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Title : Private mills refuse to buy cane from UP farmers

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In a development that could potentially raise the hackles of the UP government and lead to a serious sugar crisis, major private sugar millers have refused to buy cane from farmers for the crushing season scheduled to start in November. The decision could put lakhs of UP cane growers, already struggling to get compensation for their crop, in a quandary .

UP cane development department had on July 6 asked the millers to send an estimate of the quantity of cane they require for cane they require for crushing. In response, the millers, under the aegis of UP Sugar Mills Association (UPSMA), on July 21, said they can't commit to buy cane under the prevailing circumstances when the prices of sugar have hit rock bottom.

The association, while putting up a demand for a long-term arrangement, said the mills have a right to have a fair and reasonable return from the business of manufacturing sugar and "cannot be forced to continue business in losses".

The millers' stance comes more than a month after the Allahabad high court asked the UP government to get cent per cent dues paid to the farmers by the end of July . The high court had even asked the state government to submit report on July 28.

The private sugar mills, which dominate UP sugar industry, have been defaulting on a payment of over Rs 9,000 crore due towards the cane growers. The mills have been citing their low payment capacity because of a sharp dip in the prices of raw sugar following a glut, essentially caused by import of cheap sugar from not only other states but abroad.

UPSMA said it had requested the state government for release of the relief and subsidy committed by the state government at the beginning of the season 2014-15 and have also requested for a cash subsidy of Rs 50 per quintal to tide over the present crisis.

