

THE MINISTER OF STATE OF THE MINISTRY OF CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION (PROF. K.V. THOMAS) : (a) and (b) Yes, Sir. The Central Government has considered the recommendations of Dr. C. Rangarajan Committee on deregulation of sugar sector and has, *inter-alia*, decided to do away with the levy obligation on sugar mills for sugar produced after September 2012. However, to make sugar available in the Targeted Public Distribution System (TPDS) at the existing retail issue price (RIP) of Rs. 13.50 per kg, it would be procured by the States/UTs from the open market through a transparent system and the Central Government would reimburse the subsidy @ Rs. 18.50 per kg, limited to the quantity based on their existing allocations. The said arrangement will be reviewed after two years.

(c) and (d) As mentioned above, the State Governments/UT Administrations would procure sugar from the open market through a transparent system under the new arrangement and distribute it to targeted beneficiaries.

(e) As indicated above, sugar would continue to remain available in the TPDS at the existing retail issue price of Rs. 13.50 per kg so as to protect the interests of BPL consumers. Further, the open market prices are likely to remain stable in view of surplus availability of sugar in domestic and international market. Also, import duty has been kept at a moderate rate of 10% with effect from 13.07.2012.

#### **Production of onion**

†2968. SHRI RAM JETHMALANI : Will the Minister of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION be pleased to state:

(a) whether it is a fact that the production of onion in the country was 15.75 million tonnes in 104 million hectare land during 2011-12;

(b) if so, the details thereof;

(c) whether it is also a fact that the quantity of the said production is sufficient to fulfil the requirement of consumption in the country;

(d) if so, the reaction of Government thereto;

(e) whether the prices of onion have been increased manifold by creating artificial shortage of production several times during the said period: and

(f) if so, the reasons therefor?

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†Original notice of the question was received in Hindi.

THE MINISTER OF STATE OF THE MINISTRY OF CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION (PROF. K.V. THOMAS) : (a) to (d) The production of onion during the year 2011-12 has been estimated at 17.51 million tonnes and the area under production for the year at 1.087 million hectares. More than 80% of the production has been contributed by the States of Maharashtra, Karnataka, Madhya Pradesh, Gujarat, Bihar, Andhra Pradesh and Rajasthan. According to the National Horticultural Research and Development Foundation, the quantity of the said production was sufficient to fulfill the requirement of consumption in the country.

(e) and (f) The Wholesale Price Index (WPI) which is an indicator of general price trend shows that the rate of inflation for onion which was 6.01% for the month of April 2011 started rising from May 2011 onwards and reached 48.63% for the month of August 2011. Thereafter, it started declining from September 2011, and was at (-) 24.06% for the month of March 2012.

The wholesale and retail prices as reported from major trading centres across the country during the year 2011-12 also show similar trends.

Prices of onions are mainly governed by the market forces of demand and supply, cost of transportation and storage, weather conditions, etc. Market sentiments could also affect the supply as traders anticipating any decline in production and market arrivals may curtail availability expecting a possible price rise, but the price level that prevailed during the year do not support this.

#### **Procurement of wheat for exports**

†2969. SHRI RAM JETHMALANI : Will the Minister of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION be pleased to state:

(a) whether it is a fact that the Food Corporation of India is making arrangements for procurement of wheat in the country for export on behalf of Government;

(b) if so, the details in this regard;

(c) whether this procurement would be done through tender system;

(d) if so, the details thereof; and

(e) the quantity of wheat of export quality which has been decided for procurement through this system presently?

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†Original notice of the question was received in Hindi.