



# Fair and Remunerative price for sugarcane increased

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## Context

- The **Cabinet Committee on Economic Affairs, chaired by Prime Minister** Narendra Modi here on Wednesday, has **approved** fair and remunerative price (FRP) of sugar cane for the sugar season of 2025-26 (October-September) at ₹355 a quintal.
- In the previous season, the amount was ₹340.
- “The FRP has been determined on the basis of **recommendations of the Commission for Agricultural Costs and Prices (CACP)** and after consultation with State governments and other stakeholders

## 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.**
- 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.

## Which 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
- 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