



Political interference in fixation of sugarcane prices and its implication

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ABSTRACT

Sugar industry is an important agro-based industry. In India, sugar industry is the second largest industry after textiles and also the second largest sugar producer in the world after Brazil. Indian sugar industry occupies an important place among organized industries. In India, the sugar industry is one of the world's major agro-based industries that impacts rural livelihoods of about fifty million sugarcane farmers with large number of agricultural labour are involved in sugarcane cultivation, harvesting and ancillary activities and around five Lakh workers are directly employed in sugar mills. Due to large number of stakeholders, sugar remains a commodity that is politically sensitive and related issues of sugar industry are on the interest of the policy makers. As a result, the sugar industry itself has been highly regularized over the years, including production, distribution, exports and imports etc. Uncertainty in sugarcane pricing for the season 2013-14 has hit the sugarcane crushing activities in the country. Therefore, this paper is an attempt as to review the interference of political activities and implications in the context of the procedure of fixation of sugarcane prices in country, where the "state advisory price" is being used as a political tool and sugarcane prices have been a political issue rather than economical issue.