

UP Govt trying to strike a balance between sugar mills, growers'

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Uttar Pradesh Chief Minister Akhilesh Yadav on Friday said that the State Government does not want either sugar mills or growers face any problem over sugarcane pricing.

"The Government is trying to strike a balance under which sugar mills can be run and farmers also can get the right price for their produce," Yadav said in response to a question on the controversy over sugarcane pricing in his State, after a function held here to inaugurate radio taxi service in 13 cities.

Sugar mills in Uttar Pradesh have threatened to not begin crushing of sugarcane if their demand for a lower price of Rs 225 a quintal is not met.

"Cane growers will never want sugar mills closed and the Government would not like farmers to face any kind of problem," Yadav said adding that talks were on with millers.

The Government has announced the minimum prices for 2013-14 keeping in mind all the aspects. Private millers had termed the prevailing price as high and "unviable" saying the

mills will not be able to pay the support price at this year as sugar prices are lower.

Faced with a cash crunch, more than 60 private sugar mills in Uttar Pradesh had, on November 19, said that they would not start crushing operations in the 2013-14 marketing year until viable sugarcane prices are set by the State Government.

A day later, the State Government had fixed the SAP of Rs 280/quintal for common variety, while Rs 290 for early maturing variety and Rs 275 for inferior cane maintaining last year's prices.

Private sugar mills are demanding that the Rangarajan panel on sugar prices be implemented fully. The panel had recommended that prices for sugarcane be paid on the basis of the price sugar fetches.

Currently, the Centre fixes a fair remunerative price (FRP) for sugarcane but State Governments fix a State Advised Price that are higher than FRP. The sugar industry says that at current prices, they are making a loss of Rs 4 for every kg of sugar sold by them in the market.

Business line

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