

**SENATE OF PAKISTAN
HOUSE OF THE FEDERATION**

Report No.22



**REPORT OF THE SENATE STANDING COMMITTEE ON NATIONAL
FOOD SECURITY & RESEARCH**

ON THE

**CALLING ATTENTION NOTICE MOVED BY SENATORS SYED
MUZAFAR HUSSAIN SHAH AND MUHAMMAD MOHSIN KHAN
LEGHARI REGARDING THE PRICE OF SUGARCANE AND THE
QUESTION OF SUBSIDY BETWEEN THE FEDERAL GOVERNMENT
AND PROVINCIAL GOVERNMENTS**

PRESENTED BY

**SENATOR SYED MUZAFAR HUSSAIN SHAH
CHAIRMAN**

SENATE SECRETARIAT

Subject: **REPORT OF THE SENATE STANDING COMMITTEE ON NATIONAL FOOD SECURITY & RESEARCH ON THE CALLING ATTENTION NOTICE MOVED BY SENATORS SYED MUZAFAR HUSSAIN SHAH AND MUHAMMAD MOHSIN KHAN LEGHARI REGARDING THE PRICE OF SUGARCANE AND THE QUESTION OF SUBSIDY BETWEEN THE FEDERAL GOVERNMENT AND PROVINCIAL GOVERNMENTS.**

I, Senator Syed Muzafar Hussain Shah, Chairman Standing Committee on National Food Security & Research have the honor to present Report of the Senate Standing Committee on National Food Security & Research on the Calling Attention Notice moved by Senators Syed Muzafar Hussain Shah and Muhammad Mohsin Khan Leghari "regarding the price of sugarcane and the question of subsidy between the Federal Government and Provincial Governments. The Chairman Senate referred the same to the Standing Committee on National Food Security & Research for consideration and report.

2. The composition of the Standing Committee on National Food Security & Research is as under:-

1.	Senator Syed Muzafar Hussain Shah	Chairman
2.	Senator Muhammad Mohsin Khan Leghari	Member/Mover
3.	Senator Mst. Gul Bashra	Member
4.	Senator Muhammad Zafarullah Khan Dhandla	Member
5.	Senator Sirdar Zulfiqar Ali Khan Khosa	Member
6.	Senator Mushahid Ullah Khan	Member
7.	Senator Hamza	Member
8.	Senator Mukhtiar Ahmed Dhamrah @ Aajiz	Member
9.	Senator Hari Ram	Member
10.	Senator Brig. (R) John Kenneth Williams	Member
11.	Senator Muhammad Azam Khan Swati	Member
12.	<u>Minister for National Food Security and Research</u>	<u>Ex-Officio Member</u>

3. Accordingly, the Committee considered the matter in its meeting held on 07.03.2018 and attended by the following members of the Committee:-

1.	Senator Syed Muzafar Hussain Shah	Chairman
2.	Senator Muhammad Mohsin Khan Leghari	Member/Mover
3.	Senator Muhammad Zafarullah Khan Dhandla	Member
4.	Senator Hamza	Member
5.	<u>Minister for National Food Security and Research</u>	<u>Ex-Officio Member</u>

4. The Secretary M/o National Food Security & Research during the briefing informed the Committee that the prime objective of the Ministry is to boost up the production of food crops for ensuring food security in the country. During 2017-18, the production of sugarcane portrayed a very promising picture and reached to historical high of 82.111 million tons showing an increase of 10.36 percent over the production of 73.607 million tons during 2016-17. As compared to the national requirement of 5.3 million tons there is 2 million tons surplus stock of sugar at the end of sugarcane crushing season 2016-17.

5. Considering the surplus stock on the recommendations of the Sugar Advisory Board (MOIP), a summary for the ECC of the Cabinet was sent by the Ministry of Commerce for export of 1.5 million tons of sugar with rebate of Rs.10.70/- per kg. The summary was approved by the ECC on 28.11.2017.

6. The matter was submitted through a Summary made by the M/o NFS&R to the Council of Common Interests (CCI) in its meeting held on 23.02.2018. On the request of provincial governments the matter would be discussed in its next meeting.

SUGARCANE PRICE FIXATION

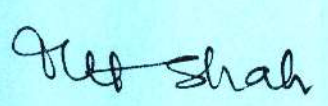
Provincial Governments are authorized to announce the Indicate Price of Sugarcane. Article 16 and 16(A) of Sugar Factories Control Act, 1950 authorized provincial governments to fix the indicative price and its premium, respectively. However, MNFS&R on the request of the Provincial Governments shares the working of the cost of production, made by the API, Provincial Governments have fixed the sugarcane indicative price for 2017-18 crop @ Rs.180/- per 40 Kgs in Punjab and KP and Rs.182/- per 40 Kgs in Sindh. The cost of production for sugarcane crop 2017-18 has been estimated @ Rs.171.96/- per 40 Kgs for Punjab and Rs.169.22/- per 40 Kgs for Sindh. The COP includes risk factor @ 10%. The matter is also being

reviewed by Deputy Chairman Planning Commission for appropriate recommendations on the comparative economics of compiling crops of cotton and sugarcane and linking the sugarcane price with whole sale price of sugar.

7. After the briefing by the Federal Minister for National Food Security and Research and Secretary M/of National Food Security & Research, the Committee made following recommendations:-

- The Standing Committee on National Food Security & Research expresses its deep sense of concern and disappointment that the sugarcane growers of Pakistan are not being paid the minimum support prices which have been notified by the three provincial governments. It is also matter of deep regret and concern that the minimum price laid down by the Sindh High Court is also not being implemented by the provincial governments.
- The Standing Committee seriously apprehends that in view of the prevailing situation, the cultivation of sugarcane would be seriously affected during this year and sugarcane growers will prefer to shift to other crops which may lead to sugarcane crises in Pakistan.
- The Standing Committee therefore recommends to the Federal and Provincial governments to evolve a mechanism which can ensure a fair and reasonable price to the sugarcane growers of Pakistan and price as notified should be implemented by the Cane Commissioners and also by the respective provinces.
- The Standing Committee feels that the above situation has been created due to the bad planning and the rebate given on export of sugar will only be benefit the sugar mills. The Committee however feels that this amount should have been allocated and utilized for inputs for the sugarcane crop so that cost of production could be reduced. Copy of said Resolution may be forwarded to Ministry of Commerce and three provincial governments.


(HAFEEZULLAH SHEIKH)
JS/Secretary Committee


(SENATOR SYED MUZAFAR HUSSAIN SHAH)
Chairman Standing Committee on National Food
Security & Research

Islamabad the,
7th March, 2018