

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

STARRED QUESTION NO:349  
ANSWERED ON:28.07.2009  
STATUTORY MINIMUM PRICE FOR SUGARCANE  
Devappa Anna Shri Shetti Raju Alias;Kumar Shri Shailendra

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

- (a) whether the Commission for Agricultural Costs and Prices (CACP) has recommended the Statutory Minimum Price (SMP) for sugarcane recently;
- (b) if so, the details thereof;
- (c) whether the Government has accepted the recommendation of CACP;
- (d) if not, the reasons therefor;
- (e) the details of SMP of sugarcane fixed during each of the last three years and the current year as against the SMP recommended by the CACP;
- (f) whether representations have been received for raising the SMP/MSP of sugarcane; and
- (g) if so, the details thereof and the reaction of the Government thereto?

**Answer**

MINISTER OF AGRICULTURE AND MINISTER OF CONSUMER AFFAIRS, FOOD & PUBLIC DISTRIBUTION (SHRI SHARAD PAWAR)

(a),(b),(c),(d),(e),(f)&(g): A Statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (g) OF THE STARRED QUESTION NO.349 DUE FOR ANSWER ON 28.07.2009 IN THE LOK SABHA.

(a)&(b): The Commission for Agricultural Costs and Prices (CACP) had, in its report submitted in August, 2008, recommended for fixation of Statutory Minimum Price (SMP) for sugarcane for producers of sugar for 2009-10 sugar season at Rs.125 per quintal linked to a basic recovery of 9% subject to a premium of Rs.1.39 for every 0.1% point increase in recovery above 9%.

(c)&(d): The Government, after careful consideration have fixed the SMP of sugarcane for 2009-10 sugar season for producers of sugar at Rs.107.76 per quintal linked to a basic recovery rate of 9.5% subject to a premium of Rs.1.13 for every 0.1 percentage point increase in recovery above that level. This decision was based on:-

- (i) the cost of production;
- (ii) need for ensuring availability of sugar to consumers at a fair price; and
- (iii) to obviate any disproportionate diversion of area from foodgrains to sugarcane that may affect the food security of the country.

This is the minimum price that any farmer would get for the sugarcane supplied by him to a sugar factory. The sugar factory may, if it so desires, pay any price higher than the above SMP including the premium for any recovery above 9.5 per cent.

(e): The details of the SMP recommended by the CACP and as fixed by the Government during the last three sugar seasons and the current sugar season are indicated below:

In Rs. per quintal

Sugar season	SMP recommended by the CACP	SMP fixed by the Government	
linked to	basic recovery	linked to	basic recovery
rate of 9%	rate of 9%		

2005-2006	79.50	79.50	
2006-200	780.25	80.25	
2007-2008		81.18	81.18
2008-2009	81.18	81.18	
(as per CACP report submitted in August, 2007)			
2008-2009	125 + 30 as bonus to be	Not accepted	
paid by the Central Government, in Supplementary Report submitted by CACP on 27.3.2008			

(f)&(g): No representation has been received for raising the SMP for sugarcane after it was announced for 2009-10 sugar season on 25.6.09.