

MEDIA/LKO/0022

# 104 sugar mills start crushing in UP

## 15 of the 119 mills in the state yet to start work

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Nearly a month after the first sugar mill begun crushing operations in the current season in Uttar Pradesh, 104 units have also started functioning.

According to the latest available data at the state sugarcane department here, 15 of the total 119 mills had not started operations.

In October, the state had directed mills to start operations by November 10 and 15 in the western and eastern regions, respectively. However, the first private and cooperative mill could start only on November 10 and 14, respectively.

So far, mills have produced nearly 410,000 tonnes of sugar after crushing 4.43 million tonnes (mt) of cane, with sugar recovery standing at about nine per cent. The mills have paid about ₹33 crore to farmers towards cane dues for the current season.

The sugarcane acreage has been estimated at about 2.1 million hectares.

Meanwhile, the private sugar mills still have to clear arrears of about ₹1,112 crore pertaining to 2013-14 season. Of the 95 private mills, 77 have settled 100 per cent dues.

Besides, 23 cooperative and the Uttar Pradesh State Sugar Corporation (UPSSC) unit had already settled their all liabilities.

During 2013-14 crushing season, the Uttar Pradesh's sugar output had dropped by 13 per cent to about 6.42 mt. During 2011-12 and 2012-13, the sugar production had stood at 6.97 mt and 7.4 mt, respectively.

This year, the government had retained state

agreed price (SAP) of cane at ₹280 a quintal. The mills had been allowed to pay ₹240 a quintal upfront. The remaining ₹40 a quintal should be paid within three months of the end of the crushing season.

Of ₹40 a quintal, the government, akin to last year, would directly incur ₹11.4 a quintal as incentive to mills in the form of cane societies commission (₹6.60 a quintal), ₹2 a quintal (cane purchase tax) and ₹2.80 a quintal (sugar entry tax). The remaining ₹8.60 a quintal would be given to mills after they had incurred this as payment to farmers.

For the remaining ₹20 a quintal, a high-level state committee would consider the average price of sugar and byproducts over eight months (October 2014-May 2015) to decide on sharing of the payment liability.

Uttar Pradesh has set the floor price of sugar at ₹3,100 a quintal, molasses (₹390 a quintal), bagasse (₹167 a quintal) and press mud (₹26 a quintal). If the average price stays at this level, the sugar



### STARTING OFF

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If their market prices increase, the government could deduct floor price in ratio from direct subsidy of ₹8.60 a quintal. If prices fall, the sugar mills would be compensated in the proportional ratio in ₹20 a quintal.