

# Sugarcane FRP Hiked by 1.75% to 290/Quintal

Sugarcane farmers will get 87% returns on their total cost, says Piyush Goyal

**Our Bureau**

**New Delhi | Pune:** The central government has fixed the fair and remunerative price (FRP) of sugarcane—the minimum price that sugar mills have to offer farmers—at ₹290 per quintal for the next marketing season, a 1.75% increase over the previous year.

The government has ensured that sugarcane farmers will get 87% returns on their total cost, said Piyush Goyal, Union minister for consumer affairs, food and public distribution.

The increase comes ahead of elections in Uttar Pradesh, one of the main sugar producing states in India. The sugar industry said it would be able to absorb the higher cane price but farmers' organisations expressed disappointment at the quantum of the increase.

This is the highest ever approved FRP for sugarcane farmers and is expected to benefit 50 million farmers directly and 500,000 workers employed in the sugar mills and related ancillary activities, the government said in a statement.

The National Federation of



Cooperative Sugar Factories said the higher domestic sugar prices will allow the industry to absorb the increase in sugarcane price.

Abinash Verma, director general at Indian Sugar Mills Association (ISMA) said: "The sugar industry may not feel overburdened with the government's decision to increase sugarcane FRP".

Verma added that the industry would expect the government to increase the minimum selling price (MSP) of sugar too.

Sabyasachi Majumdar, senior vice president and group head, ICRA said: "Increase in FRP of sugarcane for sugar season 2021-22 by ₹5/quintal to ₹290/quintal is likely to increase the cost of sugar production by ₹0.5/kg. FRP increase may also pave the way for an increase in the state-advised price (SAP) set by the state governments in the SAP following states".

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