## THE ECONOMIC TIMES

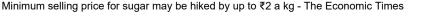
Business News > News > Economy > Agriculture

Nifty OLIVE 101.00 10,130.10

9 90

Vodafone Idea 1 30





Search for News, Stock Quotes & NAV's

Stock Analysis, IPO, Mutual Funds, Bonds & More Market Watch

## Minimum selling price for sugar may be hiked by up to ₹2 a kg

BY RITURAJ TIWARI, ET BUREAU | UPDATED: JUN 05, 2020, 06.47 AM IST

NEW DELHI: The government may increase the minimum selling price of sugar by up to ₹2 a kg to help millers clear cane dues that have crossed ₹22,000 crore. Last year, the government had increased the price at which mills sell sugar to bulk byers by ₹2 a kg to ₹31 a kg.

"We are examining the proposals received from various sections of industry. They are demanding a raise between ₹3 and ₹5 a kg. But the increase may not be more than ₹2 a kg," said a senior food ministry official.

A task force constituted by Niti Aayog on sugarcane and sugar industry has recommended a one-time increase of ₹2. The increase is also likely because the Commission for Agricultural Costs and Prices has recommended raising the 'fair and remunerative price' (FRP) of sugarcane by ₹10 a quintal to ₹285 for 2020-21.

"The minimum selling price of sugar has been fixed taking into account the components of FRP and minimum conversion cost of the most efficient mills. Last year, it was increased by ₹2 a kg but FRP of sugarcane was not increased. This year, both MSP and FRP would go up," the official said.



The increase is also likely because the Commission for Agricultural Costs and Prices has recommended raising the 'fair and remunerative price' (FRP) of sugarcane bv ₹10 a guintal to ₹285 for 2020-21.

**Big Change:** The end of Five-Year Plans: All you need to know

Sugar industry argues that the raise in MSP would not affect public much as 65% of the sweetener is being used by the bulk consumers like food products and soft drink manufacturers.

"Raising prices by ₹5-6 a kg would not pinch general public much," said a sugar miller. "On the other hand, it will help industry to have extra liquidity of ₹500-600 per quintal on sugar sale. It can generate an estimated additional revenue of ₹20,000 crore from current stock and further production, which can be used to clear cane farmers' dues, which are increasing by the day." (This story has not been edited by economictimes.com and is auto-generated from a syndicated feed we subscribe to.)

Post a Comment