KAMARAJ IAS ACADEMY
Only IAS Academy by Grandson of "Perunthalaivar Kamarajar"

Fair and Remunerative price for sugarcane increased

Published On: 01-05-2025

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