

GOVERNMENT OF INDIA  
MINISTRY OF CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION  
LOK SABHA

UNSTARRED QUESTION NO: 805

ANSWERED ON:01.03.2016

Sugarcane Prices

SHIVAJI ADHALRAO PATIL

- (a) whether sugarcane prices have been increased by 60 per cent by the Union Government during the past five years;
- (b) if so, whether State Governments fixed sugarcane prices over and above remunerative price fixed by the Union Government resulting in increase in arrears payable to the farmers, if so, the details thereof;
- (c) whether the area under sugarcane cultivation has declined to 50-60 per cent of what it was few years ago resulting in under-utilisation of capacities;
- (d) if so, whether current policy puts the burden solely on the mills which is both unreasonable and unaffordable as this leads to mounting cane arrears;
- (e) if so, whether the Indian Sugar Mills Association (ISMA) has requested the Government to review the policies on sugarcane, sugar and sugar by-products; and
- (f) if so, the response of the Government thereon and the steps taken to revisit the sugar policy?

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

ANSWER

MINISTER OF CONSUMER AFFAIRS, FOOD & PUBLIC DISTRIBUTION  
(SHRI RAM VILAS PASWAN)

(a) & (b): Yes, Madam. The Central Government fixes the Fair and Remunerative Prices (FRP) of sugarcane on the recommendations of the Commission for Agricultural Costs and Prices (CACP) and after consultation with State Governments and other stakeholders. The FRP of sugarcane for sugar season 2015-16 is Rs. 230 per quintal against the FRP of Rs. 139 per quintal for 2010-11 sugar season. Some State Governments viz. Uttar Pradesh, Uttarakhand, Punjab, Haryana and Tamil Nadu have been fixing State Advised Prices (SAP), which are, generally, higher than FRP, resulting in increase in cane price arrears of the farmers.

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(c): No, Madam. The area under sugarcane cultivation is marginally fluctuating around 50 lakh Ha during the last five years.

(d): Does not arise.

(e) & (f): Yes, Madam. The request of ISMA regarding implementation of Revenue Sharing Formula recommended by Dr. C. Rangarajan Committee on de-regulation of sugar sector has been left to the State Governments for adoption and implementation, as considered appropriate by them.

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