

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

STARRED QUESTION NO:8  
ANSWERED ON:22.02.2011  
REMUNERATIVE PRICE FOR SUGARCANE  
Devappa Anna Shri Shetti Raju Alias

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

- (a) whether the Government takes into consideration the different climatic/geographical/socio-economic conditions prevailing in the States while calculating/ fixing Fair and Remunerative Price (FRP) for sugarcane;
- (b) if so, the details thereof;
- (c) the parameters on the basis of which the calculation of FRP for the sugarcane crushing season, 2010-11 was fixed alongwith the names of the institutions involved in finalising the parameters and fixing the FRP; and
- (d) the State-wise details of the input cost for cultivation of sugarcane alongwith the data used for calculation of FRP during 2010-11?

**Answer**

MINISTER OF STATE (INDEPENDENT CHARGE) FOR CONSUMER AFFAIRS, FOOD & PUBLIC DISTRIBUTION (PROF. K.V. THOMAS)

(a) to (d): A Statement is laid on the table of the house.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) to (d) OF THE STARRED QUESTION NO. 8 DUE FOR ANSWER ON 22.02.2011 IN THE LOK SABHA.

(a) & (b): The Commission for Agricultural Costs and Prices (CACP) at the behest of the Central Government recommends Fair & Remunerative Price (FRP) for sugarcane. While undertaking the exercise on this, the Commission covers broadly the major sugarcane growing states from both tropical and sub-tropical regions of the country. Under the Comprehensive Scheme for obtaining the cost of cultivation data, the states covered for consideration of FRP are Andhra Pradesh, Haryana, Karnataka, Maharashtra, Tamil Nadu, Uttar Pradesh and Uttarakhand. The methodological approach of collection of data on inputs going into sugarcane production is that each state is divided into homogeneous agro-climatic zones. The sample operational holdings are selected from each homogeneous agro-climatic zone within each state for fairly good representation of cost estimates. Therefore, the arrival of F&RP for sugarcane has the built in mechanism of agro-climatic conditions prevailing in each sugarcane growing state.

(c): The parameters or factors taken into account to determine FRP are laid out in Sugarcane(Control) Amendment Order, 2009. These are:

- i) Cost of production of sugarcane;
- ii) The return to the grower from alternative crops and the general trend of price;
- iii) The availability of sugar to the consumers at a fair price;
- iv) The price at which sugar produced from sugarcane is sold out by the producers of sugar;
- v) The recovery of sugar from sugarcane;
- vi) The realization made from sale of by-products, viz. Molasses, bagasse and press mud or their imputed value;
- vii) Margins for the growers of sugarcane on account of risk and profit.

The aforesaid parameters were considered in the recommendation of FRP for sugarcane for the sugarcane crushing season, 2010-11.

(d): The State-wise details of the estimated input cost for cultivation of sugarcane (Annexure-I), which have been projected based on the actual cost data available for the three years from 2005-06 to 2007-08 (Annexure-II) for the concerned states and input cost indices upto 2010-11, are appended.