

F. No. 5-4 (2020)-SC
Government of India
Ministry of Consumer Affairs, Food and Public Distribution
Department of Food and Public Distribution
(Directorate of Sugar & Vegetable Oils)

Krishi Bhawan, New Delhi.
Dated:- 30th September, 2021

To,

CEOs/MDs of all Sugar Mills.

Subject:- Revised methodology for the calculation of monthly stock holding limit for the sugar season 2021-22 (October-September).

Sir/Madam,

With a view to maintain the demand supply position and to stabilize ex-mill prices of sugar and also to ensure sufficient availability of sugar, for domestic consumption monthly release quota for domestic sale by sugar mills is allocated to sugar mills on the basis of stocks held by them, export performance and diversion of sugar to ethanol, in exercise of powers conferred by section 3 of the Essential Commodities Act, 1955 (10 of 1955) read with clause 4 and 5 of the Sugar (Control) Order, 1966 and Order of the Government of India, Department of Food & Public Distribution vide S.O. No.2347 (E) dated 07.06.2018.

2. In order to ensure than the monthly release quota is evenly distributed among mills/states across the country, few changes/modifications have been made for the calculation of monthly stock holding limit from the month of October, 2021 onwards. Following parameters will be taken into account for allocation of the maximum quantity of white/refined sugar to be sold by the sugar mills in the domestic market for every month:-

- a) The Stock holding limit for a month will be worked out on the basis of giving 100% weightage to the month end notional stock of the preceding month. The notional month-end stock for any month would be calculated on the basis of the previous month end stock reported in P-II, further adding the sugar lifted from sugar mills after 1st August, 2021 as per 4.3 Column of P-II and subtracting actual release of the preceding month of the month for which stock holding limit is being issued. Benefit on account of export would be given for sugar lifted beyond 1st August, 2021. Further, incentive in lieu of sugar sacrificed for producing ethanol would also be given to sugar mills. Currently, 50% incentive on sugar sacrificed is being given; however, from monthly release quota for October, 2021 and onwards, 100% incentive on sugar sacrificed for producing ethanol from B-heavy molasses/sugarcane juice/sugar syrup/sugar will be given. Detailed example in this regard for the month of October, 2021 is as under:-


- i. The October, 2021 Stock holding limit will be worked out on the basis of 100% weightage to the month end notional stock for the month of September, 2021.

- ii. The notional month-end stock for the month of September, 2021 will be worked out on the basis of month end stock for August, 2021 (as reported in P-II), further adding the sugar lifted from sugar mills after 1st August, 2021 for export as per 4.3 Column of P-II and subtracting actual release for September, 2021. Benefit on account of export would be given for sugar lifted beyond 1st August, 2021.
- iii. Besides, incentive in lieu of sugar sacrificed for producing ethanol from B-heavy molasses/sugarcane juice/sugar syrup/sugar would be given corresponding to the reported ethanol production for August, 2021. Currently, 50% incentive on sugar sacrificed is being given; however, from monthly release quota for October, 2021 and onwards, 100% incentive on sugar sacrificed for producing ethanol from B-heavy molasses/sugarcane juice/sugar syrup/sugar will be given.

Similarly, domestic monthly release quota for subsequent months will be calculated. Another example for the month of March, 2022 is as under:-

- i. The March, 2022 Stock holding limit will be worked out on the basis of 100% weightage to the month end notional stock for the month of February, 2022.
 - ii. The notional month-end stock for the month of February, 2022 will be worked out on the basis of month end stock for January, 2022 (as reported in P-II), further adding the sugar lifted from sugar mills from 1st August, 2021 to 31st January, 2022 for export as per 4.3 Column of P-II and subtracting actual release for the month of February, 2022. Benefit on account of export would be given for sugar lifted after 1st August, 2021 to 31st January, 2022 as reported in P-II.
 - iii. Besides, incentive in lieu of sugar sacrificed for producing ethanol from B-heavy molasses/sugarcane juice/sugar syrup/sugar would be given corresponding to the reported ethanol production for January, 2022. 100% incentive on sugar sacrificed for producing ethanol from B-heavy molasses/sugarcane juice/sugar syrup/sugar will be given.
3. This issues with the approval of Secretary (F&PD).

Yours faithfully,


(Jitender Juyal)
Joint Director
Tele: 23097059

Copy to:-

1. Cane Commissioners/Director of Sugar of State Governments/Union Territory Administrations concerned.
2. Indian Sugar Mills Association (ISMA).
3. National Federation of Cooperative Sugar Factories Federation Ltd. (NFCSF)