

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

UNSTARRED QUESTION NO:3804

ANSWERED ON:05.08.2014

SUGARCANE PRICING

Joshi Shri Pralhad Venkatesh;Shetti Shri Raju alias Devappa Anna

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

- (a) the parameters which are being used to calculate Fair and Remunerative Price (FRP) for sugarcane procurement during the sugar season 2013-2014;
- (b) the institutions which are responsible for fixation of the said parameters;
- (c) the details of the expenditure incurred on cost price of sugarcane like seed, water, manure, pesticides and labour cost taken into consideration for calculating the FRP, State-wise;
- (d) whether requests have been received for increasing the FRP; and
- (e) if so, the details thereof and the response of the Government thereto?

Answer

MINISTER OF STATE FOR CONSUMER AFFAIRS, FOOD & PUBLIC DISTRIBUTION (SHRI RAOSAHEB PATIL DANVE)

(a) & (b): The Central Government fixes FRP of sugarcane having regard to the factors mentioned in Clause 3(1) of the Sugarcane (Control) Order, 1966 viz., cost of production of sugarcane; return to the growers from alternative crops and the general trend of prices of agricultural commodities; availability of sugar to consumers at a fair price; price at which sugar produced from sugarcane is sold by sugar producers; recovery of sugar from sugarcane; realization made from sale of by-products viz. molasses, bagasse and press-mud or their imputed values; and reasonable margins for the growers of sugarcane on account of risk and profits. The FRP so fixed is based on the recommendations of the Commission for Agricultural Costs and Prices (CACP).

(c): The various input costs involved in the production of sugarcane viz. all actual expenses incurred in cash and kind in production of sugarcane as well as 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) while determining the FRP. The State-wise details of projected cost of production (unadjusted C2 cost of production) for sugarcane for sugar season 2013-14 are annexed.

(d) & (e): As indicated in reply to parts (a) & (b) above, the FRP is fixed by the Government based on the recommendations of CACP who consider the requests of various stakeholders before making such recommendation.