



PM-PRANAM Scheme and Increased FRP

For Prelims: [Fair and Remunerative Price \(FRP\)](#), [Sugarcane](#), PM-PRANAM Scheme

For Mains: Agricultural Pricing, Sugar production in the Indian Economy, Challenges faced by sugarcane industry.

Why in News?

Cabinet Committee on Economic Affairs (CCEA), approved the **PM-PRANAM scheme**, aimed at **restoring and nurturing** Mother Earth through the use of [biofertilizers](#).

- Furthermore, the [Fair and Remunerative Price \(FRP\)](#) for [sugarcane](#) has been increased by Rs 10 to Rs 315 per quintal for the 2023-24 season starting from October.
- Additionally, the government has extended the [urea subsidy scheme](#) until March 2025 with an allocation of ₹3.68 lakh crore. Alongside, a nutrient-based subsidy of ₹38,000 crore has been sanctioned for the Kharif season of 2023-24.

What is PM-PRANAM Scheme?

- **About:**
 - PM-PRANAM stands for **PM Programme for Restoration, Awareness, Nourishment and Amelioration of Mother Earth**.
 - PM-PRANAM was first announced in the [2023-24 Budget](#) by the Union government.
 - The scheme aims to **reduce the use of chemical fertilizers** by incentivizing states to adopt alternative fertilizers.
- **Objective:**
 - Encourage the balanced use of fertilizers in **conjunction with biofertilizers and organic fertilizers**.
 - Reduce the **subsidy burden on chemical fertilizers**, which was around Rs 2.25 lakh crores in 2022-2023.
- **Key Features of the Scheme:**
 - **Financing:**
 - The scheme will be financed by the **savings of existing fertilizer subsidies** under schemes run by the Department of Fertilizers, Ministry of Chemicals & Fertilizers.
 - There will be **no separate budget for the PM-PRANAM scheme**.
 - **Subsidy Savings and Grants:**
 - The Centre will provide **50% of the subsidy savings** to the states as a grant.
 - Out of the grant, **70% can be used to create assets** related to the **technological adoption of alternative fertilizers** and production units at various levels.
 - The remaining **30% can be used to reward** and encourage farmers, panchayats, and other stakeholders involved in fertilizer reduction and awareness generation.
 - **Calculation of Fertilizer Reduction:**

- The reduction in urea consumption by a state will be compared to its **average consumption of urea over the previous three years**.
- This calculation will determine the eligibility for subsidy savings and grants.
- **Promotion of Sustainable Agriculture:**
 - Encouraging the use of biofertilizers and organic fertilizers will promote sustainable agricultural practices.
 - This will enhance [soil fertility](#), reduce environmental pollution, and support long-term agricultural productivity.

What is Biofertilizer?

- **About:**
 - It consists of a carrier **medium rich in live microorganisms**. When applied to seed, soil or living plants, it **increases soil nutrients** or makes them biologically available.
 - Biofertilizers contain different types of fungi, root bacteria or other microorganisms. They form a **mutually beneficial or symbiotic relationship** with host plants as they grow in the soil.
- **Classification of Biofertilizers Based on Microorganism:**
 - **Bacterial Biofertilizers:** Rhizobium, Azospirillum, Azotobacter, Phosphobacteria, Nostoc, etc.
 - **Fungal Biofertilizers:** Mycorrhiza.
 - **Algal Biofertilizers:** Blue Green Algae (BGA) and Azolla.
 - **Actinomycetes Biofertilizer:** Frankia.

What are the Recent Changes Made in FRP for Sugarcane?

- The Cabinet has also decided that there shall **not be any deduction in the case of sugar mills where recovery is below 9.5%**. Such farmers will get Rs 291.975 per quintal for sugarcane in the ensuing sugar season instead of Rs 282.125 per quintal in the current sugar season.

What is the FRP?

