

Agri Business

COVID-19: Sugar industry in Maharashtra may be in for some bitter times

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COVID-19 is impacting sugar industry stakeholders in various ways. The spread of the virus has reduced sugar intake from sugar mills, which will, going forward, result in financial problems for these firms. At the same time, many farmers are worried at the cane standing in their fields, as 56 out of 146 sugar mills have stopped crushing activity.

As per the data available with Maharashtra Sugar Commissioner, mills in the State have crushed 501 lakh tonnes of sugarcane to produce 558.49 lakh quintals of sugar. According to the Indian Sugar Mills Association (ISMA) the daily rate of crushing in the current season in Maharashtra is significantly lower than last year. Also, mills that are now operating will

be closing earlier than last year. “The current unprecedented situation due to the outbreak of COVID-19 has impacted global sugar prices,” said ISMA, adding that the impact could be temporary.

While no sugar mill has reported closure due to the spread of COVID-19, the lockdown has affected sugarcane cutting. In western Maharashtra, farmers are worried at the fear of coronavirus that has gripped cane cutters.

About 2.5 crore people in rural Maharashtra depend on the sugar season to earn their livelihoods and the sugarcane industry provides direct employment to about 1.65 lakh workers. Besides this, about eight lakh workers are engaged in harvesting and transport operations, for six months.

“The COVID-19 impact has also reduced sugar offtake from sugar mills in the last 15 days or so. It is understood that sugar in the pipeline would have got sold in the wholesale and retail markets in the last couple of weeks,” ISMA stated in a press release.

It added that according to experts, it is expected that fresh buying by sugar mills may take place soon because the pipeline would have largely dried up during the last couple of weeks. That should control sugar prices and the buying should help the sugar mills.

State sugar barons are likely to hold a meeting to take a review of the situation and to approach the State and central governments to frame a policy for mills in the backdrop of the current situation, it said.

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