

## **Cash-starved mills begin exporting sugar**

Some cash-starved sugar mills have claimed that they have already started exporting the sweetener, even as the government is yet to announce its policy for exports in the 2020-21 marketing season.

A cooperative mill operator from Maharashtra has sent a letter to the food ministry, claiming that it had already started shipments and seeking clarifications on future policy implications.

The cooperative mills contracted for export of 2,500 tonnes of sugar in 2020-21 under OGL (open general licence) at 30,000/tonne ex-factory.

It wanted to know whether the supply of OGL sugar for export would be outside the monthly release order (monthly quota to sell sugar in the domestic market).

The mill has also asked if a policy is announced by the government later, will it be applicable to exports undertaken since October 1. While some millers and traders have expressed doubt about the high rate claimed by this mill for exports. There is demand from Afghanistan and Horn of Africa for January '21 shipment and for a small tonnage from Southeast Asia. Therefore, such prices are possible for white sugar.

The trade expects global prices to rise further if India's export policy announcement is delayed. Physical tightness may push the world market to close to 17 cents per pound to push Indian sugar out, especially in view of suspense of policy.

Source: The Economic Times