

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

LOK SABHA
UNSTARRED QUESTION NO. 5203
TO BE ANSWERED ON 2ND APRIL, 2025

FAIR AND REMUNERATIVE PRICE OF SUGARCANE

5203. SHRI BAJRANG MANOHAR SONWANE:

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

- (a) whether the Government is aware that the continuous increase in the Fair and Remunerative Price (FRP) of sugarcane without a corresponding increase in the Minimum Selling Price (MSP) of sugar and ethanol is putting sugar mills in financial distress and if so, the details thereof;
- (b) whether the Government has made any assessment of the impact of this imbalance on the sustainability of the sugar industry;
- (c) if so, the details thereof;
- (d) whether the Government has any plan to increase the MSP of sugar and ethanol in proportion to the increasing FRP to ensure the survival of the sugar industry and timely payment to farmers;
- (e) if so, the details thereof; and
- (f) the steps being taken to assist sugar mills in managing their financial viability while ensuring fair returns to sugarcane farmers?

A N S W E R
MINISTER OF STATE FOR MINISTRY OF CONSUMER AFFAIRS,
FOOD & PUBLIC DISTRIBUTION
(SHRIMATI NIMUBEN JAYANTIBHAI BAMBHANIYA)

(a) to (c): At present, all India average ex-mill price of sugar is at a reasonable level. Further, the sugar mills across the country are able to meet the cost of production of sugar.

In addition to the realization from sugar sale, various bi-products such as cane bagasse, cane molasses and press mud are also adding to the revenue of sugar mills. Considering the cost of cane at current level of FRP and conversion cost of sugar, there is sufficient margin of profitability of sugar mills across the country.

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In order to liquidate excess stock and to maintain ex-mill sugar price at reasonable level, Government of India has allowed export of 10 LMT Sugar during the current Sugar Season. The allocation of 10 LMT export quota will not only enhance the liquidity of the sugar mills across the country but will also help in making timely payment of cane dues to sugarcane farmers. Government has also revised the price of ethanol made from C heavy molasses recently.

Interests of all the three major stakeholders, consumers, farmers and sugar mills have been protected by the Government by timely policy interventions.

(d) & (e): Various representations/suggestions have been received from sugar industry Associations and stakeholders to increase the MSP of Sugar. Government is consulting with other concerned Ministries/Departments and seeking comments thereon.

(f): Government of India has made consistent efforts to ensure timely payment of cane dues to farmers which has resulted in ensuring 99.9% payment of cane dues to farmers upto previous 2023-24 sugar season. For Current Sugar Season 2024-25 more than 83% of cane dues has been cleared as on 21.03.2025.

Further, with a view to improve the liquidity position of sugar mills and to enable them to make timely payment of cane dues of farmers, Central Government had taken various measures in recent years which are as under:-

- (a) Diversion of surplus sugar to production of ethanol led to improved financial conditions of sugar mills.
- (b) Export of sugar allowed so that additional revenue may be generated for sugar mills which ultimately enabled them to make timely cane payments to farmers.
- (c): Financial assistance of more than Rs.16500 crore extended to mills resulting in clearance of farmers' dues during 2014-2021.
