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UP sugar mills express inability to pay SAP

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The private sugar mills have yet again expressed their inability to pay the state administered cane price in view of fall in sugar prices and import of sugar from Karnataka and Maharashtra in Uttar Pradesh and have urged the state government to revise the SAP.

In a letter to Principal Secretary (Sugar), Uttar Pradesh Sugar Mills Association secretary Deepak Gupta said the SAP was announced in UP when sugar price was less than Rs 3,000 per quintal but the price had come down to Rs 2,700 as a result of which the mills were unable to sell their stock in the open market. "The problem is compounded by the fact that sugar from Karnataka and Maharashtra is finding place in UP at a rate which is Rs 200

per quintal less than our sugar. This is because of lowest cost of production in those mills," Gupta said. He said the situation had come to such a stage where mills in Maharashtra were enjoying the benefit of lower cane price coupled with high recovery and high yield due to which the mills in UP were unable to pay the cane price fixed by the Government of India. "Moreover, the country has huge excess of sugar due to which prices are not firming up," he said and added, "Sugar exports are also held pending announcement of subsidy by the Central Government." Gupta said in this situation the sugar mills in UP were facing the brunt and unless the Government intervened, it would not be possible for sugar mill owners to pay the announced cane price.