

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

UNSTARRED QUESTION NO:2326

ANSWERED ON:12.03.2013

FRP OF SUGARCANE

Hazari Shri Maheshwar ;Saroj Smt. Sushila;Verma Smt. Usha

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

- (a) whether the States are compelled to announce the support price of sugarcane in their States as the Fair and Remunerative Price (FRP) declared by the Union Government is not adequate and unprofitable for the farmers;
- (b) if so, whether the States are compelled to pay the sugarcane farmers from their funds as the price declared/paid by them is higher than the FRP; and
- (c) if so, the details thereof and the corrective steps taken in this regard?

Answer

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

(a): The Central Government determines the Fair and Remunerative Price (FRP) of sugarcane having regard to the factors mentioned in Clause 3(1) of the Sugarcane (Control) Order, 1966. The FRP so determined is based on the recommendations of the Commission for Agricultural Costs & Prices (CACP), an expert body in the matter of agricultural costs and prices. Further, the FRP is the minimum guaranteed price below which no sugar mill can purchase sugarcane from cane farmers. However, the mills are free to pay cane price above the FRP. The FRP is fixed on all India basis and linked to recovery rate. Some State Governments announce the State Advised Price (SAP), which is generally above the FRP.

(b) & (c): Prices announced by State Governments, whether a State Advised Price or an Agreed Price are paid by the sugar mills procuring sugarcane from farmers.