

Food Ministry extends sugar export deadline by 3 months till December

The government has given additional three months' time till December to millers to undertake mandatory export of their sugar quota allocated for this year. For the 2019-20 marketing year ending September, the government has allowed export of 6 million tonnes of sugar under the quota to help deal with surplus sugar. Some mills faced difficulty in exporting during the current COVID-19 pandemic as they could not move their stock due to movement restrictions in some places.

Several mills faced logistic issues during the pandemic. So, the ministry has decided to give some more time till December for them to export their quota.

Mills have exported sugar to countries such as Iran, Indonesia, Nepal, Sri Lanka and Bangladesh among others. There were quality issues for export of sugar to Indonesia which have now been relaxed that has given a boost to shipments from India.

The government is providing Rs 6,268 crore subsidy for export of 6 million tonnes of sugar during the 2019-20 marketing year, in order to liquidate surplus domestic stock and help mills in clearing huge sugarcane arrears to farmers.

Sugar production in India, the world's second largest producer of the sweetener after Brazil, is estimated to be lower at 27.3 million tonnes in the 2019-20 marketing year (October-September), down from previous year due to drought in major growing states of Maharashtra and Karnataka. But the domestic sugar production is more than the estimated annual requirement of 25-26 million tonnes.

Source: The Economic Times