

Production cost of sugar

GOVERNMENT OF INDIA
MINISTRY OF CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION
RAJYA SABHA

QUESTION NO 334
ANSWERED ON 26.11.2012

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

- (a) the production cost of sugar in different parts of the country, State-wise;
- (b) the States having highest cost of production;
- (c) the reasons therefor and its effect on the price of sugar; and
- (d) the steps being taken by Government to bring down the production cost of sugar?

ANSWER

MINISTER OF STATE (INDEPENDENT CHARGE) FOR CONSUMER AFFAIRS, FOOD & PUBLIC DISTRIBUTION (PROF. K.V. THOMAS)

(a) to (c): The production cost of sugar depends upon various factors like availability of adequate raw material, recovery from sugarcane, duration of the season, plant size, efficiency of plant, technological up-gradation & diversification towards production of ethanol & power etc., State Advised Price of sugarcane, cost of working capital, managerial efficiency etc. Besides, the factors like State Advised Price of sugarcane, control of molasses etc. which affects cost of production substantially, are decided by the State Governments concerned. Therefore, the production cost varies from factory to factory as also from state to state. As such, it is not possible to indicate the state-wise production cost of sugar and the Central Government does not maintain the data in this regard.

(d): It is the responsibility of the entrepreneur concerned to take necessary steps to reduce production cost in respect of private sector sugar mills and that of the State Governments/ UT Administrations in the case of the public and cooperative sugar mills. The Central Government extends concessional loans from Sugar Development Fund (SDF) to sugar mills for (i) modernization/ rehabilitation of plant and machinery (ii) sugarcane development (iii) production of ethanol from molasses and (iv) Bagasse-based cogeneration projects.
