

# M'ashtra may buy quarter of state sugar to lift prices

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*Reuters*

**M**aharashtra plans to buy a quarter of the state's output to arrest falling prices, a move that would require \$1 billion and leave mills to cover storage costs.

The government purchase plan, which the state would need to approve in the next cabinet meeting, could help Maharashtra sugar mills pay dues to sugar cane farmers that have risen to more than Rs 3,000 crore (\$470 million).

"We are planning to buy 25 per cent of the sugar production of each



mill. The government buying will reduce availability in the market and prices could rise," said Subhash Deshmukh, the co-operation and marketing minister for the state government.