

NOT SO SWEET FACTS Record sugar production has raised carrying cost; mills forced to keep sugar in the open even as monsoon season has arrived

Millers Struggle to Sell Sugar at MSP, Opt to Export via Third-party Quota

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Pune: Finding it tough to sell sugar at the government set minimum selling price (MSP), a large number of millers from Maharashtra have opted to export sugar using third party quota at much below the MSP.

Record sugar production has not only increased the carrying cost, but mills are also forced to keep sugar in the open even as the monsoon season has arrived. With tepid demand for sugar in the domestic market, sugar millers are finding it tough to sell sugar at MSP. "The monthly sugar quota allocated to the state has been lapsing almost every month. As such, selling sugar on third party export quota over and above their own export quota, helped the mills liquidate the excess sugar with them," said sugar broker Abhijit Ghorpade.

It is estimated that Maharashtra mills sold 3-4 lakh tonnes of sugar under third

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- **ESTIMATES SHOW** Maharashtra mills sold 3-4 lakh tonnes of sugar under third party export quota at ₹28/kg to ₹28.50/kg
- **WITH THE 2018-19** sugarcane crushing season at its fag end, the industry expects total sugar production of the country to touch 330 lakh tonnes
- **EXCLUDING LOCAL** consumption of 26 lakh tonnes and export of 35 lakh tonnes, India will have a record opening stock of 139 lakh tonnes when the new crushing season begins on October 1, 2019

party export quota at ₹28/kg to ₹28.50/kg. Government has issued export quota to every mill. Those who do not want to export sugar under their own quota,



are allowed to sell the quota to others. With the 2018-19 sugarcane crushing season at its fag end, the industry expects total sugar production in the country to touch 330 lakh tonnes. With a carry forward stock of 104 lakh tonnes, total availability of sugar will be 234 lakh tonnes.

Excluding local consumption of 26 lakh tonnes and export of 35 lakh tonnes, India will have a record opening stock of 139 lakh tonnes when the new crushing season begins on Oct 1, 2019.

During his meeting with officials of the PM's office, Dilip Walse Patil, president, National Co-operative Sugar Factories Federation (NCSFF), said the federation has sought extension for the scheme of making buffer stock of 30 lakh tonnes of sugar and demanded that the stock volume should be raised to 50 lakh tonnes to help support

sugar prices, by removing excess from the supply chain. The industry body has also demanded that MSP of sugar should be increased from the present level of ₹31/kg. "We have also demanded that North India and South India should have separate minimum selling price," said Walse Patil.

The government of India has extended subsidy to sugar mills to make cane payment to growers against the export of quota allocated to them.

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