

Rise in sugar exports, ethanol output helps mills pay farmers

It Helped Mills To Become 'Self Reliant'

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New Delhi: More than 10-fold increase in ethanol production in the past nine years and over 20-times rise in sugar exports in the last six years have helped India's sugar mills to become "self reliant" and also make faster payment of dues to farmers. The government data show that sugarcane dues for 2020-21 and 2021-22 seasons have reduced to barely 0.1% and 2%, respectively.

This was not the case a few years back. Dues of farmers had been pending for years as sugar mills were struggling with their finances and protests for payment of arrears were very common in major producing states.

In a presentation, joint secretary in the food ministry, Subodh Kumar Singh, said against the Rs 93,075 crore dues payable to sugar-



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Union food secretary said government will take a decision next month on increasing the sugar export quota

cane farmers for 2020-21 season, the millers have paid Rs 92,987 crore and barely Rs 88 crore is pending. Similarly for 2021-22, farmers received payment of Rs 1.16 lakh crore and Rs 2,310 crore was pending. October to September is treated as sugar season as the production of the sweetener starts from October.

The food ministry said several steps taken by the government have helped the industry and farmers as well, including the setting of minimum selling price of sugar at mills to prevent cash loss to mills, diversion of access sugar to ethanol and incentive for export of excess sugar out of the country.

Official details show that since

2014, sugar mills and distilleries have generated about Rs 77,000 crore from sale of ethanol to oil marketing companies (OMCs). The production of ethanol and its supply to OMCs has increased from 38 crore litres to 408 crore litres between 2013-14 and 2021-22. "There has been a complete transition of the sugar industry from food sector to energy sector," the food ministry said in its presentation.

Similarly, to deal with the glut of sugar, the government has so far provided assistance of Rs 18,000 crore to mills to facilitate buffer stock and export of surplus sweetener. Now since the export of sugar has become viable for the industry, the government is not providing any financial assistance. Sugar export has gone up from less than 50,000 tonne in 2016-17 sugar season to 110 lakh tonnes in 2021-22. For the current financial year, the government has allowed the export of 60 lakh tonnes. Union food secretary Sanjeev Chopra said this week that the government will take a decision next month on increasing the sugar export quota after assessing the domestic production and internal demand.