

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

**LOK SABHA  
UNSTARRED QUESTION NO. 3886  
TO BE ANSWERED ON 16<sup>TH</sup> DECEMBER, 2014**

**PRICE OF SUGAR**

**3886. SHRI RAVNEET SINGH:**

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

- (a) the average national factory price of sugar and sugarcane during the past three years and the current year;
- (b) whether the Ministry is aware of the drop in domestic price of sugar and its raw material; and
- (c) if so, the details thereof and the reasons therefor along with the measures taken by the Government to ensure that the farmers are not affected by the decline in price of sugarcane and sugar?

**A N S W E R**

**MINISTER OF STATE IN THE MINISTRY OF CONSUMER AFFAIRS, FOOD &  
PUBLIC DISTRIBUTION  
(SHRI RAOSAHEB PATIL DANVE)**

(a): The average national prices of sugar during last three sugar seasons 2011-12, 2012-13, 2013-14 and the current season 2014-15 (upto November, 2014) were Rs 3122, Rs 3161, Rs 2886 and Rs 2817 per Quintal respectively.

The Central Government fixes the Fair and Remunerative Price (FRP) of sugarcane based on the recommendations of the Commission for Agricultural Costs and Prices (CACP) and after consultations with State Governments and other stakeholders. The FRP is the benchmark price below which no sugar mill can purchase sugarcane from the farmers. However, some of the states declare State Advised Price (SAP) which is generally higher than FRP. The details of FRP of sugarcane for the last three sugar seasons (October-September) and the current season are as under:

<b>Sugar Season</b>	<b>FRP of Sugarcane per Qtl</b>
<b>2011-12</b>	<b>Rs 145 linked to 9.5% basic recovery with increase of Rs 1.53 for every 0.1% increase in recovery above 9.5%.</b>
<b>2012-13</b>	<b>Rs 170 linked to 9.5% basic recovery with increase of Rs 1.79 for every 0.1% increase in recovery above 9.5%.</b>
<b>2013-14</b>	<b>Rs 210 linked to 9.5% basic recovery with increase of Rs 2.21 for every 0.1% increase in recovery above 9.5%.</b>
<b>2014-15</b>	<b>Rs 220 linked to 9.5% basic recovery with increase of Rs 2.32 for every 0.1% increase in recovery above 9.5%.</b>

**(b) & (c):** The prices of sugar in the domestic market have declined mainly due to higher sugar production as compared to domestic consumption coinciding with global surplus. Sugarcane is the main raw material in production of sugar. As indicated in reply to part (a) above, the FRP of sugarcane for the current 2014-15 sugar season is higher than the previous sugar season and sugar mills cannot purchase sugarcane from the cane growers at a price less than FRP. However, to protect the farmers from any adverse impact of low sugar prices, the Central Government has extended financial assistance to Sugar Undertakings (SEFASU-2014) envisaging interest free loans worth ₹ 6600 crores by bank as additional working capital to sugar mills and has also allowed incentive on marketing and promotion services for raw sugar production.

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