



## 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 **2<sup>nd</sup> 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

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