

Media/LKO/0037

HINDUSTAN TIMES, 27/12/2014

Pg-04

UP Sugar Mills Assn raises concern over fall in sugar prices

HT Correspondent

✉ letters@hindustantimes.com

LUCKNOW: The UP Sugar Mills Association (UPSMA) has apprised the state government of the crisis being faced by the industry in the state. The association said in a communication to the government that steep fall in sugar prices has badly affected the industry. The association said

it would adversely affect payment of cane prices.

Association secretary Deepak Gupta in a letter to the principal secretary, sugar industry, said despite low prices the mills were unable to sell the stock "due to extremely weak sentiment and presence of heavy floating stock". The association said prices were not firming up because of huge excess of sugar in the country.

In view of the prevailing tough market situation, the association has made it clear to the state government that it had direct bearing on cane price payment capacity. "It is an extremely difficult situation," Gupta said.

The association pointed out that the UP government's state advised cane price was announced last month when sugar prices were less than

THE ASSOCIATION SAID PRICES WERE NOT FIRING UP BECAUSE OF HUGE EXCESS OF SUGAR IN THE COUNTRY

₹3000 per quintal, which had further come down to Rs 2750 per quintal.

Gupta said the problem

had been further compounded because of arrival of sugar from Karnataka and Maharashtra in traditional market at a price of Rs 200 per quintal cheaper than UP. Gupta said it was because of their low cost of production. He said sugar export was also held up due to proposed announcement of central subsidy and arrival of cheaper imported sugar into the country.

The association also said that even in Maharashtra where mills were enjoying lower cane price coupled with high recovery and high yield were unable to pay even the fair and remunerative price fixed by the centre and had already expressed inability to the state government. The association provided other market/industry details to the government in this connection.