

● SHIPMENTS RESTRICTED

6 mt sugar exports allowed in 2022-23

Lower quota in view of high domestic prices, review later

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THE GOVERNMENT ON Sunday allowed exports of 6 million tonne (mt) of sugar in the 2022-23 season (October-September), as against 11.2 mt shipped out in the last year. "By restricting the sugar exports, domestic prices will remain under control and no major inflationary trends will arise in the domestic market," according to a food ministry statement on Sunday.

It stated that the sugarcane production in the country will be reviewed periodically and based on the estimates, additional quantity of sugar exports would be considered. Sources said that another 2-3 mt of exports may be allowed later in the season.

The Indian Sugar Mills Association (ISMA) had earlier stated that the country could easily export 8 mt of sugar in the 2022-23 season.

As per food ministry's assessment, domestic consumption of sugar in the 2022-23 season has been estimated at 27.5 mt, while around 5 mt would be used for ethanol production and a closing balance of 6 mt is likely on September 30, 2023. The crushing of sugarcane has com-



BID TO CURB INFLATIONARY TRENDS

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menced and a new crop is expected to arrive in the market by December.

In the 2021-22 season, a record 11 mt of sugar was exported from the country and India emerged as the world's second largest exporter of sweeter after Brazil. The value of sugar exports last season was ₹ 40,000 crore.

The modal retail prices of sugar across key cities have remained unchanged at ₹ 42/kg since the beginning of September, as per the department of consumer affairs.

Officials said that by allowing 6 mt of sugar exports in the first tranche, mills will be able to take benefits of favourable global prices of sweetener so that cane dues of farmers in current sugar season would be paid

timely. This would reduce the working capital cost of mills because of the optimum level of stocks. According to ISMA, the country's sugar output for the 2022-23 season (October-September) is estimated to be around 41 mt which includes around 4.5 mt to be diverted towards making ethanol. The domestic consumption would be around 27.5 mt.

Meanwhile, the food ministry last month extended the deadline for implementing the export release orders (ERO) of sugar issued for the 2021-22 season till November 30, 2022. It implies that the export quota issue in the previous crop year (2021-22) could be executed till November 30, 2022. An ERO is a permit issued to mills for exports of sugar.

