

'Sugar output may drop to 23 MT next year'

fe Bureau

New Delhi, March 7: India's sugar production will likely drop in the next marketing year starting October 1 on dry spells in parts of Maharashtra and Karnataka, but supplies would still remain steady, thanks to huge stocks, a senior industry executive said.

"I expect sugar production of around 25 million tonne this year. But next year there could be a drop to the tune of 23 million tonne. Under the worst circumstances, production may drop to 22 million tonne. However, there won't be any problem as far as availability is concerned as the country has huge carry-forward stocks," Dalmia Bharat Sugar and Industries director and chief executive BB Mehta said. He said while Maharashtra could witness up to 30% dip in cane production, Uttar Pradesh may see some increase in output.

Mehta said Dalmia Bharat Sugar is expected to produce 300,000 tonne in 2012-13, compared with 240,000 tonne a year before, thanks to the acquisition of a plant in Kolhapur last year. The company will now invest over ₹200 crore to double the crushing capacity of the Kolhapur plant to 5,000 tonne a day and also set up a power unit to produce 23 megawatt there. The expansion is expected to be completed by December, Mehta said.

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