- **About:**
 - FRP is the **price set by the government** that sugar mills are obligated to **pay to farmers for the sugarcane procured** from them.
- **Payment and Agreement:**
 - Mills are legally required to pay the FRP to farmers for their cane.
 - Mills can choose to sign agreements with farmers, allowing them to pay the FRP in installments.
 - **Delayed payments can attract interest charges of up to 15% per annum**, and the **sugar commissioner can recover unpaid FRP by attaching properties of the mills**.
- **Governing Regulations:**
 - The pricing of sugarcane is governed by the statutory provisions of the Sugarcane (Control) Order, 1966 issued under the [Essential Commodities Act \(ECA\), 1955](#).
 - According to the regulations, the FRP must be paid within 14 days of cane delivery.
- **Determination and Announcement:**
 - The **FRP** is determined based on the recommendations of the **Commission for Agricultural Costs and Prices (CACP)**.
 - The CCEA announces the FRP.
- **Factors Considered:**
 - The FRP takes into account various factors, including the cost of sugarcane production, returns from alternative crops, trends in agricultural commodity prices, availability of sugar to consumers, selling price of sugar, sugar recovery from cane, and income margins for cane growers.

What is Sugarcane?

- **Temperature:** Between 21-27°C with hot and humid climate.

- **Rainfall:** Around 75-100 cm.
- **Soil Type:** Deep rich loamy soil.
- **Top Sugarcane Producing States:** Uttar Pradesh, Maharashtra, Karnataka, Tamil Nadu, Bihar.
- India is the **second largest producer** of sugarcane after Brazil.
- It can be grown on all varieties of soils ranging from **sandy loam to clay loam** given these soils should be well drained.
- It needs manual labour from sowing to harvesting.
- It is the main source of **sugar**, gur (jaggery), khandsari and molasses.
- Scheme for Extending Financial Assistance to Sugar Undertakings (SEFASU) and [National Policy on Biofuels](#) are two of the government initiatives to support sugarcane production and the sugar industry.

UPSC Civil Services Examination, Previous Year Questions (PYQs)

Prelims

Consider the following organisms: (2013)

1. Agaricus
2. Nostoc
3. Spirogyra

Which of the above is/are used as biofertilizer/

biofertilizers?

- (a) 1 and 2
- (b) 2 only
- (c) 2 and 3
- (d) 3 only

Ans: (b)

Q.1 The Fair and Remunerative Price (FRP) of sugarcane is approved by the (2015)

- (a) Cabinet Committee on Economic Affairs
- (b) Commission for Agricultural Costs and Prices
- (c) Directorate of Marketing and Inspection, Ministry of Agriculture
- (d) Agricultural Produce Market Committee

Ans: (a)

Q.2 With reference to the current trends in the cultivation of sugarcane in India, consider the following statements: (2020)

1. A substantial saving in seed material is made when 'bud chip settlings' are raised in a nurse, and transplanted in the main field.
2. When direct planting of setts is done, the germination percentage is better with single budded setts as compared to setts with many buds.
3. If bad weather conditions prevail when setts are directly planted, single-budded setts have better

- survival as compared to large setts
4. Sugarcane can be cultivated using settlings prepared from tissue culture.

Which of the statements given above is/are correct?

- (a) 1 and 2 only
(b) 3 only
(c) 1 and 4 only
(d) 2, 3 and 4 only

Ans: (c)

Exp:

▪ **Tissue Culture Technology**

- Tissue culture is a technique in which fragments of plants are cultured and grown in a laboratory.
- It provides a new way to rapidly produce and supply disease-free seed cane of existing commercial varieties.
- It uses meristem to clone the mother plant.
- It also preserves genetic identity.
- The tissue culture technique, owing to its cumbersome outfit and physical limitation, is turning out to be uneconomical.

▪ **Bud Chip Technology**

- As a viable alternative of tissue culture, it reduces the mass and enables quick multiplication of seeds.
- This method has proved to be more economical and convenient than the traditional method of planting two to three bud setts.
- The returns are relatively better, with substantial savings on the seed material used for planting. Hence, statement 1 is correct.
- The researchers have found that the setts having two buds are giving germination about 65 to 70% with better yield. Hence, statement 2 is not correct.
- Large setts have better survival under bad weather but single budded setts also give 70% germination if protected with chemical treatment. Hence, statement 3 is not correct.
- Tissue culture can be used to germinate and grow sugarcane settlings which can be transplanted later in the field. Hence, statement 4 is correct. Therefore, option (c) is the correct answer.

Source: TH

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