

Decontrolling of sugar

‡2237. SHRI KAPTAN SINGH SOLANKI: Will the Minister of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION be pleased to state:

(a) whether it is a fact that consumers and farmers would be benefited from decontrolling of sugar;

(b) if so, the details thereof;

(c) the manner in which sugar-decontrol would be beneficial when Government's control on sugar has failed to bring the benefits; and

(d) whether Government has formulated any plan in this regard?

THE MINISTER OF STATE OF THE MINISTRY OF CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION (PROF. K.V. THOMAS): (a) and (b) The Central Government has recently decontrolled the sugar sector partially, by removing the levy obligation on sugar mills and doing away with the regulated release mechanism on open market sale of sugar. These measures seek to increase competitiveness, improve efficiency and promote development of the sugar sector on sustainable basis which in turn would help to meet the aspirations of consumers for better prices and adequate availability of sugar. Further, the de-regulation of the sugar sector is likely to improve the financial health of the sugar mills, increase the cash flow, reduce their inventory cost and also result in timely and better payment of cane price to sugarcane farmers in the country.

(c) As mentioned in reply to parts (a) and (b) above, the partial decontrol is likely to benefit all stakeholders i.e. consumers, farmers and the sugar industry.

(d) The sugar prices have remained stable in the domestic market after the decontrol. Besides, the State Governments/UT Administrations have been asked to procure sugar from the open market through a transparent system so as to make it available in the Public Distribution System (PDS) at the existing retail issue price of Rs. 13.50 per kg. The Central Government would provide fixed subsidy of Rs. 18.50 per kg, limited to the quantity based on their existing allocations. The custom duty on import of sugar has been kept at a moderate level of 15% with effect from 8.7.2013.

Shortage of foodgrains storage facilities

2238. SHRI RAJEEV CHANDRASEKHAR: Will the Minister of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION be pleased to state:

‡Original notice of the question was received in Hindi.