

4 What is FRP? Crit. analyse Gov. recent move on hiking FRP for sugarcane

Fair and remunerative price is the price that sugar mills pay to the cane farmers. It ensures minimum income support to the farmers.

Fair and Remunerative Price (FRP) is issued under the Sugarcane Control Order administered under the Essential Commodities Act, 1955.

FRP hike * Recently the FRP was hiked to ₹ 340/quantity from ₹ 315/quantity

This move will benefit sugarcane farmers and farmers will generate revenue upto ₹ 10,000 crore from the mills.

Concerns with the tube

* mills are affected as the mills have to pay the FAP, the minimum selling price of sugar has remained stagnant at ₹ 3100/quintal since 2018-19.

* In order to meet the current FAP, a map of minimum ₹ 3600/quintal is what is recommended by the sugar mills.

* Impact on states. The farmers also knock the states for causing the state advised prices. The SAPs are generally higher than the FAP, which can drain the revenue of states.

* Environment impact - as sugar cane is water intensive & deep, the use

in FAP will encourage more farmers to cultivate sugarcane which brings water an already protected regions of Maharashtra and Rajasthan.

What can be done?

* The efficiencies of mills can be ~~improved~~ with government support as FAP is paid with regards to recovery of sugarcane.

* Streamlined procurement of mobuses bagging for power and ethanol production can increase the revenue of sugar mills.

As sugarcane is grown in major parts of India, this move will partly farmers and at the same time revenue generating mills have to be motivated to raise payments and revenue.