

Mills Yet to Start Sugar Exports, Await Perks

Export Parity Problem

2 m tonnes

Sugar exports earmarked for 2017-18 marketing year

30 m tonnes

Expected sugar production this marketing year

₹26 per kg
Current domestic sugar prices (yearly low)

Mills are not exporting under MIEQ scheme as international prices are lower than domestic market prices by about Rs 10/kg

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Pune: Despite government making it mandatory for sugar mills to export 2 million tonne sugar in 2017-18 marketing year as per the quota allocated to individual mills, India has not started sugar export due to lack of export parity. While mills are hopeful that the central government may announce export incentives, domestic market sugar prices have slid to ₹26/kg, a new low for the year.

India's sugar production is expected to be more than 30 million tonnes as Uttar Pradesh and Maharashtra, the top two sugar producing states, are set to have record production. Sugar prices in Maharashtra declined by ₹3/kg in a

month, a fall of about 10%.

According to Indian Sugar Mills Association (ISMA), all India sugar production upto March 31, 2018 reached 281.82 lakh tonnes, which is about 92.95 lakh tonnes higher than last year. The estimated sugar production in the current season is about 45% higher than last season, said ISMA. To reduce excess sugar from the country, government announced Minimum Indicative Export Quota of 2 million tonne sugar on March 28, 2018.

"Sugar mills are not willing to export as they are waiting for government subsidy. But, prices in international markets will fall by ₹1-2/kg when India starts exporting. Mills should try to take benefit of the prevailing export prices," said sugar broker Abhijit Ghorade.

The Economic Times
19-04-18

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