

The Centre issued a notification on Tuesday relaxing sugar exports norms. Sugar exports was subject to a subsidy of Rs 55 per tonne of sugar cane payable to cane farmers. However, in the earlier notification, the ministry of consumer affairs had linked the compliance of all past conditions by mills to avail subsidy on exports.

In February and March last year, mills violated the sugar stock limit and sold more sugar in the market than they were supposed to. They did this to generate cash before the year end. However, private [sugar mills](#) that violated this have become ineligible for subsidy.

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On Tuesday, the government said in a notification that export subsidy will be given to mills who have complied with all orders till 17-18 but the stock limit order for February and March 2018 was not included. This exemption makes several mills, mostly in the private sector, eligible for export subsidy.

However, so far, after this subsidy was announced, mills have been able to export hardly 244,000 tonnes out of the 2 million tonnes quota for export permitted by the government. The government had allocated mill-wise export quota for availing subsidy. Praful Vithlani, chairman, All India, Sugar Trade Association, said that, “With the relaxation, we estimate that by September (when the season ends) around a million tonnes sugar would have been exported.”

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Currently sugar is exported to China, Sri Lanka, Sudan, [Somalia](#) and Dubai, among other countries.

In the notification, the quota of sugar for each mill has been allotted and the government had said that those mills which cannot export sugar can sell their quota and avail subsidy.

As of now, sugar is exported by mills in Maharashtra, Karnataka and Andhra Pradesh because of proximity to ports. These mills are also buying quota allocated to north Indian mills. Quotas are traded at Rs 750 a tonne. Since export norms have been relaxed, more mills will come forward for selling their quota.

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Meanwhile, [RaboBank](#) in its sugar quarterly for June quarter has projected that sugar production in India will rise sharply. “Our preliminary forecast for 2018-19 production is 35.5 million tonnes raw value, versus 34 million tonnes raw value in 2017-18,” said Andy Duff, Global Strategist – Sugar – at [Rabobank](#). [Refined sugar production](#) in India, as estimated by industry, is 32 million tonnes for 2017-18.

The government on Tuesday announced mill-wise quota for 502 [sugar mills](#) in the country for maintaining buffer stock. This quota is based on the stock with mill as on May 31, 2018. Mills have been given a chance to decide whether they want to keep buffer or not. Based on their responses, this will be finalised.

