

GOVERNMENT OF INDIA
MINISTRY OF CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION
RAJYA SABHA
QUESTION NO 1015
ANSWERED ON 13.12.2013

Sugarcane pricing policy

1015 DR. T.N. SEEMA

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

- (a) whether Government has received demand(s)/suggestions from many organisations to bring out a long term sugarcane pricing policy;
- (b) if so, the details thereof and the response of Government thereto;
- (c) whether Government plans to examine the methodological issues including the cost concepts of Minimum Support Price (MSP); and
- (d) if so, by when 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 alongwith the details thereof, State-wise and the changes likely to be made therein?

ANSWER

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

(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.
