

GOVERNMENT OF INDIA
MINISTRY OF CONSUMER AFFAIRS, FOOD & PUBLIC DISTRIBUTION
DEPARTMENT OF FOOD AND PUBLIC DISTRIBUTION

LOK SABHA
UNSTARRED QUESTION NO. 1633
TO BE ANSWERED ON 10TH DECEMBER, 2025

SUGAR EXPORTS

1633. SHRI VIJAYAKUMAR *ALIAS* VIJAY VASANTH:
SHRI MANICKAM TAGORE B:
SHRI SURESH KUMAR SHETKAR:

Will the Minister of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION be pleased to state:

- (a) whether the export allocation for the 2025-26 sugar season has been capped at 1.5 million tonnes despite industry demand for 2 million tonnes and if so, the reasons for ignoring industry inputs;
- (b) whether the Government has removed fifty percent export duty on molasses and if so, the details of the estimated revenue loss to the exchequer and the manner in which the Government justify this in terms of fiscal prudence;
- (c) whether the specific measures being taken by the Government to ensure the sugarcane farmers receive fair prices amid surplus production and rising exports and if so, the details of measures and if not, the reasons therefor;
- (d) whether sugar diversion to ethanol is falling short (3.4 MT vs 4.5 MT) and if so, the details of the steps taken by the Government to meet future ethanol targets; and
- (e) whether it is a fact that expected ethanol production of 34 MT against domestic demand of 28.5 MT and if so, the details of the steps taken by the Government to manage the excess 5.5 MT to prevent price crashes and wastage?

A N S W E R
MINISTER OF STATE FOR MINISTRY OF CONSUMER AFFAIRS,
FOOD & PUBLIC DISTRIBUTION
(SHRIMATI NIMUBEN JAYANTIBHAI BAMBHANIYA)

(a): The Government's priority is to ensure sufficient availability of sugar for consumption in the domestic market at a reasonable price. Thereafter, the surplus sugar is to be diverted to ethanol followed by export. Keeping in view the initial production estimates for the current Sugar Season 2025-26, Government has permitted export of 15 LMT of sugar.

(b): Imposition of 50% export duty on molasses was intended as a temporary intervention keeping in view the less sugarcane production during previous Sugar Seasons (Oct-Sep) 2023-24 & 2024-25, which would have led to the shortage of feedstock for ethanol production and other Industrial uses. Now, keeping in view the production estimates of current Sugar Season 2025-26, adequate molasses will be available in the country for ethanol production and other requirements. Accordingly, the Government has removed 50% export duty on molasses w.e.f 14.11.2025.

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(c): To manage the surplus sugar, improve the liquidity of sugar mills and to ensure the timely payment to sugarcane farmers, Government has allowed export of 15 LMT of sugar during the Sugar Season 2025-26. Further, the government has removed 50% export duty on molasses which will improve the liquidity of sugar mills and help in timely payment to sugarcane farmers.

(d) & (e): Out of the total allocation of 1048 crore litres ethanol by the Oil Marketing Companies (OMCs), about 289 crore litres has been allocated to sugarcane-based feedstock resulting in the diversion of about 34 LMT of sugar to ethanol. Government has also allowed export of 15 LMT sugar to manage excess sugar to prevent ex-mill price crashes.
