

Sugar exports reach 7.5 mt, may top 9 mt by Sept

OUR BUREAUS

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The country's sugar exports have reached 7.5 million tonnes (mt) so far in current sugar season (October-September), while another 1.5 mt already contracted are in pipeline for shipments in next two months.

"It is a milestone for the country as for the first time record sugar has been shipped out of the country, that too without any subsidy," a Food Ministry official said.

Last season, the shipments

were to the tune of 7 mt, exceeding the target of 6 mt.

Export subsidy

About ₹14,456 crore was released to sugar mills in the past five years to facilitate export of sugar and ₹2,000 crore as carrying cost for maintaining buffer stock, totalling the subsidy outgo at nearly ₹16,500 crore.

But, this season there is no need for subsidy as there is an uptrend in global sugar prices.

As higher realisation from exports help sugar mills to clear cane dues of farmers, the



government has been simultaneously encouraging these companies to divert excess sugarcane to ethanol so that there is no glut in global market, officials said.

The target of 20 per cent blending of fuel grade ethanol with petrol by 2025 has been set with the vision to boost agricultural economy, to reduce dependence on imported fossil fuel, to save foreign exchange on account of crude oil import bill and to reduce the air pollution, the ministry said.

Output up 14 lt: ISMA

Meanwhile, the Indian Sugar Mills Association (ISMA) said the country's net sugar production without diversion for ethanol is higher by 58.07 lakh

tonnes (lt) or 18 per cent compared with last year. However, in terms of actual sugar produced, after considering diversion for production of ethanol, sugar production is higher by 44.06 lt. A higher-than-estimated diversion of about 14 lt sugar has taken place this season to September into ethanol.

In the current season, 521 mills operated against 506 mills last season. As of May 15, about 405 mills had closed their crushing operations, while 116 sugar mills are still operating.