

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

UNSTARRED QUESTION NO:6459  
ANSWERED ON:07.05.2013  
PRICING OF SUGAR  
Natarajan Shri P.R.

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

- (a) the details of the recommendations made by the M.S. Swaminathan Commission regarding pricing of sugarcane/sugar;
- (b) whether the said recommendations have been accepted and implemented by the Union Government and the State Governments;
- (c) if so, the details thereof along with the names of the States that have accepted the recommendations indicating the Fair and Remunerative Price and the State Advice Price of sugar fixed during the last three years and the current year, State-wise; and
- (d) the reasons for non-acceptance by some States along with the steps taken to ensure its compliance by all the States?

**Answer**

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

- (a) The National Commission on Farmers headed by Dr. M.S. Swaminathan recommended, inter-alia, that the Minimum Support Price (MSP) of principal agricultural commodities including that of sugarcane should be 50% more than the weighted average cost of production.
- (b)&(c) The above said recommendation of the Commission was not accepted. As the MSP of principal agricultural commodities is fixed by the Central Government, this price recommendation related to the Central Government. As such, the question of implementation by States does not arise. As regards sugarcane, the Central Government determines its Fair and Remunerative Price (FRP) linked to recovery rate which is uniform throughout the country. A statement indicating the FRP of sugarcane and the State Advised Price (SAP) announced by the concerned State Governments during last three years and the current year is annexed.
- (d) This recommendation was not accepted as the MSP recommended by the Commission for Agricultural Costs and Prices (CACP) is based on objective criteria and variety of other relevant factors. Further, an increase of at least 50% on cost may distort market and a mechanical linkage between MSP and cost of production may be counter-productive. As stated in reply to parts (b) & (c) above, the price recommendation related to the Central Government.