

Govt decides to regulate sugar exports w.e.f 1st June, 2022

By TIOL News Service

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Government has decided to allow export of sugar upto 100 LMT with a view to maintain the domestic availability and price stability during the sugar season 2021-22 (October-September). As per the order issued by DGFT, with effect from 1st June, 2022 till 31st October, 2022, or till further order, whichever is earlier, the export of the sugar will be allowed with specific permission of the Directorate of Sugar, Department of Food & Public Distribution. The decision came in the light of record exports of the sugar. In sugar seasons 2017-18, 2018-19 & 2019-20, only about 6.2 LMT, 38 LMT & 59.60 LMT of sugar was exported. In sugar season 2020-21 against target of 60 LMT about 70 LMT have been exported. In the current sugar season 2021-22, contracts for export of about 90 LMT have been signed, about 82 LMT sugar has been dispatched from sugar mills for export and approx. 78 LMT have been exported. Export of sugar in current sugar season 2021-22 is the historically highest.

The decision will ensure that the closing stock of sugar at the end of sugar season (30th Sept 2022) remains 60-65 LMT which is 2-3 months stocks (monthly requirement is around 24 LMT in those months) required for domestic use. Crushing in new season starts in last week of Oct in Karnataka and in last week of Oct to Nov in Maharashtra and in Nov in Uttar Pradesh. So generally, up to Nov, supply of sugar takes place from previous year stock.

Taking into consideration unprecedented growth in exports of sugar and the need to maintain sufficient stock of sugar in the country as well as to safeguard interests of the common citizens of the country by keeping prices of sugar under check, Government of India has decided to regulate sugar exports w.e.f. 01 June 2022. Sugar mills and exporters need to take approvals in form of Export Release Orders (EROs) from Directorate of Sugar, Department of Food and Public Distribution.

Government has been continuously monitoring the situation in sugar sector including sugar production, consumption, export as well as price trends in wholesale and retail markets all over the country. India has been the highest producer and the second largest exporter of sugar in the world in current year. As a result of regular efforts of Government of India, despite record production of sugar, 99.5% of cane dues for last sugar season 2020-21 have been paid and about 85% of cane dues of current sugar season 2021-22 have also been released to farmers.

Government of India is committed to maintain stable prices of sugar in the domestic market and in last 12 months, prices of sugar are under control. Wholesale prices of sugar in India are range bound between Rs. 3150 - Rs. 3500 per quintal while retail prices are also within control in the range of Rs.36-44 in different parts of the country.