Sugar mills staring at shortage of chemicals, packing bags

Shutdown of quarries in Rajasthan hits lime supply to Uttar Pradesh factories

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New Delhi, March 27

Sugar mills operating in many parts of north India are left with raw materials to last only a few days and their operations will be hit if chemicals such as lime and sulphur and bags for packing sugar are not made available, according to sources.

The government has taken note of the problem and issued an order to all State Chief Secretaries to not to disrupt the supply of these materials.

Fiat to States

In a letter despatched on March 26, Joint Secretary (Sugar) at the Ministry of Consumer Affairs and Food Production, said many sugar mills are facing shortage of raw materials such as lime, sulphur, phosphoric acid, PP bags and other packing materials. The letter asked the State governments to ensure smooth inter-State and intra-State movement of vehicles carrying these raw materials.

"While transporting these raw materials will not be a problem with the directive, we are worried about lime supply as lime quarries in Raiasthan are closed due to the lockdown. We hope authorities will ensure lime supply, which is an important material in sugar production," Indian Sugar Mills Association (ISMA) Director General Abinash Verma told BusinessLine.

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of closing cane crushing operations, mills in Uttar Pradesh and Bihar will continue crushing till the first week of May. Mills in Punjab will be in operation for another few days.

A senior functionary of a UP-based sugar mill said they

have raw material supply for only 7 to 10 days. As a result, they would pack up operation by the end of the month. Depending on the situation, they would restart crushing after the middle of next week if raw materials become available.

He said another problem is the harassment of truck drivers by the police and other government officials. "Since sugar is an essential commodity, they don't block trucks carrying sugarcane. But empty trucks on return journey are often stopped by cops," the sugar mill official said.

Drop in recovery rate

Another worry is a possible drop in recovery rate if crushing is delayed. UP sugar mill official said their mills have up to 20 per cent of crushing still left. "If the crushing is delayed beyond a point, the recovery rates can drop by 20 per cent, leading to lesser yield," he said.

ISMA has projected sugar production this year to be around 26.5 million tonnes, significantly lower than last year's 33 million tonnes.