Cabinet approves Fair and Remunerative Price of Rs.365/qtl for Sugarcane Farmers for season 2026-27

Decision will benefit 5 crore sugarcane farmers as well as 5 lakh workers employed in the sugar mills and related ancillary activities

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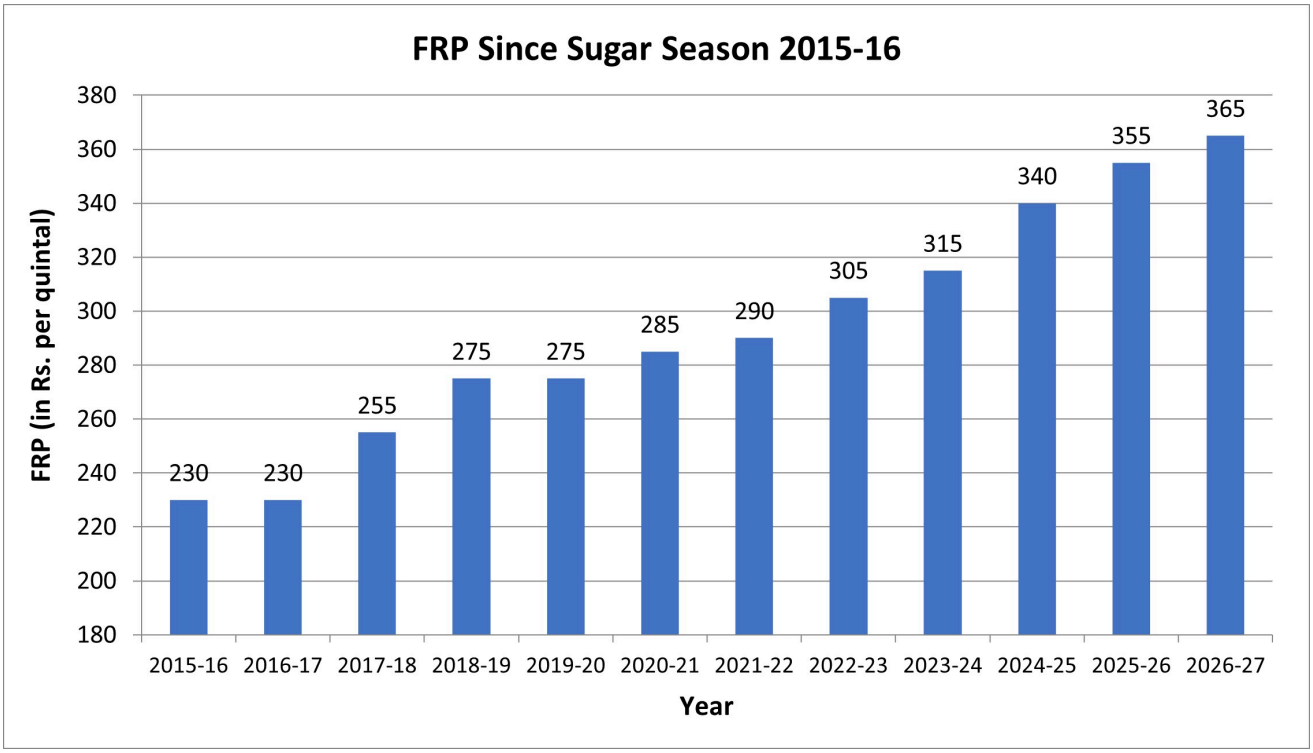
Keeping in view interest of sugarcane farmers (Ganna Kisan), the Cabinet Committee on Economic Affairs chaired by the Prime Minister Shri Narendra Modi has approved Fair and Remunerative Price (FRP) of sugarcane for Sugar Season 2026-27 (October - September) at Rs.365/qtl for a basic recovery rate of 10.25%, providing a premium of Rs.3.56/qtl for each 0.1% increase in recovery over and above 10.25%, & reduction in FRP by Rs.3.56/qtl for each 0.1% decrease in recovery.

The Government with a view to protect interest of sugarcane farmers has also decided that there shall not be any deduction in case of sugar mills where recovery is below 9.5%. Such farmers will get Rs.338.3/qtl for sugarcane in ensuing sugar season 2026-27.

The cost of production (A2 +FL) of sugarcane for the Sugar Season 2026-27 is Rs.182/qtl. This FRP of Rs.365/qtl at a recovery rate of 10.25% is higher by 100.5% over production cost. The FRP for Sugar Season 2026-27 is 2.81% higher than current Sugar Season 2025-26.

The FRP approved shall be applicable for purchase of sugarcane from the farmers in the Sugar Season 2026-27 (starting w.e.f. 1st October, 2026) by sugar mills. The sugar sector is an important agro-based sector that impacts the livelihood of about 5 crore sugarcane farmers and their dependents and around 5 lakh workers directly employed in sugar mills, apart from those employed in various ancillary activities including farm labour and transportation.



Background:

The FRP has been determined on the basis of recommendations of Commission for Agricultural Costs and Prices (CACP) and after consultation with State Governments and other stake-holders.

In the previous Sugar Season 2024-25, out of cane dues payable of Rs.1,02,687 crore about Rs.1,02,209 crore cane dues have been paid to farmers, as on 20.04.2026; thus, about 99.5% cane dues have been cleared. In the current Sugar Season 2025-26, out of cane dues payable of Rs.1,12,740 crore about Rs.99,961 crore cane dues have been paid to farmers, as on 20.04.2026; thus, about 88.6% cane dues have been cleared.

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