

Sugar mills want Centre to hike ex-mill price

Sugarcane arrears touched ₹20,000 crore at the end of January as production of the sweetener gained pace in the first four months of the 2018-19 sugar season, exceeding 18.51 million tonnes, according to the Indian Sugar Mills Association (ISMA), the apex body of millers. Sugar production was up by around 8 per cent till end January as against 17.1 million tonnes in the year-ago period.

As the cane arrears has begun to rise, ISMA has asked the Centre to increase the ex-mill price to ₹35-36 per kg, so that the industry could recover its production costs, pay farmers' their dues and also service debts and other obligatory payments. The ex-mill sugar prices across the country is currently at ₹29-30 per kg, ₹5-6 per kg below the cost of production of sugar.

Sources said the cane arrears in Uttar Pradesh till end January were estimated to be around ₹9,300 crore, while in Maharashtra, the dues are at ₹4,850 crore, and in Karnataka, at over ₹3,500 crore.

Further, ISMA said sugar exports are also not happening at the desired pace as several sugar mills are either not willing to export sugar against their allocated export quotas or do not find it viable enough to do so. Therefore, in order to ensure that all mills fulfil their allocated export quotas, ISMA has requested the Centre to enforce the quotas.



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