

**Voluntary Report** – Voluntary - Public Distribution

**Date:** May 26, 2022

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## **Report Name:** India's Government Restricts Sugar Exports

**Country:** India

**Post:** New Delhi

**Report Category:** Climate Change/Global Warming/Food Security, Biofuels, Sugar, Agriculture in the Economy, Policy and Program Announcements

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### **Report Highlights:**

On May 24, 2022, India's Ministry of Commerce and Industry/Directorate General of Foreign Trade issued notification No. 10/2015-20, amending its sugar export policy. The notification specifies that exports of raw, refined, and white sugar fall under the "restricted" category. Exports from June 1, 2022, onwards require special permission from India's Ministry of Consumer Affairs, Food and Public Distribution/Department of Food and Public Distribution/Directorate of Sugar. The restriction is not applicable to sugar exports destined to the United States and the European Union falling under CXL and tariff-rate quotas (TRQ).

**DISCLAIMER:** The information contained in this report was retrieved from the Ministry of Commerce and Industry/Directorate General of Foreign Trade <https://www.dgft.gov.in/CP/>. The Foreign Agricultural Service (FAS) Office of Agricultural Affairs at the U.S. Embassy in New Delhi, USDA and/or the U.S. government make no claim of accuracy or authenticity. The Government of India has not officially endorsed this report. Import approval for any product is subject to local rules and regulations as interpreted by Indian officials at the time of product entry. [Note: Use Google Chrome to access the links that do not open in Internet Explorer. Indian government host sites will geo-block site access on a rolling basis].

## GENERAL INFORMATION

On May 24, 2022, India's Ministry of Commerce and Industry/Directorate General of Foreign Trade issued notification No. 10/2015-20, amending its sugar export policy (see, Appendix I). The notification specifies that exports of raw, refined, and white sugar fall under the "restricted" category. Exports from June 1, 2022, onwards require special permission from India's Ministry of Consumer Affairs, Food and Public Distribution/Department of Food and Public Distribution/Directorate of Sugar.<sup>1</sup> The restriction is not applicable to sugar exports destined to the United States and the European Union falling under CXL and tariff-rate quotas (TRQ).<sup>2</sup>

The Indian government's measure is meant to keep domestic prices in check. It also seeks to ensure sufficient supplies of sugar for domestic consumption and for use in the government's ethanol blending program.<sup>3</sup>

In market year (MY) 2021/2022 (October-September), Indian centrifugal sugar production is forecast to drop three percent to 35.8 million metric tons (MMT) (see, [GAIN-INDIA |IN2022-0041| India Sugar Annual - 2022](#)). As of May 15, 2022, approximately 8.5 MMT of Indian sugar is already contracted for export. India's annual sugar consumption ranges 26.5 to 28 MMT. The Indian government's restriction should ensure sufficient supply for the domestic market.

Increases in sugar prices has the potential to push retail inflation upwards across the consumer price index.

The full text of the Ministry of Commerce and Industry/Directorate General of Foreign Trade notification No. 10/2015-20 is accessible on the DGFT website located at: <https://www.dgft.gov.in/CP/>.

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<sup>1</sup> The last significant sugar export control occurred in 2016, when the Indian government added a 20 percent export tax on sugar and removed both its sugarcane production subsidy and the 4 MMT export quota, following consecutive years of reduced domestic production (see, GAIN-INDIA | [IN6085](#) | June 23, 2016 | India Introduced a 20 Percent Export Tax on Sugar).

<sup>2</sup> CXL is the technical term used for an in-quota tariff for raw sugar. CXL import quotas were agreed to as compensation for the 1995 EU enlargement.

<sup>3</sup> India's domestic ethanol blending program is dependent on sugarcane for its primary feedstock.

**APPENDIX I - DIRECTORATE GENERAL OF FOREIGN TRADE, NOTIFICATION NO. 10/2015-20 (MAY 24, 2022)**

Government of India  
Ministry of Commerce & Industry  
Department of Commerce  
Directorate General of Foreign Trade  
Udyog Bhawan, New Delhi

Notification No. 10/2015-20  
Dated: 24<sup>th</sup> May, 2022

**Subject: - Amendment in Export Policy of sugar.**

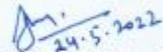
S.O. (E) In order to maintain domestic availability and price stability of sugar, Central Government in exercise of powers conferred by Section 3 read with Section 5 of the Foreign Trade (Development & Regulation) Act, 1992 (No. 22 of 1992), as amended, read with Para 1.02 and 2.01 of the Foreign Trade Policy, 2015-20, hereby amends export policy of sugar under S.No.93 of Chapter 17 of ITC (HS), Schedule – II as under:

S.No	ITC (HS) Code	Description	Existing Policy	Revised Policy	Policy condition
93	1701 14 90 1701 99 90	Sugar (Raw Sugar, Refined Sugar and White Sugar)	Free	Restricted	(i) With effect from 1st June, 2022 upto 31st October, 2022 or until further orders, whichever is earlier, export of sugar is allowed only with specific permission from Directorate of Sugar, Department of Food and Public Distribution (DFPD), Ministry of Consumer Affairs, Food & Public Distribution.  (ii) Detailed procedure for issue of necessary permissions for export of sugar will be notified separately by Department of Food and Public Distribution (DFPD).

2. This restriction is not applicable to Sugar being exported to EU and USA under CXL and TRQ quota as per prescribed procedure in the respective Public Notices.

**3. Effect of this Notification:**

Export of Sugar (Raw, Refined and White sugar) is placed under 'Restricted' category from 1st June, 2022 onwards (except fixed quantity of sugar being exported under CXL and TRQ quota to EU and USA). Export after 01.06.2022 will be allowed on production of specific permission (as per the procedure to be notified separately by DFPD) from Directorate of Sugar, Department of Food and Public Distribution (DFPD), Ministry of Consumer Affairs, Food & Public Distribution.

  
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**Attachments:**

No Attachments.