

# India imposes indefinite curb on sugar exports to control price rise

Poor monsoon  
to hit sugarcane  
output in Karnataka,  
Maharashtra

GYANENDRA KESHRI  
NEW DELHI, DHNS

The central government has imposed an indefinite ban on export of sugar to curb price rise as poor monsoon is likely to hit sugarcane output in two major producing states Maharashtra and Karnataka, Secretary, Department of Food and Public Distribution, Sanjeev Chopra said on Thursday.

“August was a very dry month as a result of which there was stress on sugarcane crop in the state of Karnataka and Maharashtra,” Chopra said.

However, in Uttar Pradesh, the output is expected to be healthy as rainfall in the state has been good. “UP will compensate to a certain extent the shortfall that we are expecting in Maharashtra and Karnataka. However, whether it can do it fully, we are not sure,” he added.

According to data compiled by the India Meteorological Department (IMD), rainfall in August 2023 was 36% less than normal. This made August of this year the driest month in more than a century.

According to Chopra, the opening balance of sugar at the beginning of the current marketing season that started on 1st October stood at 57 lakh tonnes, which is lower than last year's 61 lakh tonnes.



This August was the driest month in a century hitting cane production.

Fearing the price rise due to the projected shortfall in production, the government has decided to impose indefinite restrictions on export of sugar.

The restriction on sugar export, which was scheduled to end on 31st October 2023, has been extended till further order, as per a notification issued by the Directorate General of Foreign Trade (DGFT).

Sugar mills have been pitching for lifting restrictions on exports as prices in the international markets are significantly higher than the domestic market. “While certain sections of the trade or business may have been impacted adversely, one should keep in mind that the intent of the government is to ensure a stable price of sugar in the country,” the food secretary said.

Sugar prices have hit a 12-year high in the international markets. However, the prices in India remain largely stable. According to data provided by the Department of Food and Public Distribution, average inflation in retail sugar prices in the past 10 years stands at

around 2% per annum.

The average retail price of sugar stood at Rs 32.43 per kg in 2014-15. It rose to Rs 42.02 in 2016-17. In the last six years, the prices have remained almost stable. It stood at Rs 42.25 per kg in 2022-23, the Department of Food and Public Distribution data showed.

Chopra expressed hope that prices of essential food commodities would remain stable in the festive season due to a series of price stabilisation measures taken by the government.

Apart from sugar the government has also put curbs on exports of rice and wheat. The export of broken rice was prohibited and an export duty of 20% was imposed on non-basmati white rice on September 9, 2022. Subsequently, export of non-basmati white rice was also prohibited on July 20, 2023.

“The government has been using all tools at its command—be it open market sale of rice and wheat, stock limits and export curbs to keep prices stable. We do not anticipate any rise during the coming festivities,” he said.