

Jaggery manufacturers make hay while mills wait for SAP

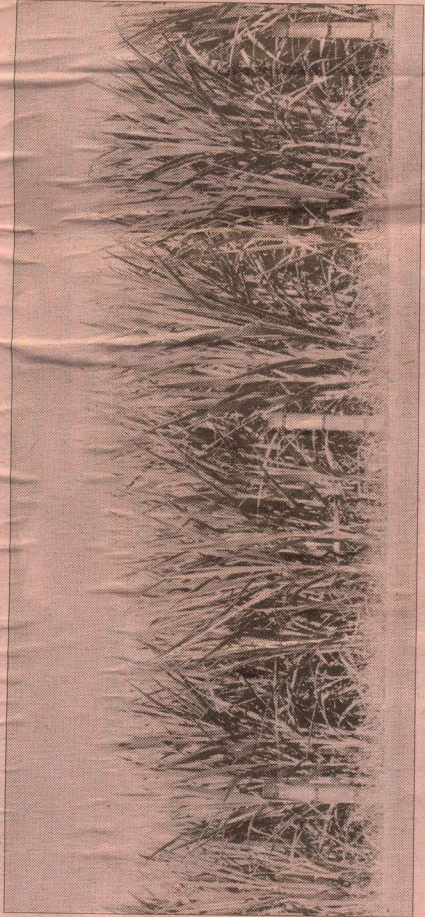
Deepa Jainani

the farmers but also cause a national loss. "Only 47% of cane goes to the mills, while the rest is diverted to other uses, such as gur manufacturing, chewing, planting, cattle feed, etc. The gur industry itself consumes a large chunk of about 35% of the total cane, which it is purchasing at ₹140-170/quintal. And the most shocking part is that while the recovery percentage of sugar by millers is almost 11%, the *kolhus*, which operate through the open pan procedure, are able to achieve recovery of about 6-7%.

Lucknow, Oct 21: As cane crushing by cash-strapped sugar mills in Uttar Pradesh is expected to be delayed this year, jaggery makers are making a killing. While the state is yet to fix the cane price for the current marketing year that started on October 1, farmers harvesting early are being forced to sell their produce at ₹140-170 per quintal, much lower than even last year's price of ₹280 a quintal.

This is because in the absence of competition from the main consumer — the sugar industry — farmers are faced with little choice, as they have to empty their field early for wheat to be sown this winter.

Deepak Gupta, secretary of UP Sugar Mills Association, says the *kolhus* not only exploit



restless by the end of September itself as they need to get their fields ready for wheat sowing. If they delay harvesting the cane and wait until the factories start operations, they would be at a loss and the wheat crop will get affected. So they are pushed to the *kolhus* or other alternative sources of crushing, to whom they can sell their standing crop. Apart from this, many small farmers, too, are pushed into selling their cane to these crushers as they need money. Since the farmers are in a hurry and they have no alternative place to sell their crop, the crushers try to extract the maximum benefit out of the distress sale and start exploiting the farmers by paying them a price that is way below the market price or even the FRP or SAP," says Pritam Singh, a progressive farmer from Deoband,

cation and introduction of new varieties, inter-cropping to increase farmer's income and to sustain sugarcane area, etc, but despite all these efforts, a major chunk of early maturing variety of sugarcane in UP is diverted towards these local gur and khandasari units, which are

free to purchase sugarcane at much lower prices as compared to sugar mills. This is impacting national growth as well as sugar millers," he says, adding that this in a way leads to huge cane arrears in UP, which is home to about 25,000 jaggery/gur units and about 50

khandasari units. "It has been a pattern for a long time that gur units in UP roughly consume 50% of the cane, especially of the early crop, when mills do not start crushing operations. In the case of western UP, for instance, farmers start getting

Sabarapur: He added that "high-quality cane is going to *kolhus* and the benefits of research and development are not going to the industry. "Farmers need protection and when the mills delay crushing operations, they are forced to divert their cane to meet expenses or vacate the fields for wheat. They get a paltry ₹170-180/quintal in the distress sale. But the day the mills start crushing, prices shoot up to ₹230-240 immediately," he said.

A miller requesting anonymity said: "In an effort to stop the fall of sugar production in the country and limit the national loss, it is important that gur and khandasari units are reigned in and the government should take a lead in resolving the basic issues of the industry."

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