

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

UNSTARRED QUESTION NO:2991
ANSWERED ON:08.12.2009
BENEFITS OF RISE IN SUGAR PRICES TO FARMERS
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Will the Minister of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION be pleased to state:

- (a) whether the benefits of the increasing sugar prices are not reaching the farmers;
- (b) if so, the details thereof indicating the price of sugar in the open market and price paid for procurement of sugarcane in the country including Maharashtra during each of the last three years and the current year, State-wise; and
- (c) the remedial measures taken to ensure that the benefits of price rise reaches the farmers?

Answer

MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE AND MINISTER OF STATE IN THE MINISTRY OF CONSUMER AFFAIRS, FOOD & PUBLIC DISTRIBUTION (PROF. K.V. THOMAS)

(a)to(c): Prior to sugar season 2009-10, the Central Government was fixing the Statutory Minimum Price (SMP) of sugarcane. However, the Central Government has amended the Sugarcane (Control) Order, 1966 vide Notification dated 22.10.2009 to provide for reasonable margins for the growers of sugarcane on account of risk and profits and fixed the 'Fair and Remunerative Price (FRP)' of sugarcane for 2009-10 sugar season at Rs.129.84 per quintal, linked to a basic recovery rate of 9.5% subject to a premium of Rs. 1.37 for every 0.1 percentage point increase in recovery above that level. The FRP has been fixed on the recommendation of the Commission for Agricultural Costs & Prices (CACP) taking into account various factors including the price at which sugar produced from sugarcane is sold by producers of sugar. However, some sugarcane producing States have fixed the State Advised /Agreed Price (SAP) of sugarcane which is higher than FRP as indicated below: -

State SAP (in Rs. Per quintal)

Punjab 175 (Mid varieties)

Haryana 180 (Mid varieties)

Uttar Pradesh 165(Other varieties)

Tamil Nadu Rs.143.74 per quintal linked to 9.5% with increase of Rs.1.13 for every 0.1% point increase in recovery above 9.5%.

A Statement indicating the range of SMP fixed and the range of price paid by the sugar mills in the major sugar producing States during each of the last three sugar seasons including Maharashtra is at Annexure. However, for the current sugar season 2009-10, information can not be furnished at this stage as the range of cane price paid during the season as well as the working results of sugar mills become known only after the end of the season.