

Voluntary Report – Voluntary - Public Distribution

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Report Number: IN2023-0048

Report Name: India Increases Fair and Remunerative Price for Sugarcane Marketing Year 2023-24

Country: India

Post: New Delhi

Report Category: Sugar

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Report Highlights:

Report highlights: On June 28, 2023, the Cabinet Committee on Economic Affairs updated its Fair and Remunerative Price (FRP) for sugarcane marketing year (MY) 2023/2024 from INR 305 per quintal (USD \$3.72/quintal) to a new high of INR 315 per quintal (USD \$3.84/quintal). The new FRP will take effect starting October 1, 2023.

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GENERAL INFORMATION

On June 28, 2023, the Cabinet Committee on Economic Affairs updated its FRP for sugarcane MY 2023/2024 with effect from October 1, 2023. The FRP has been increased from INR 305 per quintal¹ (USD \$3.72/quintal) to a new high of INR 315 per quintal (USD \$3.84/quintal), based on 10.25 percent sugar recovery rate.²

Additionally, growers are to be awarded a premium of INR 3.07/quintal for every 0.1 percent gain in recovery over and above the 10.25 percent rate. The current price is 100.6 percent more than the production cost, and the highest rate ever offered. In contrast to the previous INR 282.13/quintal (\$3.44/quintal) offer, growers will be paid INR 291.975/quintal (\$3.56/quintal) and no deduction for sugar mills, where sugar recovery is less than 9.5 percent.

For the first time in recent years, the sugar mills will start crushing for a new MY with lower cane stocks from the prior year owing to lower production in the 2022/23 MY and due to the diversion of sugar to ethanol as India expects to reach E-20 by 2025. In recent years, the sugar industry and sugarcane farmers have benefited greatly from the growth of ethanol as a biofuel. The Indian government's market price supports that allowed the mills to pay over 80% of the outstanding debts and conversion of sugar to ethanol ensures that sugarcane will continue to be the most lucrative crop for farmers during the national election year.³

Background

For additional background, see: [India: Sugar 2023 Annual - IN2023-0035](#)

The full text of the notification can be found at the [Press Information Bureau Release ID: 1935899](#)

Attachments:

No Attachments.

¹ Unit of weight equal to 100 kilograms

² Source: Government of India, Press Information Bureau; Release ID: [1935899](#).

³ See: "Why sugarcane may not be a bitter election issue this time." [Indian Express](#), Published on July 4, 2023.