

# Cane farmer-sugar mill deadlock continues

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**Lucknow:** The Akhilesh Yadav government found itself caught between cane growers and sugar millers on Tuesday, days ahead of the cane crushing season's start.

Even as a high level committee headed by chief secretary Alok Ranjan convened a meeting to discuss the cane pricing mechanism, farmer representatives demanded a higher compensation for cane growers, while millers, represented by UP sugar mills association (UPSMA), cited low paying capacity.

The meeting which lasted for over 2 hours virtually failed to break the deadlock between farmers and the millers. This comes at a time when the state government has threatened the millers, especially the 95 private ones, to start operations by November first week, or face action.

According to sources, farmer representatives pitched in a figure of Rs 350 per quintal as compensation to cane growers. This virtually rattled the millers as they stood in dismay and vehemently denied of doling out that much as compensation. Instead, the millers said they were in a position to pay fair



and remunerative price of Rs 220 per quintal fixed by Centre as the first installment. The rest may be decided as per the prices of sugar, in a move that spoke of miller's insistence to bring the cane linkage formula into play.

UPSMA office-bearers said banks have refused to give loan to meet out the capital cost, while farmers said the millers were exploiting cane growers. President of Kisan Jagriti Manch Sudhir Panwar, who was present at the meeting, said cost of cane cultivation calculated by the Shahjahanpur-based UP council of sugarcane research is around Rs 253 per quintal. This was a rise of only Rs 2 from last year when cost of cultivation was Rs 251 per quintal.

But, he insisted, the labour cost the institute has taken into account is much

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below what it actually is. While the institute has taken Rs 156 as the labour cost, the workers actually gets Rs 250. "This way the cost of cane production goes up to around Rs 276 per quintal. There is no ground for a grower to get a paltry profit of Rs 4 if one goes by the previous year state advisory price of Rs 280 per quintal," he told TOI.

Millers have been demanding cane linkage formula as per the Ragarajan committee recommendation. Panwar, however, said given low cost of sugar, it was not feasible to generate the right compensatory price for cane growers. "Centre has left sugar prices to market forces. The sugar glut causes lessening of prices," he said.

All the chief secretary said was that the government wanted to protect farmers and viability of the millers.