

PM CALLS FOR STEPS TO RAISE SUGAR EXPORTS TO EASE CRISIS

NEW DELHI: Prime Minister Narendra Modi on Saturday recommended key ministries to help step up exports of the country's surplus sugar stocks and increase use of ethanol as measures to ease a crisis fuelled by higher stocks and falling prices, apart from delayed payments to farmers.

India, the world's largest sugar producer and consumer, is on course to post a surplus — 28 million tonnes — for the sixth year, despite an erratic monsoon. But falling retail prices of the sweetener has hurt millers' profitability. Domestic demand is usually 25 million tonnes. Piling unused stocks mean the country currently will end up with some 10 million excess sugar when the new crop cycle begins in October.

Millers have been struggling to clear the dues they owe to cane farmers, with outstanding arrears of ₹14,300 crore. Two farmers reportedly committed suicide in Karnataka last month over the issue.

Modi, who chaired a high-level meet attended by key ministers, recommended "assiduous efforts" to increase ethanol blending of fuel, which can improve millers' earnings.

The current policy provides for blending 5% ethanol, a sugar byproduct, with petrol.

A presentation made by the food ministry suggested gradually making 10% blending compulsory and raising the current limit to 6% immediately.

Options proposed by the food ministry include a subsidy to allow up to four million tonne of sugar exports for the next three years, which could help boost earnings of sugar mills.

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