



Sugar Exports

For Prelims: Indian Sugar Mills Association (ISMA), Sugar Industry, Agro-based industry, Ethanol Blended Petrol (EBP) Programme, Commission for Agricultural Costs and Prices (CACP), Pesticide, Remote Sensing Technologies.

For Mains: Present Status of the Sugar Industry in India, Growth Drivers for Sugar Industries, Problems Associated with the Sugar Industry.

Why in News?

According to the [Indian Sugar Mills Association \(ISMA\)](#), sugar mills in India have entered into contracts to **export 55 lakh tonnes** of sweetener.

- The government has allowed sugar mills to export **60 lakh tonnes of sugar** till May in the **2022-23** marketing year (**October-September**).

What is the Present Status of the Sugar Industry in India?

▪ About:

- **Sugar industry** is an important [agro-based industry](#) that impacts the rural livelihood of about **50 million sugarcane farmers** and around 5 lakh workers directly employed in sugar mills.
- In **(Oct-Sep) 2021-22** India emerges as the **world's largest producer** and consumer of sugar and world's **2nd largest exporter of sugar**.

▪ Geographical Conditions for the Growth of Sugar:

- **Temperature:** Between 21-27°C with hot and humid climate.
- **Rainfall:** Around 75-100 cm.
- **Soil Type:** Deep rich loamy soil.
- **Top Sugarcane Producing States:** Maharashtra, Uttar Pradesh, Karnataka.

▪ Growth Drivers for Sugar Industries:

- **Impressive Sugar Season (Sep-Oct):** All records of sugarcane production, sugar production, sugar exports, cane procured, cane dues paid and ethanol production was made during the season.
- **High exports:** The exports were the highest at about **109.8 LMT without any financial assistance** and earned foreign currency of about Rs. 40,000 crores in the year 2021-22.
- **Indian Government Policy Initiatives:** Timely government initiatives in the last 5 years have taken them out of financial distress in **2018-19** to the stage of **self-sufficiency in 2021-22**.
 - **Encouraging Ethanol Production:** The Government has encouraged **sugar mills to divert sugar to ethanol** and also export surplus sugar so that mills may have better financial conditions to continue their operations.
 - **Ethanol Blending with Petrol (EBP) Programme:** The National Policy on Biofuels 2018, provides an indicative target of **20% ethanol blending** under the [Ethanol Blended Petrol \(EBP\) Programme](#) by 2025.

- **Fair and Remunerative Price (FRP):** The FRP is the **minimum price that sugar mills have to pay** to sugarcane farmers for procurement of sugarcane.
 - It is determined on the basis of recommendations of the [Commission for Agricultural Costs and Prices \(CACP\)](#) and after consultation with State Governments and other stakeholders.
- **Problems Associated:**
 - **Competition from Other Sweeteners:** The Indian sugar industry is facing increasing competition from other sweeteners such as **high fructose corn syrup**, which is cheaper to produce and has a longer shelf life.
 - **Lack of Modern Technology:** Many of the sugar mills in India are outdated and **lack the modern technology** needed to **produce sugar efficiently**. This makes it difficult for the industry to compete with other sugar-producing countries.
 - **Environmental Impact:** Sugarcane cultivation requires **large amounts of water and pesticides**, which can have a negative impact on the environment.
 - Additionally, sugar mills often release pollutants into the air and water, which can harm nearby communities.
 - **Political interference:** Sugar industry in India is **heavily influenced by politics**, with the state and central government having a significant role in determining the **prices, production, and distribution of sugar**. This often leads to a **lack of transparency** and inefficiency.

What is the Indian Sugar Mills Association (ISMA)?

- **Indian Sugar Mills Association (ISMA)** is a premier sugar organisation in India.
 - It is the **interface between the Government and sugar industry** (both private and public sugar mills) in the country.
- The prime objective is to ensure that the **functioning and interest of both the private and public sugar mills in the country are safeguarded** through conducive and growth-oriented policies of the Government.

Way Forward

- **Remote Sensing Technology:** Despite the **importance of sugarcane in the water, food and energy sectors** in India, there are **no reliable sugarcane maps** for recent years and in time series.
 - There is a need to **deploy remote sensing technologies to map sugarcane areas**.
- **Diversification:** The sugar industry in India **should diversify its operations by exploring other products such as biofuels and organic sugar**.
 - This would help to **reduce the risk associated with fluctuations in sugar prices**.
- **Encouraging Research and Development:** The industry should **invest in research and development to improve crop yields** and reduce the environmental impact of sugar production.
- **Encouraging Sustainable Practices:** The industry should encourage sustainable practices, such as **water conservation, integrated pest management, and reduced use of pesticides**, in order to reduce the negative impact of sugar production on the environment.

UPSC Civil Services Examination Previous Year Question (PYQ)

Q. According to India's National Policy on Biofuels, which of the following can be used as raw materials for the production of biofuels? (2020)

1. Cassava
2. Damaged wheat grains
3. Groundnut seeds
4. Horse gram
5. Rotten potatoes

6. Sugar beet

Select the correct answer using the code given below:

- (a) 1, 2, 5 and 6 only
- (b) 1, 3, 4 and 6 only
- (c) 2, 3, 4 and 5 only
- (d) 1, 2, 3, 4, 5 and 6

Ans: (a)

Source: BS

PDF Reference URL: <https://www.drishtias.com/printpdf/sugar-exports>

