



Fair and Remunerative Prices for Sugarcane

The Union Cabinet has cleared a proposal to create an **emergency sugar reserve** of **4 million tonne** and approved the **Fair and Remunerative Prices** for sugarcane for the year 2019-20.

Sugar Industry

- [Sugar industry](#) is an important agro-based industry that impacts rural livelihood of about 50 million sugarcane farmers and around 5 lakh workers directly employed in sugar mills.
- India is the **world's second largest sugar producer** after Brazil and also the **largest consumer**.

Price Determination of Sugarcane

- Sugarcane prices are determined by:
 - Federal Government
 - State Government
- The Federal/Central Government announces **Fair and Remunerative Prices** which are determined on the **recommendation** of the **Commission for Agricultural Costs and Prices (CACP)** and are **announced** by the **Cabinet Committee on Economic Affairs**, which is chaired by Prime Minister.
- The **State Advised Prices (SAP)** are announced by key sugarcane producing states which are generally **higher than FRP**.

Commission for Agricultural Costs and Prices (CACP)

- The Commission for Agricultural Costs and Prices (CACP) is an attached office of the Ministry of Agriculture and Farmers Welfare, Government of India. It came into existence in January 1965.
- It is an advisory body whose recommendations are not binding on Government.

[Source: PIB](#)

PDF Reference URL: <https://www.drishtias.com/printpdf/fair-and-remunerative-prices-for-sugarcane>