

Cane FRP seen unchanged at ₹230/quintal for 2016-17

The Centre is believed to have approved the sugarcane price to be paid by millers unchanged at ₹230 per quintal for the next season starting October 2016.

A decision in this regard was taken at the meeting of the Cabinet Committee of Economic Affairs (CCEA), headed by Prime Minister Narendra Modi, here today.

But the decision was not an-

nounced due to model code of conduct in view of elections in some States, sources said.

The Food Ministry's proposal on the fair and remunerative price (FRP) of sugarcane was discussed at length and there was in-principle agreement on maintaining the rate at ₹230 per quintal as recommended by the CACP for 2016-17 season (October-September), the sources added.



FRP is the minimum price that sugarcane farmers are legally guaranteed. However, State governments are free to fix their own State-advised price and millers can offer any price above the FRP.

FRP is fixed after taking into consideration the margin for sugarcane farmers, based on the cost of production, including the transportation costs.

It is linked to a basic sugar recovery rate of 9.5 per cent, subject to a premium of ₹1.46 for every 0.1 percentage point increase in recovery above 9.5 per cent.