(SHRI DANVE RAOSAHEB DADARAO)**

(a): The sugar production in the current sugar season 2019-20 is estimated to be about 273 lakh MT vis-a-vis 331.30 lakh MT achieved in last sugar season 2018-19 which is down by about 18%.

(b) to (d): Yes sir. The decline in sugar production is due to fall in the production of sugarcane mainly in the major sugar producing States of Maharashtra and Karnataka, due to drought in some parts and heavy rains and floods in some other parts of these states.

However, with the carry over stock of about 145 lakh MT of previous sugar season and estimated production of about 273 lakh MT in current sugar season 2019-20, the availability of sugar is sufficient to meet the domestic consumption of about 260 lakh MT. In view of sufficient availability of sugar in the country, the sugar prices in the domestic market are expected to remain stable.

(e): In view of excess domestic production of sugar in the country in sugar seasons 2017-18 & 2018-19 and anticipation of excess availability of sugar in 2019-20 sugar season also, the Central Government took following measures to improve liquidity position of sugar mills thereby enabling them to clear cane price dues of farmers:

SUGAR SEASON 2017-18

- (i) Fixed a minimum selling price (MSP) of sugar at Rs.29/kg w.e.f. 07.06.2018 which was revised to Rs. 31/kg w.e.f. 14.02.2019.**
- (ii) Extended Assistance to sugar mills @Rs.5.50/quintal of cane crushed for sugar season 2017-18 to offset the cost of cane amounting to about Rs.430 crore.**
- (iii) Created buffer stock of 30 LMT in sugar season 2017-18 for which Government is reimbursing carrying cost of Rs.780 crore towards maintenance of buffer stock.**

SUGAR SEASON 2018-19

- (i) **Extended Assistance to sugar mills @Rs.13.88/quintal of cane crushed for sugar season 2018-19 to offset the cost of cane amounting to about Rs.3000 crore.**
- (ii) **Extended Assistance to sugar mills for defraying expenditure towards internal transport, freight, handling and other charges to facilitate export of sugar from the country in sugar season 2018-19 amounting to about Rs. 700 crore.**
- (iii) **Extended soft loans amounting to Rs 7402 crore to sugar mills through banks, for which Government would bear interest subvention of about Rs 518 crore @ 7% for one year.**

SUGAR SEASON 2019-20

- (i) **Created buffer stock of 40 LMT of sugar for a period of one year from 1st August, 2019 to 31st July, 2020 for which Government is reimbursing carrying cost of Rs.1674 crore towards maintenance of buffer stock.**
- (ii) **Providing assistance to sugar mills @ Rs 10448/MT to facilitate export of sugar for expenses on export of 60 LMT of sugar in sugar season 2019-20 for which an estimated expenditure of Rs 6288 Cr would be borne by the Government.**
- (iii) **The Government has allowed production of ethanol from sugar and sugar syrup for current ethanol supply year 2019-20 (December,2019 - November,2020) and fixed the remunerative ex-mill price of ethanol derived from C-heavy molasses @ Rs. 43.75/litre, from B-heavy molasses @ Rs. 54.27/ litre and @ Rs. 59.48/litre for the ethanol derived from sugarcane juice/ sugar/ sugar syrup.**
