

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

STARRED QUESTION NO:344

ANSWERED ON:04.09.2012

FRP OF SUGARCANE

M.Thambidurai Dr. ;Majhi Shri Pradeep Kumar

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

- (a) whether the Fair and Remunerative Price (FRP) of sugarcane payable by sugar mills for 2012-13 sugar season has been announced recently;
- (b) if so, the details thereof along with the criteria/norms adopted for fixing the FRP and the extent to which it is likely to ensure a uniformly guaranteed price to the cane growers in the country;
- (c) the details of the demands raised by the farmers regarding fixation of FRP of sugarcane for the sugar season 2012-13;
- (d) whether the Government has received any complaints regarding non-payment of FRP/remunerative price to farmers by the sugar mills; and
- (e) if so, the details thereof and the corrective steps taken thereon?

Answer

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

(a) to (e): A Statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (e) OF THE STARRED QUESTION NO. 344 DUE FOR ANSWER ON 4.9.2012 IN THE LOK SABHA.

(a) & (b): Yes, Madam. The Central Government fixes the Fair and Remunerative Price (FRP) of sugarcane having regard to the factors mentioned in clause 3(1) of the Sugarcane (control) Order, 1966 viz., cost of production of sugarcane; return to the growers from alternative crops and the general trend of prices of agricultural commodities; availability of sugar to consumers at a fair price; price at which sugar produced from sugarcane is sold by sugar producers; recovery of sugar from sugarcane; realization made from sale of by-products viz. molasses, bagasse and press-mud or their imputed value and reasonable margins for the growers of sugarcane on account of risk and profits. The FRP is fixed on the recommendations of the Commission for Agricultural Costs and Prices (CACP) and after consultations with State Governments and other stake-holders. For 2012-13 sugar season, the FRP has been fixed at Rs. 170/- per quintal linked to a basic recovery rate of 9.5%, subject to a premium of Rs. 1.79 per quintal for every 0.1 percentage point increase in recovery above that level. The FRP is uniform and is treated as the guaranteed price payable by sugar mills to cane growers in the country. Since it is linked to the recovery rate, it varies from mill to mill depending on the recovery rate of respective sugar mills.

(c): The CACP considers views of all stakeholders including representatives of farmers before recommending the FRP. In a meeting held to obtain the views of the State Governments/representatives of sugar mills associations and farmers for recommending FRP for 2012-13, the representatives of farmers' organizations asked for increase in FRP from Rs. 145 per quintal in 2011-12 sugar season to Rs. 250-350 per quintal, linked to 9.5% recovery rate for 2012-13 sugar season.

(d)& (e): The Central government has received no complaint regarding non-payment of FRP to sugarcane farmers by the sugar mills during the current sugar season.