

GOVERNMENT OF INDIA
MINISTRY OF CONSUMER AFFAIRS, FOOD & PUBLIC DISTRIBUTION
DEPARTMENT OF FOOD AND PUBLIC DISTRIBUTION

LOK SABHA
UNSTARRED QUESTION NO. 1603
TO BE ANSWERED ON 20th SEPTEMBER, 2020

INCREASE IN MSP FOR SUGARCANE

†1603. SHRI MALOOK NAGAR

Will the Minister of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION उपभोक्ता मामले, खाद्य और सार्वजनिक वितरण मंत्री be pleased to state:

- (a) whether considering the cumulative increase in inflation of around 28 per cent during the last four years and the input cost of sugarcane comes to around Rs. 350;
- (b) if so, whether the Government proposes to fix the MSP of sugarcane at Rs. 525 to 550 per quintal in view of its promise to provide 1.5 times of the input cost to the farmers; and
- (c) if so, the details thereof and the strategy finalised in this regard?

A N S W E R
MINISTER OF STATE FOR MINISTRY OF CONSUMER AFFAIRS, FOOD &
PUBLIC DISTRIBUTION
(SHRI DANVE RAOSAHEB DADARAO)

(a): The Central Government fixes the Fair and Remunerative Price (FRP) of sugarcane for every sugar season based on the recommendation of the Commission for Agricultural Costs and Prices (CACP) in consultation with State Government and other stake holders having regard to various factors including input cost of production of sugarcane. As per the report of CACP for sugar season 2020-21, the All India projected A2 + FL cost of production (i.e. actual paid out cost plus imputed value of family labour) of sugarcane is Rs. 159 per quintal.

(b)&(c): On the recommendations of CACP, the Government has fixed the FRP of sugarcane for sugar season 2020-21 at Rs. 285/- per quintal for a basic recovery rate of 10%; providing a premium of Rs. 2.85/qtl for each 0.1 % increase in recovery over and above 10%. In respect of those mills whose recovery is below 10% but above 9.5 %, the FRP would be reduced by Rs. 2.85/ qtl for every 0.1 percentage point decline in sugar recovery below 10%. The Government with a view to protect interest of farmers has also decided that there shall not be any deduction in case of mills where recovery is below 9.5%; such farmers will get Rs. 270.75 per quintal for sugarcane.
