

FAIR AND REMUNERATIVE PRICE' OF SUGARCANE

Prelims: Economics- Agriculture

Mains: GS-III- Transport and marketing of agricultural produce and issues and related constraints

GS-III- Issues related to direct and indirect farm subsidies and minimum support prices

Why in News?

- ▶▶ The Cabinet Committee on Economic Affairs (CCEA) has approved the proposal in respect of Determination of 'Fair and Remunerative Price' of sugarcane payable by sugar mills to the cane growers.
- ▶▶ Price of sugarcane is fixed by the centre/State, while the price of sugar is market determined.

FRP:

- ▶▶ Fair and remunerative price (FRP) is the minimum price at which rate sugarcane is to be purchased by sugar mills from farmers.
- ▶▶ The FRP is based on the recommendation of the Commission of Agricultural Costs & Prices (CACP).
- ▶▶ The approval will ensure a guaranteed price to cane growers. The 'FRP' of sugarcane is determined under Sugarcane (Control) Order.
- ▶▶ This will be uniformly applicable all over the country. Determination of FRP will be in the interest of sugarcane growers keeping in view their entitlement to a fair and remunerative price for their produce.
- ▶▶ Fair and remunerative price (FRP) is the minimum price at which rate sugarcane is to be purchased by sugar mills from farmers.

Sugar buffer stock:

- ▶▶ The Cabinet has also approved the creation of buffer stock of 40 lakh Metric Tonnes of sugar for one year from the 1st of next month.
- ▶▶ The decision will lead to an improvement in the liquidity in sugar inventories and stabilization in sugar prices.