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# Fair and Remunerative Price

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**Why is in news?** Union Cabinet approves highest ever Fair and Remunerative Price of 315 rupees per quintal for Sugarcane Farmers

The Union Cabinet has approved the fair and remunerative price of 315 rupees per quintal for sugarcane farmers for the season 2023-24.

The move will **benefit five crore sugarcane farmers and their dependents, as well as five lakh workers employed in the sugar mills** and related ancillary activities.

Fair and Remunerative Price (FRP):

FRP is the **price declared by the government**, which **mills are legally bound to pay to farmers for the cane** procured from them.

Mills have the **option of signing an agreement** with farmers, which would **allow them to pay the FRP in installments**.

**Delays in payment can attract an interest up to 15% per annum**, and the sugar commissioner can recover unpaid FRP as dues in revenue recovery by attaching properties of the mills.

The payment of FRP across the country is **governed by the Sugarcane Control order, 1966 issued under the Essential Commodities Act (ECA), 1955** which **mandates payment within 14 days** of the date of delivery of the cane.

It has been **determined on the recommendation of the Commission for Agricultural Costs and Prices (CACP)** and **announced by the Cabinet Committee on Economic Affairs (CCEA)**.

CACP is an attached office of the Ministry of Agriculture and Farmers Welfare. It is an **advisory body** whose **recommendations are not binding** on the Government.

CCEA is **chaired by** the Prime Minister of India.

The FRP is **based on the Rangarajan Committee report** on reorganizing the sugarcane industry.

**Factors are considered for announcing FRP:**

Cost of production of sugarcane

Return to the growers from alternative crops and the general trend of prices of agricultural commodities

Availability of sugar to consumers at a fair price

Price at which sugar produced from sugarcane is sold by sugar producers

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Recovery of sugar from sugarcane

The realization made from the sale of by-products viz. molasses, bagasse and press mud or their imputed value

Reasonable margins for the growers of sugarcane on account of risk and profits

### **Sugarcane:**

Temperature: Between 21-27°C with hot and humid climate.

Rainfall: Around 75-100 cm.

Soil Type: Deep rich loamy soil.

Top Sugarcane Producing States: **Uttar Pradesh, Maharashtra, Karnataka, Tamil Nadu, Bihar.**

**India is the second largest producer of sugarcane after Brazil.**

It can be grown on all varieties of soils ranging from sandy loam to clay loam given these soils should be well drained.

It needs manual labour from sowing to harvesting.

It is the main source of sugar, gur (jaggery), khandsari and molasses.

**Scheme for Extending Financial Assistance to Sugar Undertakings (SEFASU) and National Policy on Biofuels** are two of the government initiatives to support sugarcane production and the sugar industry.