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

LOK SABHA
UNSTARRED QUESTION NO.210
TO BE ANSWERED ON THE 2ND FEBRUARY, 2021

INCENTIVES FOR PLANTATION CROPS

210. SHRI G.S. BASAVARAJ:

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

(a) whether the Government is providing excessive incentives to farmers growing cereals and pulses by way of MSP system, while cotton and sugarcane farmers are left to exploitation by industrial lobby?

(b) if so, the incentives needed to sustain the livelihood of farmers growing plantation crops and horticultural produce and non-perishable items like potatoes and onions; and

(c) whether the sugar industry is operating on a self-regulating mechanism with additional benefits derived from by-products like industrial alcohol, ethanol etc and value-added range of confectionaries?

ANSWER

MINISTER OF AGRICULTURE AND FARMERS WELFARE

कृषि एवं किसान कल्याण मंत्री (SHRI NARENDRA SINGH TOMAR)

(a) & (b) : Government announces Minimum Support Price (MSP) for 22 major agricultural commodities including cotton each year in both the crop seasons after taking into account the recommendations of the Commission for Agricultural Costs and Prices (CACP). Besides, Government also announces Fair Remunerative Price (FRP) for sugarcane. The Government had increased the MSP of all mandated crops since 2018-19 with a return of atleast 50% over all India weighted average cost of production. For perishable agricultural and horticultural crops for which MSP is not announced, Government implements Market Intervention Scheme (MIS) and Operation Green schemes as per the extant schemes guidelines.

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(c): The FRP so fixed by the Central Government is the bench mark remunerative price for sugarcane. Accordingly, FRP for 2020-21 sugar season has been fixed at Rs.285 per qtl. Linked to a basic recovery of 10% subject to a premium of Rs.2.85/qtl. for each 0.1% increase of recovery over and above 10% and reduction in FRP at the same rate for each 0.1% decrease in the recovery rate till 9.5%. With a view to protect interest of farmers, the Government has decided that there shall not be any deduction in case where recovery is below 9.5%. The sugar mills generally realized revenue from sale of sugar and its other by-products viz. molasses, bagasse and press cake as well as from industrial alcohol, ethanol manufactured from molasses or other sugar allied products including value-added range of confectionaries depending upon their own techno-economic viability.

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