

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

STARRED QUESTION NO:359

ANSWERED ON:18.02.2014

PRICE OF SUGARCANE

Devappa Anna Shri Shetti Raju Alias;Rawat Shri Ashok Kumar

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

(a) whether there is adequate availability of sugarcane in the country to meet the requirements of the sugar industry and demand of sugar in the country and if so, the details thereof and the steps taken to ensure adequate supply to the mills;

(b) whether complaints have been received indicating that the farmers are not getting remunerative price for their produce and if so, the details thereof and the corrective steps taken to ensure remunerative price to them; and

(c) whether the farmers are demanding a uniform sugarcane price policy and if so, the details thereof and the reaction of the Government thereto?

Answer

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

(a), (b) & (c) A Statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (c) OF THE STARRED QUESTION NO. 359 DUE FOR ANSWER ON 18.02.2014 IN THE LOK SABHA

(a) The second advance estimates dated 14.2.2014 of the Department of Agriculture and Cooperation has placed the sugarcane production at 345.92 million tons in the current sugar season which is sufficient to meet the requirements of the sugar industry and demand of sugar in the country. However, the sugarcane availability to individual mills may differ from State to State depending upon the production of sugarcane in the State. The Central Government extends loan from Sugar Development Fund (SDF) at concessional rate of interest for increasing production and productivity of sugarcane so as to ensure adequate supply to mills.

(b) The Central Government has not received any report/complaint that sugar cane producers are not getting the Fair and Remunerative Price (FRP) for their produce in the country during the current sugar season. The Central Government fixes the Fair and Remunerative Price (FRP) of sugarcane under the provisions of the Sugarcane (Control) Order, 1966. The FRP so fixed is based on the recommendations of the Commission for Agricultural Costs and Prices (CACP) and after consultations with State Governments and other stakeholders. The FRP is a benchmark guaranteed price of sugarcane below which no sugar mill can purchase sugarcane from cane growers. Further, the Sugarcane (Control) Order, 1966, also contains necessary provisions for timely payment of cane price to sugarcane farmers for sugarcane supplied by them to sugar mills, and the powers for enforcing the provisions relating to payment of cane price dues are delegated and vested with the State Governments who have the necessary field formations.

(c) A committee constituted under the Chairmanship of Dr. C. Rangarajan on the regulation of sugar sector in its report, submitted to Government in October, 2012, has inter-alia recommended that there should be a sharing of the revenues/ value created in the sugarcane value chain between the farmers and the millers in a fair and equitable manner. The Central Government has referred the recommendation of the Committee relating to Revenue Sharing Formula to the State Governments for adoption and implementation, as considered appropriate by them.