

UP sugar mills threaten to stop cane crushing

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New Delhi:

Majority of private sugar producers in Uttar Pradesh may suspend cane crushing next season starting October unless the state government links cane prices to sugar rates.

Representatives of about 95 sugar mills from the state said if the crisis is not resolved within a month, production will be badly hit. Millers said cane prices must be linked to sugar prices, as recommended by a government committee and accepted by other key producing states like Maharashtra and Karnataka.

Alleging that the state government has taken no steps to fulfill assurances made to the industry during the last crushing season, the UP Sugar Mills Association (UPSMA) said the government was instead targeting millers, filing criminal cases against them and their senior functionaries.

"The repair and maintenance work would be stopped henceforth and staff withdrawn. Individual mills would

also be submitting their notices to the state government hereafter. How can you expect the senior staff to work when they are under constant fear of getting picked up by local police?" one of the millers asked.

The promises that the state government had made last year included constitution of a committee to recommend a rational cane pricing formula by April, financial assistance of Rs 9 a quintal of cane and a stay on all coercive action by the government on mills to compel payment of arrears. But, they alleged while the state had not

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communicated them anything so far, the Akhilesh Yadav government has issued notices to 52 sugar mills for not paying arrears to cane farmers and has lodged about 300 FIRs against promoters, senior management staff and others.

Private millers in the state owe about Rs 5,200 crore arrears to farmers for the season ending September. UPSMA president Chand Bihari Patodia said this amount will increase if cane pricing is not linked to market rates for sugar.

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