

UP sugar mills delay cane crushing as molasses stocks pile up



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SUGAR mills in Uttar Pradesh have delayed cane crushing as they are sitting on large stocks of molasses, trade sources said.

Sugar mills were expected to begin cane crushing after the Diwali holidays, however, till date a lone mill in Modi Nagar has begun crushing while the remaining 116 mills are yet to start operations, a source said.

At the beginning of this month, mills were carrying

around 10 million litre molasses stock with them posing a problem of storage as the new crushing season will result in more addition to the existing inventory, the source said.

Molasses is a by-product of sugar syrup from which sugar crystals are extracted. The dark liquid left after extraction of sugar is molasses and used as fuel by petroleum companies to blend with automobile fuel.

Mills are awaiting fresh tender and order from oil marketing companies for

ethanol and also price hike by the government while some mills have dispatched some stocks to other states, source, said.

Some more mills in western Uttar Pradesh are likely to begin production by the end of this week.

Uttar Pradesh has emerged as the largest sugar producing states last year displacing Maharashtra, where drought has hit sugarcane crop badly.

This year, UP is likely to produce nearly 9.5-10 million ton sugar on the back

of expectations of better recovery and higher cane output, said a senior official of UPSMA.

Last year, state produced 8.75 million ton sugar by crushing 82.47 million ton sugarcane with a recovery of 10.61 per cent, the official said. During 2015-16, Uttar Pradesh produced only 6.82 million ton sugar.

There are total 117 sugar mills comprising 92 in private sector, 24 in co-operative sector and only one in public sector.

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