

Q The Suggestion from the Commission for Agricultural Costs and Prices to introduce dual pricing of Sugar is unlikely to resolve the recurring financial crises. Do you agree with this view? Comment

Commission for Agricultural Costs and Prices (CACP)
A decentralized agency which suggest dual pricing for sugar trade in India, with reasonable price for kitchen consumers and higher price for industrial users. Indian Sugar Consumption classified as 60% for industrial purposes (soft drink makers, sweet makers) 40% for kitchen consumptions.

Problems faced by Sugar industry

1) Fluctuation of Prices

The Production of sugarcane and its procurement is not uniform in each season and mostly fluctuation in prices leads to losses.

2) Low yield of Sugarcane

India ^{have} Low yield per hectare compared with other Sugarcane Producing countries.

E.g.:- India's yield is only 645 tonnes per hectare compared to 90 tonnes in Java and 121 tonnes in Hawaii

3) High Production Cost and Low Recovery Cost

India Use inefficient technologies to produce the "Sugar" and related products and high cost of Sugarcane with less recovery cost increases the cost of production

How dual Pricing help ^{To recover} ~~the~~ ^{from} financial burden of Sugar Industry

1) Consumption level varies from industrial usages and domestic usages, thus uniform price of sugar across nation same as to all levels is not acceptable.

2) Dual Pricing have already been implemented successfully in electricity supply and kerosene supply. According to usage, Sugar supply also need similar Pricing.

1) By 'dual Pricing' the Profits obtained to farmers increases, it will help them to recover from financial burdens.

Way Forward

Only dual Pricing not increase the farmer's profits, a total structural and production reforms needs from Sowing to Pricing of final Products.

Some measures taken for Reform Sugar industries

1) Revenue-sharing formula

Successfully implemented in Karnataka and Maharashtra should follow other States also.

2) Encourage Ethanol Production and other by Products

3) 'Out of box Strategy' need to tackle Anti-Sugar Campaign across world, they blame Sugar is only reason behind diabetes, Obesity etc