

Summary of speech to be given by Mr. Vivek M. Pittie, President, ISMA, at the International Conference to be held at VSI, Pune.

India can now confidently be categorised as a structural surplus sugar producing nation, likely to have a regular export presence in the international market and being subject to significantly lesser volatility in production and more accuracy in estimations. This marks the end of the traditional infamous sugar production cycles that we were accustomed to in the past.

The main drivers governing this predicted stability and increased annual production are –

1. Better returns for farmers from sugarcane as compared to that from any other competing crops and the same is increased further due to cultivation of higher yielding sugarcane varieties.
2. Sugarcane policy in the country provides for an assured buyer to the sugarcane farmer.
3. The assured buyer is also bound to pay a guaranteed price to the farmer.
4. Sugarcane is a hardy crop which can withstand the vagaries of nature thereby insulating farmers from the risk of extreme losses in any condition.

Going forward the ethanol blending program that has been closely supported by government policies, shall play a key role in balancing the end use of sugarcane to maintain proper equilibrium in the demand and supply of sugar. Building in more options for feedstock and thereby diverting more sugar, as currently required, shall be key to the success of the program. Incentivising use of sugar rich feedstock by giving higher prices for ethanol produced from such feedstock is necessary. Incentivising and attracting capital into ethanol sector is also essential to create a long term future.

The government policies and their scrutiny qua WTO rules and regulations is unfounded as there is nothing unique in them and they most definitely are not an anomaly to the practices/policies adopted internationally by various countries. The government has adequately considered the provisions while formulating the same.