year.

Ajit Chowgule, managing director of the Maharashtra STate Co-operative Sugar Factories Federnation, had earlier said that farmers are seeking 37.5 per cent increase in cane prices to Rs. 3,300 a tonne which is currently under negotiation with the various stakeholders in the state.

Even if the idnustry starts crushing in the second week of November, we would be able to achieve the last four years' output average of 1.5-1.8 million tonnes fro the month, said Verma. In December, however, sugar production incensifies to 3-4 million tonnes. Isma, meanwhile, has kept its suagr production estimates for the season at 26 million tonnes.

(B.S. 20-10-11)

Sugar mills body asks Govt to finalise ethanol pricing policy

The Indian Sugar Mills Association (ISMA) has urged the Government to revise the provisional ethanol price of Rs 27 a litre fixed in August last year and consider a clear pricing policy so that the sugar companies can plan their investment to enhance ethanol production.

An expert committee under the Chairmanship of Dr Saumitra Chaudhuri, Member, Planning Commission, in March recommended that ethanol should be priced 20 per cent lower than the petrol price without including the taxes.

Mr Narendra Murkumbi, President, ISMA, said according to the expert committee's pricing formula, ethanol should fetch Rs 32 a litre which will still be lower than the export price of Rs 38 a litre and import parity of Rs 40.

"The uncertainty in ethanol pricing has hit hard the sugar industry which paid Rs 50,000 crore to farmers for their sugarcane. Given the bumper crop this sugar season (started in October), the payment will increase to Rs 60,000 crore, much higher than the Government-sponsored NREGA scheme," he added.

Ethanol blending has resulted in savings of Rs 300 crore in the last three fiscal years for the oil marketing companies -BPCL, HPCL and IOC. The savings were Rs 155 crore; in last fiscal alone. Petrol prices would have been lower by 40-50 paise per litre, if the oil companies had passed on this saving to consumers, said Mr Murkumbi.

The sugar industry has been selling ethanol at a lower price compared to rectified spirit that fetches Rs 34 a litre, said Mr Abinash Verma, Director-General, ISMA.

The country has an installed capacity of over 200 crore litres of ethanol which is sufficient to meet the mandatory five per cent blending programme.

Despite the five per cent ethanol blending programme, abiut 6.5 lakh tonnes of surplus molasses were exported for cattle-feed to Europe due to the lack of clarity in ethanol pricing. This exported quanity could have substituted one per cent of the country's petrol consumption during the year, said Mr Verma.

crore

In the current suagr year, the oil marketing companies require 100.8 litres of etahnol for five per cent mandatory blending.

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