

Sugar Industry Wants ex-mill MSP to be Increased 24% to Push Exports

Isma has also asked the central govt for compulsory export of 20% of the output

Jayashree.Bhosale
@timesgroup.com

Pune: India's sugar industry has demanded that the ex-mill minimum selling price (MSP) of sugar be increased 24% to ₹36 per kg from ₹29 per kg to help push exports without financial assistance from the government. It has asked for compulsory export of 20% of the production, which is estimated at about 7 million tonnes for the 2018-19 season starting October 1.

The Indian Sugar Mills Association (Isma) has written a letter to the central government requesting that these two demands be

accepted in the next fortnight.

"International trade houses like Alvean, COFCO, SUCKDEN have informed that the Indian sugar exporters have good chance to succeed from October 2018 to January 2019, when other large exporters like Brazil and Thailand are not in the market. Hence the urgency to announce the export programme of 60 lakh tonnes to 70 lakh tonnes of sugar in next 15 days of August," Isma said in the letter. Isma's director general Abinash Verma told ET, "We have submitted a letter to the government requesting that the minimum domestic ex-mill sugar prices be increased to ₹36 to cover our cost of production and then make exports compulsory to the tune of 20% of each sugar mill's production in 2018-19 season."

The association has suggested that the government confiscate un-exported sugar and get it exported through its own agencies. The industry body, which has now started accepting exporters

M'ashtra's Crushing Season to Begin from Oct 1: Minister

Pune: Maharashtra's cooperation minister Subhash Deshmukh announced that the 2018-19 sugarcane crushing season in the state will begin from October 1. "The area under sugarcane has increased 2.60 lakh hectares to 11.62 lakh hectares. We have decided to start crushing operations early in October," he said. A committee of ministers headed by the chief minister will finalise the date later.

Despite an increase in acreage, the state's sugar production is expected to remain almost similar to that last year, at 107 lakh tonnes, since the production per hectare is expected to decline to 90 tonnes from 116 tonnes, reports **Our Bureau**.

and traders as associate members, has claimed that increasing the MSP to ₹36 per kg would solve most of the problems being faced by the industry. "The advantages are that there will be no need of financial assistance, no need for collection of any cess or levy, no need of monthly release quota, no cane price arrears," Isma said. It said that the export policy

might have to be tweaked as exports have remained sluggish in the current season. The domestic sugar price is ₹11-12 per kg higher than the export price. To reduce the losses that the mills have to bear in export of sugar, Isma has demanded that the current financial assistance of about ₹7.50 per kg be increased ₹3.50-4.50 per kg.

Economic Times

9/8/2018

✓ R