

Not so sweet: Sugar output dips 3% in April on slow recovery

By Bureau

New Delhi, May 3: India's sugar production dropped by 3% through April from a year before, although cane-crushing fell by just 1%, suggesting a decline in the recovery rate, showed the data released by the Indian Sugar Mills Association (ISMA) on Friday.

Just as the cane-crushing season is nearing an end, sugar output of the world's second-largest producer dropped to 24.52 million tonne since the current marketing year started on October 1. Only 45 of the 520-odd mills are crushing cane, compared with 100 a year before, the ISMA data showed. The sugar recovery rate so far dropped 0.17% from a year before to 10.09% as dry spells until July in parts of Maharashtra and Karnataka had hurt the cane crop. The recovery rate refers to the quantum of sugar produced out of a quintal of cane.

Maharashtra produced about 7.97 million tonne of sugar until end-April by crushing 69.9 million tonne of sugarcane, with a 11.40% recovery rate. Currently, only 4 mills (two in Satara district and two in Nagpur district) are undertaking crushing operation, compared with more than 40 a year before, ISMA said. Uttar Pradesh produced 7.43 million tonne of sugar by crushing 80.8 million tonne of sugarcane with a 9.19% recovery rate.

Karnataka has already closed crushing operations with 3.36 million tonne of sugar production, compared with 3.72 million tonnes a year earlier, although five mills were still crushing cane in the state in the corresponding period last year.

Tamil Nadu produced 1.57 million tonnes, down 1% from a year earlier.

Both the top sugar industry bodies—ISMA and National Federation Of Co-operative Sugar Factories (NFCSF)—have said the country's sugar production is likely exceed demand in the current marketing year, keeping domestic supplies steady.



The country needs around 22-23 million for annual consumption. While the government has projected output at 24.5 million to 25 million tonne in 2012-13, ISMA and NFCSF had forecast output at 24.6 million tonne and 24.5 million tonne, respectively.

Late last month, food minister KV Thomas said the country's sugar production could exceed the annual consumption of 22 million tonne at least until 2015-16, food ministry KV Thomas said on Friday.

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

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