(b) the outcome thereof?

THE MINISTER OF STATE IN THE MINISTRY OF CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION (PROF. K.V. THOMAS): (a) The Government has already taken a number of steps to control the price rise and to reduce the impact of price rise on consumers such as augmenting domestic supplies of foodgrains through imports at zero/reduced rates of duty and ban on exports. Government measures to keep prices of foodgrains sugar, pulses etc. under control are given in the enclosed Statement (*See* below).

(b) The various steps taken by Government has had a moderating influence on prices of essential commodities.

***Statement***

*Government measures*

**1. Fiscal Measures**

(i) Reduced import duties to zero - for rice, wheat, pulses, edible oils (crude) and maize;

(ii) Reduced import duties on refined & hydrogenated oils & vegetable oils to 7.5%;

(iii) Allowed import of raw sugar at zero duty under O.G.L upto 1.8.2009 by sugar mills (notified on 17.4.2009). This has since been extended up to 31.3.2010.

(iv) Allowed import of white/refined sugar by STC/MMTC/PEC and NAFED upto 1 million tonnes by 1.8.2009 under O.G.L. at zero duty (notified on 17.4.2009). This is extended upto 30.11.2009. This is also extended to private sector.

(v) Removed levy obligation in respect of imported raw sugar and white/refined sugar.

**2. Administrative Measures**

(vi) Banned export of non-basmati rice, edible oils (except coconut oil and forest based oil) and pulses (except kabul chana).

(vii) Enabled imposition of stock limit orders by State Governments in the case of paddy, rice; pulses, sugar, edible oils and edible oilseeds upto 30.9.2010. In order to discourage non-household sector consumers from stockpiling sugar and to ensure adequate availability of sugar in the open market for actual consumers, the Central Government has issued a notification dated 22.08.2009 imposing stockholding limit on bulk consumers.

(viii) Using Minimum Export Price (MEP) to regulate exports of onion (averaging at $445 per tonne for October 2009) and basmati rice ($900 PMT);

(ix) Distribution of imported edible oils to States/UTs at a subsidy of Rs.l5/kg.

(x) To augment availability of pulses, permitted the Public Sector Undertakings (namely, STC, MMTC, and PEC) and NAFED to import and sell pulses under a scheme and losses, if any, up to 15% are reimbursed by the Government.

(xi) Distribution of imported pulses to State Governments at a subsidy of Rs.10 per kg.

**Availability of sugar in open market**

186. SHRI N.K. SINGH:

SHRI RAJKUMAR DHOOT:

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

(a) whether Government has asked the sugar barons in the country recently to increase supplies in the market to rein in soaring prices of the sweetener;

(b) if so, whether the impact of Government on sugar barons has been assessed;

(c) if so, to what extent;

(d) whether the acreage under the sugarcane has been declining and the sugar mills are not paying the dues to farmers in time; and

(e) if so, the corrective steps Government proposes to take in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION (PROF. K.V. THOMAS): (a) No, Sir.

(b) and (c) Do not arise.

(d) and (e) Acreage under sugarcane declined in 2007-08 crop year (2008-09 sugar season) over that of in 2006-07 crop year (2007-08 sugar season). The delay in payment of cane price to sugarcane farmers in 2006-07 and 2007-08 sugar seasons (when there was excess production of sugar and prices of non-levy sugar declined in the market constraining capacities of sugar mills to pay cane price including cane price arrears) can possibly be one of the reasons for decline in acreage under sugarcane. The details of corrective steps taken by the Government to increase acreage under sugarcane are given in the enclosed Statement.

***Statement***

*Steps taken by the Government to check decline area under sugarcane*

(a) The Central Government has now fixed the Fair & Remunerative Price (FRP) of sugarcane payable by sugar mills for 2009-10 sugar season at Rs.129.84 per quintal linked to a basic recovery rate of 9.5% subject to a premium of Rs. 1.37 per quintal for every 0.1 percentage point increase in recovery above that level. Hitherto, the Central Government was fixing the Statutory Minimum Price (SMP) of sugarcane. This FRP is substantially high over the SMP of 2008-09 sugar season which was Rs.81.18 per quintal, with an additional premium of Rs.0.90 for every 0.1% point increase in the recovery above 9%.