

GOVERNMENT OF INDIA  
MINISTRY OF AGRICULTURE AND FARMERS WELFARE  
DEPARTMENT OF AGRICULTURE, COOPERATION AND FARMERS WELFARE

**LOK SABHA**  
UNSTARRED QUESTION NO. 360  
TO BE ANSWERED ON THE 4<sup>TH</sup> FEBRUARY, 2020

**RELIEF FOR SUGARCANE FARMERS**

360. SHRI MALOOK NAGAR:

Will the Minister of AGRICULTURE AND FARMERS WELFARE कृषि एवं किसान कल्याण मंत्री be pleased to state:

- (a) the provisions made by the Government to provide relief to the sugarcane farmers as sugarcane is produced by the farmers as the main crop in a huge quantity in Uttar Pradesh and various parts of the country but they do not get payment for their produce even after one year;
- (b) whether it is true that the industrialists themselves fix the prices of their products whereas the prices of the farmer's produce are generally fixed by the Government; and
- (c) if so, the manner in which the input cost of production is assessed/estimated and taken into account while fixing the prices of farmers' produce and the norms laid down by the Government in this regard?

**ANSWER**

MINISTER OF AGRICULTURE AND FARMERS WELFARE

कृषि एवं किसान कल्याण मंत्री (SHRI NARENDRA SINGH TOMAR)

(a): To safeguard the interest of sugarcane farmers, Central Government fixes the Fair and Remunerative Price (FRP) of sugarcane for each sugar season. FRP is the benchmark price below which no sugar mill can purchase sugarcane from farmers. As per Clause 3(3) of Sugarcane (Control) Order, 1966, sugar mills are required to make cane price payment to farmers within 14 days of supply of cane. If mills fail to make payment, they have to pay interest at the rate of 15 per cent per annum on amount due for the delayed period beyond 14 days. The powers for enforcing these provisions are delegated and vested with the State Governments who have the necessary field formations.

As a result of various measures taken by Central Government and State Governments, for the sugar season 2017-18, cane price dues of only Rs. 135 crore are pending on all-India basis, out of total cane price payable of about Rs.73840 crore on FRP basis. For sugar season 2018-19, Rs.1290 crore are pending on all-India basis, out of total cane price payable of about Rs. 81667 crore on FRP basis.

In Uttar Pradesh, the payment of cane price to the sugarcane farmers for 2018-19 season have been made in an effective manner. Against the payable cane price of Rs. 33,048.06 crores, an amount of Rs. 31,950.25 crores has already been paid to the sugarcane growers of Uttar Pradesh state upto 27.01.2020, which is about 97%.

(b): The prices of sugar are market driven & depends on demand & supply of sugar. However, with a view to protect the interests of farmers, concept of Minimum Selling Price (MSP) of sugar has been introduced w.e.f. 07.06.2018 so that the liquidity position of the industry improves, so as to enable them to clear cane price dues of farmers.

In exercise of the powers conferred by clause (c) of sub section (2) of section 3 of the Essential Commodities Act, 1955, Government has notified Sugar Price (Control) Order, 2018. Under the provisions of said order, Government has fixed Minimum Selling Price (MSP) of white/refined sugar at Rs.29/kg w.e.f. 07.06.2018 for sale by sugar mills at the factory gate for domestic consumption. Government has revised the MSP of white/refined sugar from Rs.29/kg to Rs.31/kg w.e.f. 14.02.2019.

(c): Fair and Remunerative Price (FRP) of sugarcane is fixed by Government for each sugar season on the basis of the recommendations of the Commission for Agricultural Costs and Prices (CACCP) and after consulting the State Governments and associations of sugar industry and cane growers, having regard to the following factors of Clause 3 of sugarcane (Control) Order, 1966:-

- i. cost of production of sugarcane;
- ii. return to the growers from alternative crops and the general trend of prices of agricultural commodities;
- iii. availability of sugar to consumers at fair price;
- iv. price at which sugar produced from sugarcane is sold by sugar producers;
- v. recovery of sugar from sugarcane; and
- vi. the realization made from sale of by-products viz. molasses, bagasse and press mud or their imputed value (inserted vide notification dated 29<sup>th</sup> December, 2008)
- vii. reasonable margins for the growers of sugarcane on account of risk and profits (inserted vide notification dated 22.10.2009).

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