

GOVERNMENT OF INDIA
MINISTRY OF CONSUMER AFFAIRS, FOOD AND PUBLIC
DISTRIBUTION
LOK SABHA
UNSTARRED QUESTION NO 1754
ANSWERED ON 22.07.2014
FRP FOR SUGARCANE

1754 Shri B. S. YEDDYURAPPA

PARVATAGOUDA CHANDANAGOUDA GADDIGOUDAR
SANGANNA AMARAPPA KARADI

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

- (a) whether it is mandatory for the sugar mills to pay the Fair and Remunerative Price (FRP)/State Advised Price (SAP) to the farmers and if so, the details thereof;**
- (b) whether the Government has taken note of the non-payment of FRP/SAP to the farmers by some sugar mills and if so, the details thereof and the corrective steps taken in this regard during each of the last three years and the current year, State/year-wise;**
- (c) whether requests have been received for increasing the FRP and if so, the details thereof and the action taken thereon indicating the price fixed during the said period and the increase proposed for the ensuing season; and**
- (d) the other steps taken/proposed to be taken to mitigate the problems of the sugarcane farmers?**

ANSWER

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

(a): The Central Government fixes the Fair and Remunerative Price (FRP) of sugarcane 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 the benchmark price below which no sugar mill can purchase cane from sugarcane farmers. However, some of the State Governments viz. Punjab, Haryana, Uttar Pradesh, Uttarakhand and Tamil Nadu announce State Advised Price (SAP) which is generally higher than the FRP.

(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. However, there have been cane price dues from time to time. 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. The Central Government has from time to time advised the State Governments/UTs to ensure timely payment of cane dues to

the farmers and to take action against the defaulting sugar mills.

(c): As indicated in reply to part a) 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. A statement indicating the FRP of sugarcane fixed by the Central Government for the last three sugar seasons, current and the ensuing sugar season is annexed.

(d): In order to facilitate clearance of cane price arrears of previous sugar seasons and timely settlement of cane price of current sugar season to sugarcane farmers, the Central Government on 3.1.2014 has notified a Scheme for Extending Financial Assistance to Sugar Undertakings (SEFASU-2014) envisaging interest free loans worth Rs.6600 crores by banks as additional working capital to sugar mills of the Country. Further, the Central Government on 28.2.2014 has notified another scheme allowing incentives for marketing and promotion services for raw sugar production targeted for export market. The incentive available under the Scheme shall be utilized by the sugar mills for making payment to the farmers.

ANNEXURE

Annexure

ANNEXURE REFERRED IN REPLY TO PART (c) OF UNSTARRED QN. NO. 1754 FOR ANSWER ON 22.07.2014 IN THE LOK SABHA

Fair and Remunerative Price (FRP) of sugarcane during the last three sugar seasons, current and the ensuing sugar season*

(Rs. per Quintal)

| Sugar Season | FRP fixed by the Government | Basic recovery rate | Premium over basic recovery rate (in Rs. for increase of every 0.1%) ** |
|---------------------|------------------------------------|----------------------------|--|
| 2010-11 | 139.12 | 9.5 | 1.46 |
| 2011-12 | 145.00 | 9.5 | 1.53 |
| 2012-13 | 170.00 | 9.5 | 1.79 |
| 2013-14 | 210.00 | 9.5 | 2.21 |
| 2014-15 | 220.00 | 9.5 | 2.32 |

*** Sugar season is from October to September**

**** FRP is linked to a basic recovery rate of sugar with a premium payable to farmers for higher recoveries of sugar from sugarcane**