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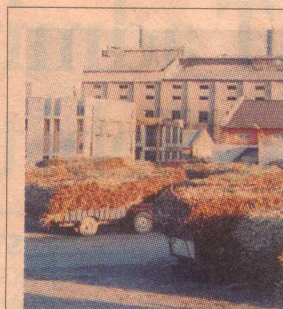
Sugar output down 2%, recovery flat till mid-April as crushing nears end

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New Delhi, April 17: India's sugar production until mid-April fell 2% from a year before with the cane-crushing season nearing its end, showed data released by the Indian Sugar Mills Association (ISMA) on Wednesday.

Sugar output in the world's second-largest producer dropped to 24.11 million tonne between October 1 and April 15, compared with 24.57 million tonne from a year before, according to the data. As many as 131 of the 520-odd mills are crushing cane compared with 169 a year before. The sugar recovery rate so far stands at 10.11%, down 0.18% from a year before.

Both the top sugar industry bodies — ISMA and National Federation Of Co-operative Sugar Factories (NFCSF) — have said the country's sugar production



BOTH ISMA AND NFCSF HAVE SAID THAT SUGAR PRODUCTION WILL LIKELY EXCEED DEMAND IN THIS MARKETING YEAR, KEEPING SUPPLIES STEADY

will likely exceed demand in the current marketing year, keeping domestic supplies steady. The country needs 22-23 million tonne for annual consumption. While the government has projected output at 24.5-25 million tonne in 2012-13, ISMA and NFCSF have forecast output at 24.6 million tonne and 24.5 million tonne, respectively.

"Maharashtra has produced 7.91 million tonne of sugar with 11.38% recovery. Out of a total of 170 mills,

now only 18 mills are crushing, which will also close by the end of this month. So far, sugar production is down by 7%. Uttar Pradesh has crushed 79.3 million tonne of sugarcane to produce 7.29 million tonne of sugar, which is about 5% higher than a year earlier," ISMA said.

Mills in Karnataka have already closed their 2012-13 crushing season with 3.33 million tonne of sugar, around 10% lower than last

year. Tamil Nadu has produced 1.47 million tonne of sugar, around the same level as last year. Andhra Pradesh is currently crushing with three sugar mills and produced 9.8 lakh tonne of sugar with a 9.67% recovery rate.

India's sugar production may drop to 22-23 million tonne in the next marketing year starting October because of drought in some states, including Maharashtra, NFCSF managing director Vinay Kumar said.

Despite a marginal fall so far, sugar production has exceeded consumption, preventing a flare-up in the commodity's prices this year following a steady rise until August on fears that poor showers in June and July would hurt cane yield, especially in the biggest producer Maharashtra. Retail sugar prices, on an average, have remained flat around ₹38 a kg for some time now.

New Delhi

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