

FAIR AND REMUNERATIVE PRICE

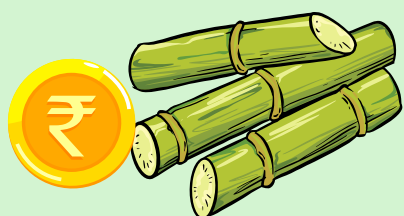


Fair and remunerative prices (FRP) are the minimum prices that sugar mills have to pay to sugarcane farmers for their produce. FRP was introduced in 2009, as a replacement to Statutory Minimum Price.

ORGANIZATIONS: WHOSE DECISION IS IT?

FRP is fixed by the Union government.

BASED ON THE RECOMMENDATION



Commission for
Agricultural
Costs and Prices
(CACP)

ANNOUNCED BY

FACTORS CONSIDERED FOR
ANNOUNCING FRP

Cabinet
Committee on
Economic
Affairs (CCEA).

- Production costs
- Alternative crop returns
- Sugar producer selling prices,
- Sugar recovery rates, and by-product earnings.
- Also, considering reasonable margins for sugarcane growers based on risk and profits.



WHY FRP INSTEAD OF MSP FOR SUGARCANE?

The Fair and Remunerative Price (FRP) aims to provide sugarcane farmers with a fair price for their produce, including cultivation costs, processing, and reasonable profit. In contrast, Minimum Support Price (MSP) crops require little to no processing before consumption.

