

25/11/2014, Business Standard P-4

Twenty sugar mills start crushing operations in UP

Twelve belong to the private sector; other units likely to start by November 30

VIRENDRA SINGH RAWAT
Lucknow, 24 November

Twenty sugar mills in Uttar Pradesh have started crushing operations with the state government confident that other units will begin operations by the month-end.

There are 119 mills in Uttar Pradesh, including private (95), cooperative (23) and Uttar Pradesh State Sugarcane Corporation Limited (UPSS-CL). Of the operational mills, 12 and eight belong to the private and cooperative sectors, respectively.

Although crushing operations have been behind schedule, the government has patted its back saying the start of the crushing had been much better compared with the last year's.

Last month, the government had directed the mills to start operations by November 10 and 15 in the western and eastern regions of the state, respectively. However, the first private and cooperative sector mill could start on November 10 and 14, compared with November 27 and 18, respectively, during the 2013-14 season.



Meanwhile, private sugar mills carry cane arrears of about ₹1,288 crore for the last season. The mills had collectively paid ₹18,100 crore to farmers against total dues of ₹19,388 crore for 2013-14, thereby paying 93 per cent of dues.

The state government and private mills had earlier been pulled up by the Allahabad High Court over high arrears.

Further, the government

has said ₹48,499 crore had been paid to cane farmers under the Akhilesh Yadav government, including ₹5,700 crore pertaining to the period of Mayawati. Yadav took over as Uttar Pradesh chief minister in March 2012.

The state's sugar sector has faced multiple challenges in recent years, such as falling sugar prices, piling arrears, farmers agitation and sugar export/import policies.

IT'S TIME TO START

- Last month, the state cane commissioner had notified sugar mills in western and eastern region to start work by November 10 and 15, respectively
- There are 95 private, 23 cooperative and a state-owned mill in the state
- Private sugar mills carry cane arrears of about ₹1,288 crore for the last season
- The state government and private mills had earlier been pulled up by the Allahabad High Court over high arrears

The average cane productivity and sugar recovery rate in the state stands at 62 tonnes a hectare and 9.27 per cent, respectively, compared with 70 tonnes a hectare and 10.25 per cent nationally. This indicates lower margins for both farmers and mills.

The state government is now trying to introduce improved cane varieties for higher productivity and sugar content.