

Centre raises fair price of sugar cane

But it refuses to hike minimum price at which mills can sell processed sugar

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The Union government has increased the minimum price that sugar mills must pay to sugar cane farmers by ₹5 a quintal, setting the fair and remunerative price (FRP) at ₹290 a quintal for the 2021-22 sugar season, which runs from October to September.

Despite demands from sugar mills, however, the Centre refused to hike the minimum price at which they can sell the processed sugar, citing consumer interests.

Wednesday's decision by the Union Cabinet comes a day after Punjab cane farmers wrested an additional ₹35 a quintal price hike from their government, and amid demands from Uttar Pradesh farmers for a similar hike after three consecutive years of unchanged rates. Both the States go to the polls next year.

The ₹290 a quintal national FRP will apply for a recovery rate of 10%.

"The decision will benefit five crore sugar cane farmers and their dependents as well as five lakh workers employed by sugar mills and related industries," Food Minister Piyush Goyal said at a press conference after the meeting. This was the highest ever FRP so far, he noted. The Centre had hiked FRPs by 38% since the ₹210 a quintal rate of 2013-14. He pointed out that this year's hike



For a sweetener: Uttar Pradesh farmers have been demanding a hike in the State-level price ahead of the Assembly election. ■ FILE PHOTO

was only half the ₹10 increase seen last year.

'Quite reasonable'

Sugar mills welcomed the decision as "quite reasonable", but demanded that the minimum selling price (MSP) also be hiked. "The MSP of sugar has remained static for over 30 months, though the cane FRP was increased by ₹10 a quintal in 2020-21 season," said a statement from Abinash Varma, director-general of the Indian Sugar Mills Association, seeking a hike from the current MSP of ₹31 a kg to ₹34.50 or ₹35.

However, Mr. Goyal made it clear the Centre had no intention of increasing the MSP at this time, arguing that the mills received governmental support for exports and to divert surplus sugar to ethanol production.

"The delicate balance of the interest of farmers and consumers, as well as the industry, has been maintained in this decision," he said.

Mr. Goyal also addressed the problem of late payment of dues to farmers, which is a thorny political issue, especially in western Uttar Pradesh's sugar belt, noting that ₹91,000 crore was being paid to the farmers in the current sugar season. The payout for 2021-22 was expected to cross ₹1 lakh. The largest sugar producer, U.P., had also managed to clear all pending dues till 2019-20, and had paid out ₹27,000 crore for the current season until August 14, he observed.

Most major sugar-producing States have set their own cane prices over and above the national FRP and a sore point for the U.P. farmers

had been that the State had not hiked its price of ₹315 a quintal for the past three years. Over the last week, Punjab's farmers took to the streets for an increase in the State price and negotiated a ₹50 a quintal hike to ₹360.

Priyanka's charge

On Wednesday, Congress leader Priyanka Gandhi Vadra took to Twitter to accuse the U.P. government of failing to match up. "The Congress government of Punjab listened to the farmers and raised the price of sugar cane to ₹360/quintal. The U.P. BJP government, which came with a promise of ₹400/quintal for sugarcane, has not raised a single penny on the price of sugar cane for 3 years and threatens to "see" if farmers raise their voices," she tweeted.