

Price of sugarcane and sugar

**GOVERNMENT OF INDIA  
MINISTRY OF CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION  
RAJYA SABHA  
QUESTION NO 1428  
ANSWERED ON 11.03.2013**

Price of sugarcane and sugar

1428

SHRI PRABHAT JHA

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

(a) whether it is a fact that the price of sugarcane is fixed by Government whereas the price of sugar is fixed by mill owners in the country;

(b) if so, in what way this policy is beneficial for the farmers;

(c) whether it is a fact that the Rangarajan Committee (2012) has made many recommendations in this regard to Government in the interest of farmers in its report but Government has not implemented those recommendations till now; and

(d) if so, the reasons for not implementing those recommendations?

**ANSWER**

MINISTER OF STATE (INDEPENDENT CHARGE) FOR CONSUMER AFFAIRS, FOOD & PUBLIC DISTRIBUTION  
(PROF. K.V. THOMAS)

(a)& (b): The Central Government fixes the Fair and Remunerative Price (FRP) of sugarcane under Clause 3(1) of the Sugarcane (Control) Order, 1966. Under the extant sugar policy of the Central Government, sugar mills are obliged to supply 10% of their production as levy sugar for supply in the Public Distribution System (PDS). The price of levy sugar is determined by the Government under the provisions of the Essential Commodities Act, 1955. The price of the Non-levy sugar is market determined and depends upon many factors like domestic demand and supply, international price of sugar and market sentiments etc.

The FRP is a benchmark guaranteed price of sugarcane determined by the Central Government below which no sugar mill can purchase sugarcane from cane growers. Thus, a minimum price is

assured to the farmers. Hence, the sugarcane pricing policy is beneficial to the farmers.

(c) & (d): The Rangarajan Committee has, inter-alia, recommended removal of levy sugar obligation, dispensing with regulated release mechanism and rationalisation of sugarcane pricing. The recommendations of the Committee are under active consideration of the Government.

\*\*\*