

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

UNSTARRED QUESTION NO:1708

ANSWERED ON:05.12.2005

SUGARCANE PROCUREMENT PRICE

Barad Shri Jashubhai Dhanabhai;Chinta Mohan Dr. ;Rawat Shri Kamla Prasad;Suman Shri Ramji Lal

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

- (a) whether the procurement price of sugarcane is fixed on the basis of cost of production;
- (b) if so, the details of the procurement price of sugarcane in the country during the last three years and current year, State-wise;
- (c) the likely impact of price differential in different States on rural economy;
- (d) whether there has been a pressing demand from the SUGARFED and sugarcane growers of various States including Gujarat for enhancement of sugarcane procurement prices;
- (e) if so, the extent of increase being demanded;
- (f) whether the Union Government has fixed a minimum support price of sugarcane for the ensuing sugarcane procurement season; and
- (g) if so, the extent to which this represents an increase in the existing procurement price, State-wise?

Answer

MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE AND MINISTER OF STATE IN THE MINISTRY OF CONSUMER AFFAIRS, FOOD & PUBLIC DISTRIBUTION (DR. AKHILESH PRASAD SINGH)

(a), (b) & (c): Central Government does not fix the procurement price of sugarcane. However, the Statutory Minimum Price (SMP) of sugarcane which is payable by the sugar factories to the sugarcane growers is fixed every year under the provisions of the Sugarcane (Control) Order, 1966 on the basis of the recommendations of Commission for Agricultural Costs & Prices (CACP) which, inter alia, takes into consideration many factors including the cost of production of sugarcane.

(d) & (e): No, Sir. In the recent past no such demand has been received by the Government.

(f) & (g): The SMP of sugarcane for the sugar season 2005-06 has been fixed at Rs. 79.50 per quintal linked to 9% recovery rate as compared to Rs. 74.50 per quintal linked to 8.5% recovery rate for 2004-05 sugar season. The SMP fixed by the Government is uniformly applicable to all the States in the country.