

India won't allow new sugar exports for now

INDIA, WHICH VIES with Brazil as the world's biggest sugar producer, will not allow any more exports for now on concern that weaker production will threaten domestic supplies.

The government has decided not to approve new sugar shipments after meeting with some cane officials from major producing regions this week, according to people with knowledge of the matter, who asked not to be identified as the information is private. That means there won't be additional exports beyond the 6 million tonne (mt) India has already allowed this season.

The global sugar market has anticipated the move. Prospects for lower India exports sent prices soaring early this month to the highest since 2016, threatening more inflationary pain by increasing the cost of making pastries, candy and soft drinks. Prices have since retreated as traders shift their focus to burgeoning supplies from Brazil and Thailand, the other major shippers.

The government will assess domestic supply and demand again in March, when cane crushing nears its end, before taking a call on exports, the people said. A spokesperson for the food and commerce ministries wasn't immediately available to comment.

Meanwhile, Maharashtra has cut its production estimate to 12.4 mt this season, compared with a previous forecast of 12.8 mt.

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