

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

UNSTARRED QUESTION NO:3903  
ANSWERED ON:16.12.2014  
SUGARCANE PRICING POLICY  
Puttaraju Shri C.S.

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

- (a) whether the Government has received demands/suggestions from several bodies/organisations to bring out a long term sugarcane pricing policy;
- (b) if so, the details thereof and the response of the Government thereto;
- (c) whether the Government proposes to examine the methodological issues including the cost concepts of Minimum Support Price (MSP); and
- (d) if so, the time by which the Government proposes to review revise the criteria/formula of fixation of Fair and Remunerative Price (FRP) in view of rising input cost of sugarcane cultivation along with the details thereof and the changes likely to be made therein, State-wise?

**Answer**

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

(a) & (b) The Central Government has been fixing the Fair and Remunerative Price (FRP) of sugarcane [earlier Statutory Minimum Price (SMP)] which is a benchmark price below which no sugar mill can purchase sugarcane. However, the farmers generally receive cane price higher than the FRP. The Dr. C. Rangarajan Committee report on regulation of sugar sector 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 considered recommendations of the Committee and has decided that the recommendation of the Committee relating to adoption of the Revenue Sharing Formula be left to the State Governments for adoption and implementation, as considered appropriate by them.

(c) & (d): The Government has appointed a Committee under the Chairmanship of Director, National Centre for Agricultural Economics and Policy Research (NCAP) to examine the methodological issues including the cost concepts of Minimum Support Price (MSP). The Committee is yet to submit its recommendations to the Government.