

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

UNSTARRED QUESTION NO:2170

ANSWERED ON:27.03.2012

FRP OF SUGARCANE

Danve Shri Raosaheb Patil; Das Shri Ram Sundar; Karwariya Shri Kapil Muni

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

- (a) the details of the Fair and Remunerative Price (FRP) for sugarcane fixed/proposed to be fixed by the Government for the ensuing season;
- (b) whether a uniform FRP of sugarcane is being fixed across the country despite variations in geographical and climatic conditions;
- (c) if so, the details thereof and the reasons therefor alongwith the criteria adopted for determination of FRP;
- (d) whether the increase in sugarcane prices is not commensurate with the wholesale rate of sugar;
- (e) if so, the details thereof alongwith the reasons therefor; and
- (f) the remedial steps taken/proposed to be taken for providing remunerative prices to sugarcane farmers?

**Answer**

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

(a): The Fair and remunerative Price (FRP) for sugarcane is determined on the basis of the recommendations of Commission for Agricultural Costs and Prices (CACP) and after consultations with different stakeholders. FRP for the ensuing season is under consideration and still to be determined.

(b)&(c): The Central Government determines the uniform FRP of the sugarcane linked to recovery rate throughout the country. The variations in geographical, topographical and climatic conditions are accounted for in the procedure of collection and compilation of cost data under the Comprehensive Scheme (CS). Each State growing sugarcane, both in tropical and sub-tropical regions of the country, is stratified into homogeneous agro- climatic zones according to soil type, and afterwards, cost data are collected from sample farm holdings in each of homogenous agro-climatic zones to arrive at a representative cost of cultivation/production of each State. Other aspect of FRP is that it is linked to 9.5 per cent basic recovery rate, with premium being granted linked to each 0.1 percent increase in recovery rate over and above basic recovery of 9.5 percent. Sugarcane price realization by farmers staggers over each increase of 0.1 percent in recovery above basic recovery. Since variations in agro-climatic conditions are associated with varying sucrose content and hence recovery, this is also taken care of in the premium over uniform FRP. Also, the Central Government pays due regard to the factors mentioned in Clause 3 (1) of the Sugarcane Control Order, 1966 and takes into account other relevant considerations while recommending FRP of sugarcane.

(d)&(e): The Central Government takes into account the prices of sugar which are likely to prevail in the concerned sugar season for which FRP is recommended.

(f): The Fair and Remunerative Price (FRP) of sugarcane as determined by the Central Government is a remunerative cane price as it includes risk and profit margin upfront.