



**NATIONAL FEDERATION OF COOPERATIVE SUGAR FACTORIES LTD.**

**राष्ट्रीय सहकारी शक्कर कारखाना संघ लिमिटेड**

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**“PRESS NOTE REGARDING REACTION ON NEW FRP”**

New Delhi, May, 25 :

The Managing Director of National Federation of Cooperative Sugar Factories (NFCSF), Mr. Prakash Naiknavare, welcomed the government's decision to increase the Fair and Remunerative Price (FRP) of sugarcane by Rs 25 per quintal saying this has given due consideration to rise in cost of production of sugarcane and also to the strengthened sugar price realization by millers.

“This robust rise of almost 11 per cent in FRP is a welcome step towards farming fraternity,” he said.

However “ this rise in the raw material is bound to push up the cost of production of sugar and thereby the retail price of sugar may show increase in the coming days. But this is inevitable because the farmers must get the remunerative price commensurating with his expenses in growing sugarcane. This alone will encourage him to continue growing sugarcane which will help the industry to sustain,” Mr. Naiknavare said.

He further said that the states like Maharashtra, Karnataka and Gujarat have already appointed cane price fixation Boards in line with Rangarajan Committee recommendation approved by the Government.

These boards are empowered to decide the final sugarcane price based on revenue sharing formula and such price in all probabilities may be more than the stipulated FRP and shall be out of purview of Income Tax as stipulated vide ammended Income Tax Act 2015.

In light of these developments, the selling price of not only sugar, but its by-products namely bagasse, molasses, press-mud and value added products like Ethanol and Co-generation etc. need to be at a reasonable high level. “This inevitable fact also need to be recognized, understood and appreciated by all the stake holders of sugar sector like sugarcane farmers, sugar producing mills, sugar consumers, lending bankers and the government (Central and States) for ensuring to have a healthy sugar sector of India,” Mr. Naiknavare said .

On the Union cabinet's decision of increasing FRP of sugarcane the NFCSF's Managing Director said With a view to help 50 million sugarcane farmers across the country and in recognition of important role that the country's sugar industry plays, the Union government has accepted the recommendation of Commission for Agricultural Costs and Prices (CACP), a statutory body that advises the Government on the pricing policy for major





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farm produce, for FRP of Rs. 2550 per tonne linked to basic sugar recovery rate of 9.5 per cent . For every one per cent rise in recovery Rs. 268.42 would add to Rs. 2550 /- per ton. This price is on mill gate delivery basis i.e. inclusive of harvesting and transport expenses. For computing mill-wise FRP payable for the crushing season 2017-18, the actual average sugar recovery obtained by each mil during the crushing season 2015-16 will be taken into consideration.

This robust rise of almost 11 per cent in FRP is a welcome step towards farming fraternity.

*P P Naiknavare*  
(PRAKASH NAIKNAVARE) 25/05  
MANAGING DIRECTOR