

Cabinet Committee on Economic Affairs (CCEA) Approves Sugar Decontrol NCJ
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The CCEA in its meeting on April 4, 2013 has approved the following proposals:

The Regulated Release Mechanism of sugar by will be dispensed with immediately. The decision will provide timely payment of cane price to farmers. However, PDS consumers will continue to get sugar at the existing rates.

Obligation to supply sugar as levy on mills at a control rate for Public Distribution System will be done away with for sugar produced after September, 2012 and the requirement of sugar for PDS will be procured by the states through open market.

Present sugar quota of the states will be protected and the States will be mandated to continue with the current retail issue price of Rs. 13.50 per Kg. under PDS. The states will be given subsidy for the balance amount between retail issue price and the current ex-mill price calculated provisionally @ Rs. 32/- per Kg.

The subsidy burden on PDS sugar supply alone was estimated at about Rs.2556 crore for 2011-12 production. The additional burden after the decontrol for supply of about 27 lakh tons of sugar would be about Rs.3120 crore.