

India's sugar output could drop 15% this year due to drought

REUTERS

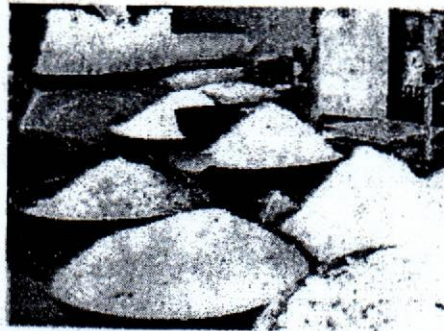
Mumbai, June 13

India's sugar production could fall as much as 15 per cent in 2019/20 from the year before as severe drought hits a key growing region, industry sources told Reuters.

The drop would ease pressure on Indian sugar mills to export surplus sugar, likely supporting global prices that fell more than 20 per cent last year, partly due to subsidised shipments from the country.

The world's No.2 producer of the sweetener could churn out 28 to 29 million tonnes in the 2019/20 crop year starting from October, down from 33 mt this year, said Prakash Naiknavare, managing director of the National Federation of Cooperative Sugar Factories Ltd (NFCFSF).

"The cane area has fallen drastically in Maharashtra due to drought. The water



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scarcity could also hit cane yields," he said.

Millions of Indians have been desperately awaiting overdue monsoon rains as they struggle to secure drinking water amid a heat wave that has been rapidly drying up reservoirs and sending temperatures soaring across the country.

In Maharashtra, the amount of land planted with cane that would be harvested in 2019/20 crop year has fallen 28 per cent from the year be-

fore, estimates the state's sugar commissioner, Shekhar Gaikwad.

Maharashtra, the country's second-biggest sugar producer, could produce 6.5 mt next season, down 39.2 per cent from the current crop year, Gaikwad said.

"The drop could be even bigger if the state gets lower rainfall this year," he said.

The monsoon usually covers the cane growing areas of Maharashtra by June 10, but it is yet to arrive this year, weather department data shows.

And as water scarcity has created a shortage of cattle fodder in some areas, farmers like Ramdas Pawar from Maharashtra have been selling sugar cane for fodder.

"Cane was wilting. I harvested two acres and sold cane as fodder to a cattle camp," he said.