

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

UNSTARRED QUESTION NO:3818
ANSWERED ON:05.08.2014
PRICE BENEFITS TO SUGARCANE FARMERS
Yeddyurappa Shri B. S.

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

- (a) whether the benefits of rise in prices of sugar are not reaching the farmers;
- (b) if so, the details thereof and the reasons therefor; and
- (c) the steps taken to check involvement of middlemen and ensure that such benefits reach the sugarcane farmers?

Answer

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

(a) & (b) The Central Government fixes Fair and Remunerative Price (FRP) of sugarcane having regard to the factors mentioned in Clause 3(1) 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 stake-holders. One of the factors considered in determination of FRP relate to sugar prices which the commission duly takes in to account while recommending FRP to the Government.

(c) The Sugarcane (Control) Order, 1966 stipulates payment of cane price within 14 days of supply, failing which interest at the rate of 15% per annum on amount due for the delayed period beyond 14 days is payable. The powers for enforcing this provision are vested with the State Governments/ UT Administrations who have necessary field formations. Further, the sugarcane (Control) Order, 1966 has necessary provisions to regulate supply of sugarcane by growers to the mills. The State Governments also have enacted legislations or issued orders regulating supply of cane in their areas and the farmers supply cane to the factories as per the agreement between them or through the cane cooperative societies.