

UP: No hike in sugarcane price

COGENCIS

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The Uttar Pradesh government's decision to keep the state advised price of sugarcane unchanged for 2018-19 (October-September) season is a positive for the state-based mills, rating agency ICRA said in a release.

After raising price of sugarcane for two consecutive years, the State government has left the price unchanged from the last season at ₹315 per 100 kg for normal variety and ₹325 for early maturing cane.

Not hiking the State Advised Price of sugarcane is a saving grace for the sugar industry in UP, in the face of the supply-induced pricing pressures, the release said. The Centre has already increased the statutory fair and remunerative price of sugarcane for 2018-19 to ₹275 from ₹255 a year ago.

Sugar production in UP is expected to decline by around 11 per cent to 9.5 mt in 2018-19, while India's output is seen falling by around 2 per cent to 31.5 mt, ICRA said. Uttar Pradesh, along with Maharashtra, accounts for around half of India's total sugar output.

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