

# Centre may make sugar exports mandatory

To clear surplus stocks and boost prices

## COGENCIS

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The government, jittery about the likely surplus sugar output this season, will soon mandate mills across the country to export 2-2.5 million tonnes (mt) of the sweetener under the Minimum Indicative Export Quantity scheme, senior Food Ministry officials told Cogencis.

Under the scheme, each mill is mandated to export a minimum stipulated quantity of sugar, proportionate to its production.

"PMO (Prime Minister's Office) favours the scheme," one of the officials said. "We had sent our proposal there and PMO has given the nod. The Ministry is now finalising things."

## Subsidised exports

The industry has been asking the government to facilitate subsidised exports of sugar as mills are likely to produce a record high 29.5 mt this season. As a result, prices of the commodity have been spiralling downwards, leading to higher sugarcane arrears.

The government had in 2015-16 made sugar exports compulsory for mills across the country, to do away with sur-

plus. It had later also approved cane subsidy of ₹4.50/quintal for sugar mills, provided the mills liquidate at least 80 per cent of the export quota allocated to them and supply at least 80 per cent of ethanol to oil marketing companies.

The subsidy was revoked when prices shot up due to concerns over low output in 2016-17.

## No dual pricing policy

Meanwhile, the Minister of State for Consumer Affairs, Food and Public Distribution

CR Chaudhary, in a written reply to a question in the Lok Sabha, said adopting dual pricing policy for sugar is not "administratively feasible." The minister said the central government had deregulated



sugar in 2013, and prices of the commodity and related products have since been market driven and are not subject to any pricing policy of the government.

The government of Maharashtra had suggested the Ministry to consider a dual pricing policy for the sweetener to aid its prices and benefit sugar factories and sugarcane growers, the minister said.

Under the policy, the sweetener would be sold to retail consumers at a price lower than the commercial buyers.

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