

Flood-hit Maharashtra Sugar Barons Seek Aid

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Pune: With a new government taking charge in Maharashtra, the sugar industry in the state is preparing to make another demand of fiscal compensation for reduction in production of the commodity owing to excessive rainfall and floods in the state. Large tracts of sugarcane fields had been submerged under water for 15-20 days, causing damage to both the quality and quantity of the sugarcane crop. The quantity of sugar produced per tonne of sug-

arcane, called sugar recovery, will decline substantially, according to millers.

"We want the government to compensate for the fall in sugar recovery," said PG Medhe, veteran sugar expert from Kolhapur.

Millers said that irrespective of the sugar recovery this year, mills make cane payment to farmers on the basis of the recovery in the previous year. "As the recovery last year was high, we will end up paying much higher price for lower recovery," said Medhe. "Compensation for loss of recovery is necessary as seasonal loans are not available to mills due to large unsold stocks and compulsion to make entire sugarcane payment in one instalment according to last year's recovery is taking a toll on the finances of mills," said Sanjay Khatal, MD of Maharashtra Co-operative Sugar Factories Federation.

The industry is hopeful about a positive response from the new government, which includes sugar barons of the Congress and the Nationalist Congress Party.



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