

Sugar exporters contract 52 lakh tonnes for shipments, 33 lakh tonnes shipped out

Indian sugar exporters have contracted to export 52 lakh tonnes (lt) of the commodity till now and could well be on the way to ship out more than the 60 lt target set for the current season to September.

All-India Sugar Traders Association (AISTA) have contracted 52 lt of sugar for exports till now. We have to see if we can export more than the targeted 60 lt for this season. The sugar industry has set the 60 lt target in view of the Centre extending Rs ₹3,500 crore as assistance for sugar exports this season. This provides for an incentive of ₹6,000 for every tonne of sugar exported from the country.

Last year, sugar mills got an average incentive of ₹ 9,750 a tonne for exports with the Centre spending ₹ 6,300 crore totally. It helped them export 57 lt. Incentives are necessary for exports since domestic sugar prices are higher than global prices. Sugar mills require the assistance as it helps them to clear the dues to growers who supply them cane for crushing. Dues to farmers from sugar mills is reported to be over Rs 20,000 crore so far this season.

According to the Indian Sugar Mills Association (ISMA), Indian exporters have contracted these quantities in a short period of less than four months. The Centre had come out with the export policy for sugar exports only on December 31 for the current season that began on October 1.

Source: The Business Line