

HOW MAHARASHATRA OVERTOOK UP TO RE-EMERGE AS TOP SUGAR PRODUCER

- By Parthasarathi Biswasn & Harish Damodaran

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PUNE/NEW DELHI; MAY 30: AFTER a five-year gap, Maharashtra has overtaken Uttar Pradesh (UP) to regain its position as India's top sugar producer.

Shekhar Gaikwad, Sugar Commissioner of Maharashtra, expects the State's output for the 2021-22 crushing year (October-September) at 138 lakh tonnes (lt). That is an all-time-high, beating the previous 107.21 lt of 2018-19.

Prakash Naiknavare, Managing Director of the National Federation of Cooperative Sugar Factories, attributes the record production to three factors.

The first is the bountiful rainfall Maharashtra has been receiving since the 2019 southwest monsoon season (June-September). The filling up of reservoirs and recharged groundwater aquifers has induced farmer to plant more area under sugarcane, which is a 12-18 months duration crop. The benefits of abundant water and expanded acreage accrued fully in 2021-22.

The second is higher yields from farmers taking extra care of their crop. Exemplifying this is Vinod Momale, who cultivates sugarcane on 11 out of his total 40-acre holding in Gurdhal village of Latur district's Deoni taluka. He has harvested an average per-acre cane yield of 60 tonnes this year, as against 50 tonnes in 2020-21.

Underreported cane

The third factor for Maharashtra's sugar production scaling a new peak. It has to do with a huge jump in "unregistered" cane cultivation. In 2020-21, the State reported a total area of 11.42 lakh hectares (lh) planted under cane. While the Sugar Commissioner's office has estimated this year's area at 12.4 lh, millers peg it at least one lh higher – and all this is cane that farmers haven't "registered" for supplying to any factory.

The large "unregistered" area has meant that there is un-harvested cane still in the fields and mills will continue to crush till the first week of June. In normal years, crushing operations are over by April-end, rarely extending beyond mid-May. This time, the excess cane has led the Maharashtra Government to announce a Rs 20/quintal subsidy to compensate mills for lower sugar recovery (from cane crushed in extreme summer heat) and also requisition the services of mechanical harvesters (including from other States).

"The Government claims Maharashtra's average cane yield to have hit a historical high of 105 tonnes per hectare, from 85 tonnes in 2020-21. But yields cannot shoot up so much in one year, even if the share of adsali has risen from, say, 10% to 12%. The truth is the area is itself being underreported by one lakh-plus and showing up in the unregistered cane coming to us," states a leading Ahmednagar-based miller.

UP's decline

It isn't Maharashtra alone. Karnataka, too, is poised to produce a record 60 lt sugar this year, while Gujarat's 12 lt would be its best since the 12.35 lt of 2010-11. As the table shows, output in all the three States have staged remarkable rebound from the drought-affected levels of 2019-20, a year that actually saw UP's touching a high of 126.37 lt.

Bakshi Ram, former Director of the Sugarcane Breeding Institute at Coimbatore, gives three reasons for UP's sugar production declining after 2019-20.

The first is an estimated 12.60 lt equivalent of sugar from cane crushed by mills getting diverted for making ethanol this year, compared to 7.19 lt in 2020-21, 4.81 lt in 2019-20 and 0.31 lt in 2018-19. UP has, in fact, become India's largest ethanol producer, while also achieving the highest blending-in-petrol ratio among all States.

The second is crop loss from excess rains and water-logging in many low-lying cane-growing areas of eastern UP. The third reason is about 87% of UP's cane area being planted under a single variety, Co-0238. While that variety, developed by Bakshi Ram, helped significantly boost cane yields and sugar recovery in UP from 2013-14 it has become susceptible to red rot fungal disease.

Bumper production

UP's sugar output falling to a five-year-low in 2021-22 has, however, been more than offset by Maharashtra's and Karnataka's soaring to all-time-highs. That has, in turn, translated into a record production of 355.5 lt for India, according to Naiknavare.

Yet, this hasn't resulted in any price drop. "Ex-factory prices of S-30 (small crystal size) sugar in Maharashtra are now around Rs32.5-33 per kg, while at Rs 34.5-35 for M-30 (medium size) grades in UP, more than the Government-fixed minimum sale price of Rs31. In all previous instances of bumper production, prices have crashed," notes Naiknavare.

The reason for that not happening this time is exports. These have crossed 75 lt – surpassing the 71.9 lt record of 2020-21 – and are likely to reach 100 lt in the current sugar year. With opening stocks of 85 lt

on October 1, 2021, production of 355.5 lt, domestic consumption of 275-280 lt and exports of 100 lt, the year will close with 60.5-65.5 lt of sugar with mills. These stocks would suffice for over 2.5 months of domestic consumption.

Given the comfortable availability position, the Centre's decision last week to restrict sugar exports and cap it at 100 lt for 2021-22 has taken many by surprise.
