

# Gulati looks at Bihar, eastern UP for sugar boost

**fe Bureau**

**New Delhi, March 25:** The head of the Commission for Agriculture Costs and Prices (CACP) on Monday pitched for stepping up sugarcane cultivation in Bihar and eastern Uttar Pradesh for ensuring sustainable sugar production as these regions are endowed with water resources.

"India is getting increasingly short of water. Water is going to be a constraint as sugarcane is a water-guzzler. Climate change is going to make it worse. The intensity of floods and droughts would increase," Ashok Gulati said at the World Association of Beet and Cane Growers conference. Less than 5% of the planted area devoted to cane consumes more than 50% of irrigated water of Maharashtra—the country's biggest sugar producer—and the cane crop there requires 25 irrigation cycles compared with seven in Uttar Pradesh. Water productivity in Maharashtra has remained way below Uttar Pradesh although the sugar

ined by a number of committees from time to time. The recommendations of the Rangarajan Committee report shall be examined and appropriate decisions to be taken on how best to promote this sector," Anwar said. The sugar sector accounts for around 7% to the gross domestic product of the farm and allied sectors and employ around 30 million people directly or indirectly, he added.

"Delicensing caused installed capacity in sugar sector to grow at almost 7% annually between 1990-91 and 1997-98. Till 1997-98, sugar co-operatives dominated but by 2011-12, this changed significantly with private sector contributing the largest share of total installed capacity," he said, pushing lifting state control, mainly over sale and marketing of the sweetener.

The food ministry has moved a cabinet note based on the Rangarajan panel's report on deregulating the sector. The proposal may be placed before the Cabinet Committee on Economic Affairs (CCEA)



recovery rate is much higher in the western state.

Gulati said key producers such as Maharashtra and Karnataka will likely face more droughts due to climate change and may have to shift to better water management practices such as drip irrigation. Also, water costs in Maharashtra and Karnataka are three times higher than those in Uttar Pradesh, he said.

## Govt to take call on sugar decontrol

Speaking at the conference, minister of state for agriculture Tariq Anwar said the government will take an "appropriate" decision on lifting the decades-old state control over the ₹80,000-crore industry.

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ined by a number of committees from time to time. The recommendations of the Rangarajan Committee report shall be examined and appropriate decisions to be taken on how best to promote this sector," Anwar said. The sugar sector accounts for around 7% to the gross domestic product of the farm and allied sectors and employ around 30 million people directly or indirectly, he added.

next week. In a report submitted in October last year, the panel had recommended freedom to mills from supplying subsidised sugar for state-run welfare programmes as well as to sell sugar in the open market as they wish, among others. Speaking on the issue, International Sugar Organisation executive director Peter Baron said the sooner India lifts government control over the sector, the better it is for the industry as it would "send a positive signal to global sugar market". "India is a very complicated country. Everybody speaks about decontrol but it is not that easy for the government to take a decision as growers' and consumers' interests need to be taken into account," he added.

## 'Dry spells to drag sugar output in 2013-14'

**New Delhi, March 25:** India's sugar production may drop to 22-23 million tonne in the next marketing year starting October, a top industry executive said on Monday. Sugar output is expected to be 24.5-25 million tonne in the current year. "It is too early to say, but we see production falling to 22-23 MT next year because of drought in some states," National Federation of Cooperative Sugar Factories managing director Vinay Kumar said. Separately, International Sugar Organisation executive director Peter Baron said, "Drought in some states is a concern. But we are positive about sugar production (in India) next year." Baron, however, didn't provide a specific production forecast for the next season. Farmers in Maharashtra and Karnataka are yet to start sugarcane planting due to dry spells in some parts for a second straight year. The situation is so severe that the Maharashtra government has decided to save water for drinking purposes and not for planting.

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