

**GOVERNMENT OF INDIA
CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION
LOK SABHA**

UNSTARRED QUESTION NO:393
ANSWERED ON:27.07.2010
REMUNERATIVE PRICE FOR SUGARCANE
Rajendran Shri C.

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

- (a) whether the sugarcane growers are not being provided remunerative price for their produce;
- (b) if so, the details thereof and the reasons therefor; and
- (c) the steps taken/proposed to be taken by the Government in this regard?

Answer

MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE AND MINISTER OF STATE IN THE MINISTRY OF CONSUMER AFFAIRS, FOOD & PUBLIC DISTRIBUTION (PROF. K.V. THOMAS)

(a), (b) & (c): No Sir. The Central Government had been fixing the Statutory Minimum Price(SMP) of sugarcane under the provisions of the Clause 3 of Sugarcane (Control) Order, 1966(SCO) having regard to different criteria. The Sugarcane (Control) Order, 1966 has been further amended on 22-10-2009 by inserting clause (g) which provides for giving reasonable margins to the growers of sugarcane on account of risk and profits. Powers were given to the Central Government to fix a fair and remunerative price (FRP). Accordingly, the FRP payable by sugar mills for 2009-10 sugar season was determined at Rs.129.84 per quintal, linked to a basic recovery rate of 9.5% subject to a premium of Rs.1.37 for every 0.1 percentage point increase in recovery above that level. The FRP fixed at Rs.129.84 per quintal for 2009-10 sugar season was about 51% higher than the SMP of sugarcane of 2008-09 calculated at 9.5% basic recovery rate. FRP for 2010-11 sugar season has been determined at Rs.139.12 per quintal subject to a premium of Rs.1.46 for every 0.1 percentage point increase in recovery above that level.

FRP is only a benchmark price. The sugarcane farmers actually got a price much higher than FRP during 2009-10 due to shortage of sugarcane.