

## India's sugar stock reaches 108 LMT

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The government of India has been successfully maintaining stable retail prices of sugar in the country. Though international sugar prices have touched the highest level in a decade in April-May 2023, domestic prices of sugar have nominal inflation of about 3 per cent, which is commensurate with the hike in Fair & Remunerative Price (FRP) of sugarcane.

At the end of July 2023, India has a sugar stock of about 108 LMT, which is sufficient to meet domestic demand for the remaining months of the current SS 2022-23 and also for optimum stock of about 62 LMT at the end of the season. Thus, enough sugar is available for domestic consumers at reasonable prices throughout the year.

In addition, the interests of sugarcane farmers are being addressed by ensuring Fair & Remunerative prices as well as their timely payments by sugar mills. 99.9 per cent of cane dues of sugarcane farmers for the sugar seasons up to 2021-22 have already been cleared by sugar mills. Even for the current sugar season 2022-23, with payments of more than ₹ 1.05 lakh crores, about 93 per cent of cane dues payments have already been cleared as of date.

In fact, international sugar prices are almost 50 per cent higher than those in India. The average retail price of sugar in the country is about ₹ 43 per kg and is likely to remain in range bound only. In fact, it can be seen from the chart below that there has been less than 2 per cent annual inflation in the country in sugar prices in the last 10 years. Domestic prices have been kept stable with little increase as a result of pragmatic government policy interventions.

Timely government interventions have brought the sugar sector out of the crisis. Strong fundamentals of the sugar sector and more than sufficient production of sugarcane and sugar in the country have ensured that sugar remains within easy access to each & every Indian consumer.

During the current Sugar Season (Oct-Sep) 2022-23, India is estimated to have produced of 330 LMT sugar after the diversion of about 43 LMT for ethanol production. Thus, total sucrose production in the country would be about 373 LMT which is the second highest in the last 5 years. Further, there has been a considerable increase in the production of sugar during the last 10 years; however, the consumption has not increased in the same proportion; thereby, ensuring the

availability of sufficient stock for any unforeseen event.