

Sugar Bitter for Maha Farmers, Mills

With delay in setting up of Sugarcane Board to fix prices, farmer bodies are likely to lock horns with sugar mill owners

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Pune: Following Uttar Pradesh, a confrontation between the farmers' organisations and the sugar mills is all set to erupt in country's largest sugar producer Maharashtra as the new sugar cane crushing season is less than a month away. With elections to the state assembly round the corner, sugar industry thinks that the farmers' organisations will try to take political mileage of cane price issue, even as the state government has delayed setting up the statutory Sugarcane Board to fix cane price.

Raju Shetty, MP and leader of Swabhimani Shetkari Sangathan said, "Let the Board be set up first. We will see how it functions." Though the sugar industry in the state is expecting a row over cane prices, it is clear that it will be able to pay anything above the fair and

remunerative price (FRP). VS Chavan, executive director, Kolhapur-based Warna Sugar Co-operative said, "At the ruling sugar prices, it will be tough for the sugar mills to even pay the FRP."

Ex-mill sugar prices in Maharashtra are ₹28.50 per kg, almost same as last year. "We could pay the FRP last year thanks to the excise loan extended by the central government. Considering that the FRP has increased by ₹100 per tonne this year and that there is no possibility of any loan to the mills, it will be challenging to pay FRP," said another managing director of a Kolhapur-based sugar co-operative. Maharashtra co-operation minister Harshvardhan Patil has already made it clear that the state government will constitute the statutory Sugarcane Price Control Board to decide cane price for the 2014-15 crushing season.

However, as there is no progress



ON PRICES

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on this front, the industry thinks that the present government may want to keep the cane price issue burning for the next government to deal with. Maharashtra co-operation secretary Rajagopal Devara said, "We are in the process of nominating the non-official members to the Sugarcane Price Control Board." The government officials say that the Board can

function and declare the cane price even if the election code of conduct comes into effect. According to Maharashtra Regulation of Sugarcane Price Act, 2013, state chief secretary is the chairman of the Board unlike Karnataka, where the co-operation minister heads the price fixation body. The aim of the Board is to fix cane price on revenue sharing basis.

If the Board is set up in Maharashtra, it is expected to declare the FRP decided by the central government as the first instalment of cane price.

As per the Sugarcane Price Act, the Board has to conduct three meetings, one before the commencement of the crushing season to decide the first installment of cane price, second in the middle of the crushing season and third at the end of the crushing season to decide the final cane price.

Unlike Uttar Pradesh, where the state government, which has no

connection with the sugar industry, has been announcing higher state advisory price, most ministers in Maharashtra government own or control sugar mills. "These ministers will not be in favour of announcing higher cane price. As the elections to the co-operative sugar mills will follow the state assembly elections, the millers would not like to displease the farmers by defaulting on a higher cane price," said a source from sugar trade.

In Karnataka, farmers are waiting to see the effect of the amendment to the state Sugarcane Control Board. Kurubur Shatakumar, chief convener, Indian Sugarcane Farmers Association said, "The sugar mills have to pay dues of ₹2,800 crore to the farmers for last year's cane payment. We are now waiting for the amendments to the Act to see what price farmers are offered this year."