Recognizing the vast potential of growth in the KVI sector, it has been decided to implement the KRDP with private participation by setting up a professionally run marketing organization with majority share from private partner to harness the brand value of khadi, focus on product development on the basis of changing demands of market, leveraging the unique selling proposition of being a heritage product besides being eco-friendly. Private participation is also proposed in the field of raw-material production through execution of PPP models in the KVIC-run Central Sliver Plants besides sliver production at institutional level.

Constant rise in prices of sugar

†*131. SHRI BALAVANT *ALIAS* BAL APTE: Will the Minister of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION be pleased to state:

(a) whether prices of sugar are on a constant rise inspite of fixing the limit of storage/stock, allowing duty-free import and other remedial measures;

(b) if so, the details thereof and the reasons therefor;

(c) the volume of sugar production, its consumption, its availability, its demand and the availability of stock during each of the last three years and current year as well; and

(d) the details of the action taken by Government to control prices of sugar and to increase the production of sugarcane and sugar?

THE MINISTER OF CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION (SHRI SHARAD PAWAR): (a) and (b) The price of non-levy sugar (free-sale sugar) in the open market depends upon a number of factors such as domestic production, demand and supply of sugar; global supply, demand, shortage or surplus in the international market, international prices; market sentiments and expectations etc. The prices have increased due to interplay of market sentiments and demand-production gap. They have also decreased responding to the measures taken by Government to augment domestic availability of sugar and enforce stock holding limits. As on 03.03.2010, prices of sugar are showing declining trend as compared to prices prevailing in the previous month as indicated below:—

Date	Ex-mill prices of S-30 grade of sugar (in Rs. per quintal)		Retail price in Delhi (in Rs. per kg.)
	Maharashtra	Uttar Pradesh	Delhi
1	2	3	4
15.01.2010	3650-3670	3890-3940	47.00
01.02.2010	3825-3845	4090-4240	43.00
15.02.2010	3390-3440	3650-3690	43.00

†Original notice of the question was received in Hindi.

1	2	3	4
26.02.2010	3180-3220	3390-3440	41.00
02.03.2010	3050-3150	3440-3470	41.00
03.03.2010	3050-3150	3390-3415	39.00

(c) A statement indicating the estimated Season-wise production, availability, and demand/consumption of sugar during the last three sugar seasons and current sugar season is given in the Statement-I (*See* below).

(d) The, Central Government has taken a slew of measures as given in the Statement-II (*See* below), to augment domestic stocks of Sugar and to control the prices of sugar, which, *inter-alia*, include permitting duty-free import of raw and white/refined sugar upto 31.12.2010, imposition of stockholding and turnover limits on sugar dealers, stockholding limit on bulk consumers of sugar and suspension of futures trading in sugar upto September, 2010. The Government has also taken a number of measures to increase the production of sugarcane in the country, details of the which are given in the Statement-III.

Statement-I

Production, consumption and availability of sugar during the last three sugar seasons and current sugar season

(Figures in lac tons)

Particulars	2006-07	2007-08	2008-09	2009-10
Production of Sugar	282	263	146.8	160
Availability	326	368	257.6	240.7
Internal demand/consumption	191	205	220	230

Statement-II

Steps taken to augment availability of sugar and control sugar prices in 2008-09 and 2009-10 sugar seasons

- Allowed duty-free import of raw sugar under Advance Authorization Scheme by sugar mills on ton-to-ton basis with effect from 17.02.2009 upto 30.09.2009.
- Allowed duty-free import of raw sugar by sugar mills under Open General License with effect from 17.04.2009 and opened up to private trade from 31.07.2009 for being processed by domestic factories on job basis. Presently, this facility is in force upto 31.12.2010.
- Allowed duty-free import of white/refined sugar by STC/MMTC/PEC and NAFED upto 1 million tons with effect from 17.04.2009 and opened up to other Central/State Government agencies and private trade in addition to existing designated agencies

with effect from 31.07.2009. Presently, this facility is in force upto 31.12.2010 with out any quantitative cap.

- 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.

- States have been requested to waive VAT on imported white/refined sugar so as to make the imports competitive.

- The levy obligation on sugar factories has been enhanced from 10% to 20% of production for 2009-10 sugar season only.

- Stockholding and turnover limits on sugar dealers were imposed *vide* notification dated 12.03.2009. Further, khandsari sugar has been brought under the ambit of stockholding and turnover limit from 16.07.2009. Presently these limits are in force upto 30.09.2010.

- 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 19.09.2009. The stockholding limit has been lowered to ten days, and the revised limit has been notified on 05.02.2010 to come into effect from 20.02.2010 and will continue for a period of 180 days thereafter *i.e.* upto 18.08.2010.

- Futures trading in sugar in domestic exchanges has been suspended *w.e.f* 27th May, 2009 to curb any possible speculative tendency. Currently, this is in force upto September, 2010.

- Monthly quotas of non-levy sugar for sale by sugar mills in open market, have been sub-divided into fortnightly and periodically weekly targets for sale to ensure even flow of sugar into open market.

Statement-III

Steps taken by the Government to increase sugarcane and sugar production

(a) The Central Government has now fixed the Fair and 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%.

(b) The Sustainable Development of Sugarcane Based Cropping System (SUBACS) is one of the components of Centrally Sponsored Scheme (CSS), namely Revised Macro Management of Agriculture Scheme (RMMA). The main thrust of SUBACS is on the transfer of improved production technology to the farmers through field demonstrations, training of farmers, supply of farm implements, enhancing production of planting materials, efficient use of water, treatment of planting materials etc.

(c) The Central Government provides Concessional loans at an interest rate of 4% per annum to sugar factories from Sugar Development Fund (SDF) for modernization of plant and machinery, expansion of crushing capacity, utilization of by-products *viz.* baggasse for co-generation of power and molasses for production of ethanol, upgradation of technology and sugarcane development including better irrigation facilities, improved seed variety, ratoon management etc.

(d) A short term scheme has been announced for cane development in the current financial year under which loans of Rs. 1.0 to 2.5 crore at 4% simple interest from the Sugar Development Fund (SDF) are made available to sugar factories depending upon their crushing capacity, for purchase of seeds, fertilizers and pesticides etc. to be passed on to the farmers at the same rate of interest.

(e) To optimize processing of raw sugar along with cane juice to produce white sugar, a scheme has been introduced in the current financial year for loans from SDF at 4% simple interest to sugar factories to install balancing equipment so as to maximize availability of processed sugar from imported raw sugar in 2009-10 sugar season.

Introduction of bullet trains

*132. SHRI VIJAY JAWAHARLAL DARDA: Will the Minister of RAILWAYS be pleased to state:

(a) whether introduction of bullet trains in India was discussed with the Japanese Prime Minister when he visited the country in December, 2009;

(b) if so, whether dedicated tracks would be laid for this purpose or the existing tracks could be upgraded for fast running of bullet trains at a maximum speed of 250 km. per hour; and

(c) whether keeping in view India's passenger traffic profile for another twenty years, this project would be an economically viable project?

THE MINISTER OF RAILWAYS (KUMARI MAMATA BANERJEE): (a) No, Sir. However, Japanese Prime Minister mentioned about the safety record of Shinkansen (Bullet) trains and stated that these technologies could be put to use in India.