

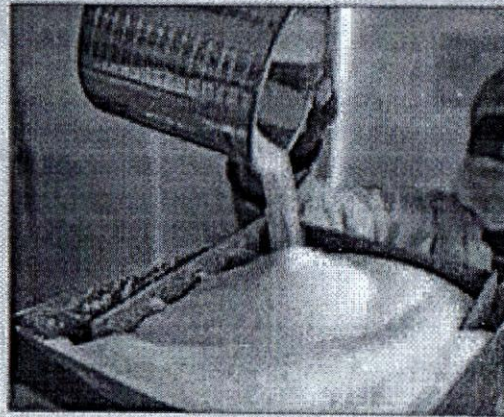
India's sugar output likely to touch 265 lakh tonne: NFCSF

NANDA KASABE
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THE COUNTRY'S SUGAR production has touched 210 lakh tonne as on March 13, 2020, which is nearly 57 lakh tonne less than the previous season, according to Prakash Naiknavare, MD, National Federation of Cooperative Sugar Factories Federation (NFCSF).

Of this, sugar mills in Uttar Pradesh have produced nearly 83 lakh tonne, taking the lead yet again. UP's sugar production is nearly 2 lakh tonne more than the the previous season during the same period. In contrast, Maharashtra mills have produced around 55 lakh tonne, around 43 lakh tonne less than the previous season at the same time. Similarly, Karnataka has produced 33 lakh tonne of sugar this season, again 9 lakh tonne less than the previous year.

Gujarat has produced 8 lakh tonne of



sugar, around 2.5 lakh tonne less than the previous year's corresponding period. According to the federation estimates, the country's production is likely to touch 265 lakh tonne which includes around 118 lakh tonne from Uttar Pradesh, 60 lakh tonne from Maharashtra, 34 lakh tonne from Karnataka and 9 lakh tonne from Gujarat. The opening stock at the start of

the season was a record 145 lakh tonne, of which 40 lakh tonne is the buffer stock and 50 lakh tonne for exports, leaving 55-60 lakh tonne stock at the end of the season. This is likely to stabilise sugar prices, Naiknavare stated.

Karnataka's sugar season is likely to end in the next few days while Maharashtra mills should complete crushing operations by mid-March due to unavailability of cane. Around 44 mills have closed operations, he said. Mills in Uttar Pradesh, however, are likely to continue crushing till the end of May.

Although the sugar prices may have dropped down due to the coronavirus scare, the country is likely to meet its export targets for the season, he said. Sugar futures market ICE NY11 front contracts plunged to 11.62 cents/lb on Thursday, the lowest level since September 27 when it settled at 11.53 cents/lb, amid a panic scenario in the global financial markets

triggered by the fast spread of the coronavirus and the collapse in the oil market.

Global sugar prices crashed, making exports unattractive for Indian mills, as selling in the domestic market is now more profitable. The sharp fall in sugar prices due to drop in crude oil prices will reduce ethanol competitiveness as a result more sugar production estimated in Brazil, said Naiknavare. The coronavirus disease (COVID-19) is hampering trading with different countries causing uncertainty in global market, he admitted, adding that fund managers are diluting their investment interest in commodities with special reference to sugar.

Praful Vithalani, president, All India Sugar Traders Association (AISTA) said that no new export transactions are taking place. After 2.5 million tonne were contracted, there have been no new deals, thanks to the panic in the market, he added.