

### UP Sugar Barons Face Police Action, Threaten to Shut Ops

Sugar barons face harsh police action and mills are unlikely to start operations, leaving 35 lakh farmers and thousands of workers in Uttar Pradesh in despair as the state is in a head-on conflict with millers who want economics, not politics, to determine sugarcane prices in the state.

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# UP, Sugar Mills on Collision Course over Cane Price

Mills want govt to come out with a cane-pricing policy before the next cane-crushing season in Oct

### Bitter Pill

UP sugar mills want state govt to link cane prices with revenues generated by mills

**UP HAS THE HIGHEST STATE-ADVISED CANE PRICE AT 280 PER QUINTAL**

UP cane prices will fall to 235-240 a quintal if the cane-price linkage formula is implemented

Maharashtra and Karnataka have already implemented the cane price linkage formula

The 35,000-crore state sugar industry has recommended sharing 75% of revenue with farmers



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Sugar barons face harsh police action and mills are unlikely to start operations, leaving 35 lakh farmers and thousands of workers in UP in despair as the state is in a head-on conflict with millers who want economics, not politics, to determine sugarcane prices in the state.

Industry and official sources say that the state wants to avoid an ugly situation like last year, when farmers stormed into mills, and has started registering police cases against promoters of sugar mills and are targeting industry leaders such as Kushagra Bajaj of Bajaj Hindusthan, Ajay Shriram of DCM Shriram Industries, who is also president of the Confederation of Indian Industry, Vivek Saraogi of Balrampur Chini, Gautam Dalmia of Dalmia Sugar, Gursimran Mann of Simbhaoli Sugars and others. In one case, a non-bailable warrant has been issued against the promoter of a major sugar company, sources said.

Sugar industry executives say

that they are suffering losses because of low sugar prices and being forced to buy the country's costliest cane, making it impossible to make payments to farmers. The UP Sugar Mills Association has written to the state's chief secretary saying that unless cane prices are linked to sugar prices,

**The industry expects the arrears to cross ₹10,000 crore by the end of the current season through Sept**

₹4,000 crore in the last two years. We are running in losses and will bleed to death soon. The government has to rationalise cane prices, or we will be forced not to begin crushing of cane this year," said UP Sugar Mills Association President CB Patodia.

With the industry making losses, its arrears to sugarcane farmers have risen. Uttar Pradesh has

the highest state-advised cane price of ₹280 per quintal. Cane arrears in the state have touched ₹7,000 crore as sugar prices declined and the industry expects it to cross ₹10,000 crore by the season-end. As per industry calculations, cane prices will fall to ₹235-240 a quintal if the formula recommended by the Rangarajan panel is implemented.

The state's cane commissioner, SC Sharma, said mills would certainly start production. "It is the government which will take the final call on the millers warning not to begin operations this year. I can only say that mills will definitely begin operations and crush cane this year. Last year too millers had made a similar demand but after talks were held they started operations. I am confident that mills will start buying cane and begin operations when the time comes in a few months' time," he told ET.

The industry has its doubts. "It is a very challenging and difficult situation because of high cane prices and very low sugar price," said Tarun Sawhney of Triveni Engineering & Industries.

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