

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

UNSTARRED QUESTION NO:2341
ANSWERED ON:12.03.2013
INPUT COSTS OF SUGARCANE
Badal Harsimrat Kaur

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

- (a) the details of the input costs involved in production of sugarcane along with the Fair and Remunerative Price (FRP), State Advised Price (SAP) declared during each of the last three years and the current year, State-wise;
- (b) the incentives given by the Union Government for purchase and crushing of sugarcane by the sugar mills; and
- (c) the schemes launched by the Government for encouraging production of sugarcane and sugar?

Answer

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

(a): The Central Government fixes the Fair and Remunerative Price (FRP) of sugarcane on the recommendations of the Commission for Agricultural Costs and Prices (CACPC) and after consultations with State Governments and other stakeholders. The input costs involved in the production of sugarcane viz. all actual expenses incurred in cash and kind in production of sugarcane, interest on value of own capital assets (excluding land), rental value of own land (net of land revenue) and rent paid for leasing land and imputed value of family labour are duly considered (C2 cost of production). The details regarding all India weighted cost of production (C2 cost) of sugarcane and the FRP, which is fixed on all India basis, during last three sugar seasons and the current sugar season are annexed (Annexure-I). The State-wise details of State Advised Price (SAP) declared during each of the last three sugar seasons and the current sugar season 2012-13

(from 1st October, 2012 to 30th September, 2013) are annexed (Annexure-II).

(b): The Union Government does not extend any incentive for purchase and crushing of sugarcane.

(c): In order to increase the sugarcane production in the country, the Central Government is implementing a Centrally Sponsored Scheme on Sustainable Development of Sugarcane Based Cropping System Area (SUBACS) under Macro Management Mode of Agriculture. Apart from this, under Rashtriya Krishi Vikas Yojna (RKVY), the State Governments have been given flexibility to choose their priorities for formulation of the crop development projects including sugarcane. All the above programmes are focused on planting material, transfer of technology, improving productivity, knowledge up-gradation and mechanization etc. Besides, the Central Government provides concessional loans to sugar factories from Sugar Development Fund (SDF) for modernization of plant and machinery, expansion of crushing capacity, utilization of by-products viz. baggasse for co-generation of power and molasses for production of ethanol, up-gradation of technology and sugarcane development including better irrigation facilities, improved seed variety, ratoon management etc.