

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

LOK SABHA
UNSTARRED QUESTION NO.2257
TO BE ANSWERED ON 12TH MARCH, 2025

FAIR AND REMUNERATIVE PRICE OF SUGARCANE

2257. MS IQRA CHOUDHARY:

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

- (a) the key factors considered while determining the Fair Remunerative Price (FRP) of sugarcane each year and the manner in which the Government ensures that the FRP adequately reflects the rising costs of production, input prices, inflation and fair earnings for farmers;
- (b) the reasons for which the Government has not yet announced the FRP for the upcoming season;
- (c) the expected timeline for its announcement and the measures that are being taken to ensure that the farmers receive timely information about the pricing;
- (d) whether the Government is aware that many sugar mills delay or fail to pay farmers the FRP for sugarcane on time and the steps that have been taken to ensure strict enforcement of timely payments; and
- (e) if so, the details thereof?

A N S W E R

MINISTER OF STATE FOR MINISTRY OF CONSUMER AFFAIRS,
FOOD & PUBLIC DISTRIBUTION
(SHRIMATI NIMUBEN JAYANTIBHAI BAMBHANIYA)

(a): The Central Government fixes Fair and Remunerative Price (FRP) of sugarcane having regard to the factors mentioned in Clause 3(1) of the Sugarcane (Control) Order, 1966 viz.,

- 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 a fair price;
- iv. price at which sugar produced from sugarcane is sold by sugar producers; recovery of sugar from sugarcane;
- v. realization made from sale of by-products viz. molasses, bagasse and press mud or their imputed values;
- vi. and reasonable margins for the growers of sugarcane on account of risk and profits.

The FRP mechanism ensures that sugarcane farmers receive a fair price that is reflective of their cost of production, market conditions, inflation and input prices. By regularly reviewing and adjusting the FRP, the Government aims to provide fair earnings to farmers while balancing the financial sustainability of the sugar industry. The involvement of advisory bodies, consultations with stakeholders and monitoring of market conditions ensures that the FRP adequately reflects the challenges faced by farmers and the broader economic context.

(b) & (c): The Government is in the process of seeking comments and suggestions from sugar-producing States and various other Ministries/Department indicating a consultative approach in finalizing/revising the FRP of Sugarcane.

Generally, the Government announces the FRP well ahead of the upcoming sugar season and the decision is informed to all the stakeholders including farmers.

(d) & (e): Payment of cane dues to farmers is a continuous process and cane payment by the sugar mills to the farmers are being made on regular basis resulting in reduction of cane dues.

With a view to facilitate payments of outstanding dues to the sugarcane farmers, the Central Government has taken various steps in the form of policy interventions from time to time as and when required, which are as under:

- i) Central Government fixes Fair and Remunerative Price (FRP) of sugarcane having regard to the factors mentioned in Clause 3(1) of the Sugarcane (Control) Order, 1966.
- ii) Diversion of surplus sugar to production of ethanol led to improved financial conditions of sugar mills.
- iii) Government allowed export of 10 LMT Sugar during current Sugar Season 2024-25 (Oct – Sept) to prevent fall in ex-mill prices of sugar and accumulation of cane price arrears.
- iv) Minimum Selling Price of sugar was fixed initially at ₹ 29/ kg w.e.f 07-06-2018; and revised to ₹ 31/kg w.e.f. 14-02-2019.

As a result of these measures, significant reduction has been seen in cane price arrears. Up to Sugar Seasons 2023-24, more than 99.9% cane dues have been cleared and in the current Sugar Season 2024-25, more than 80 % cane dues have been cleared as on 05.03.2025.
