

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

UNSTARRED QUESTION NO:1240  
ANSWERED ON:16.11.2010  
SUGARCANE PRICE  
Banerjee Shri Ambica

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

- (a) whether recently the sugarcane farmers from North India staged protests demanding increase in sugarcane prices; and
- (b) if so, the details thereof and reaction of the Government thereto?

**Answer**

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

(a) and (b): According to media reports, farmers are agitating demanding higher price for sugarcane from sugar mills.

The Government, after careful consideration, have fixed the FRP at Rs.139.12 per quintal, linked to a basic recovery rate of 9.5%, subject to a premium of Rs.1.46 for every 0.1 percentage point increase in recovery above that level of sugarcane for 2010-11 on the basis of the recommendations of Commission for Agricultural Costs and Prices (CACP).

The Sugarcane (Control) Order, 1966 (SCO) very clearly provides for payment of an 'agreed price' by the sugar mill to the farmers, which cannot be lower than the FRP fixed by the Central Government. Therefore, depending on the market price of sugar and expected returns by the mills, the 'agreed price', is finalised as negotiated between the sugar mills and farmers.