

# Govt to discontinue raw sugar export sops for 2015-16

The government has decided not to extend export subsidy on raw sugar in the current 2015-16 marketing year starting this month.

In March, the government had extended subsidy at a fixed rate of ₹ 4,000 a tonne for export of up to 1.4 million tonnes (mt) of raw sugar for the 2014-15 marketing year (October-September)

to help boost sugar millers' cash flow and enable payment of huge sugarcane arrears to farmers.

"Mills have availed the subsidy and managed to export only about 4,00,000 tonnes of raw sugar in 2014-15. The subsidy scheme will not be extended further for this year," a senior Food Ministry official told PTI.

The export subsidy scheme

was not successful as very few millers took advantage of the incentive.

The quantity of exports undertaken in 2014-15 was much lower than 7.5 lakh tonnes of raw sugar done under the export incentive scheme in the 2013-14 marketing year, the official added.

At present, cane arrears have

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Come down to ₹ 12,248 crore from ₹ 14,500 crore in March.

Last year, the Centre had announced a subsidy for exports of raw sugar up to 4 mt to help the cash-starved industry clear arrears to sugarcane farmers.

The subsidy scheme ended in September 2014 but it was in

March that the Centre decided to extend it for the 2014-15 marketing year.

The quantum of subsidy fixed at ₹ 4,000/ tonne for 2014-15 was much higher than the ₹ 3,371 fixed last year for August-September period.

Sugar production is estimated at record 28.3 mt in 2014-15 marketing year (October-September), as against 24.3 mt in the previous year, while the total annual demand is pegged at 24.5 mt.

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