

F.No. 1(6)/2020-SP.I
Government of India
Ministry of Consumer Affairs, Food & Public Distribution
Department of Food & Public Distribution (DFPD)

Krishi Bhawan, New Delhi
Dated the 19th January, 2021

To

The CEO/MD/GM
(All Sugar Mills)

Subject : Guidelines to review export performance of sugar mills against Maximum Admissible Export Quantity (MAEQ) for export during Sugar Season 2020-21-reg.

Madam/Sir,

The Central Government, with a view to facilitate export of sugar during the sugar season 2020-21 and to improve the liquidity position of sugar mills and thereby enabling them to clear cane price dues of farmers for sugar season 2020-21, has notified on 29.12.2020 a Scheme for providing assistance to sugar mills for expenses on marketing costs including handling, upgrading and other processing costs and costs of international and internal transport and freight charges on export of sugar.

2. Subsequently, this Department vide order dated 31.12.2020, has allocated mill-wise MAEQ of 60 Lakh MT of sugar for export during the current sugar season 2020-21.

3. Pursuant to the Clause 10 of the said Notification, it has been decided that henceforth, DFPD will review the performance of sugar mills on a quarterly basis during the sugar season 2020-21 and revise the allocated mill-wise MAEQ.

4. For the purpose of revision of mill-wise MAEQ, the following methodology would be adopted by DFPD:-

- a. The first such review would be done by DFPD in the month of February, 2021. All the sugar mills would be required to submit the report in prescribed proforma; based on the reports furnished by sugar mills, the MAEQ voluntarily relinquished by the sugar mills by 15.02.2021, would be re-distributed amongst those sugar mills which have already contracted at least 50% quantity of their initial MAEQ by 15.02.2021 and have requested for more quantity.
- b. Second review would be done in the month of April, 2021. Those sugar mills which have not even contracted 1/3rd quantity of their MAEQ by 31.03.2021, 20% of their MAEQ would be deducted from their quota and the same would be re-allocated amongst those sugar mills which have already contracted at least 75% of their initial

MAEQ and have lifted 1/3rd of their MAEQ for **export by 31.03.2021** and which have requested for more quantity.

- c. Third review of export performance of sugar mills would be again done by DFPD in the first week of July, 2021. In respect of those sugar mills which have not contracted **at least 2/3rd of their initial MAEQ and have not lifted atleast 1/3rd of their original MAEQ for export till 30.06.2021**; MAEQ quantity which have not been contracted may be deducted and be redistributed amongst those sugar mills which have contracted atleast 95% of their initial MAEQ and have lifted 2/3rd of their MAEQ for export by 30.06.2021 and which have requested for more quantity.
- d. In order to re-assess the export performance of sugar mills, the mills would be required to submit a report in the proforma enclosed (along with a copy of contract signed for export of sugar) **by 18th February, 2021** in respect of first reallocation to be done in terms of para 4(a) above; **by 3rd April, 2021** in respect of second reallocation to be done in terms of para 4(b) above; **by 3rd July, 2021** in respect of third re-allocation to be done in terms of para 4(c) above. **The said information may be sent through email at: *dtesug.fpd@nic.in***. If a sugar mill does not submit its report of export performance by the cut-off date, it would be presumed that the concerned sugar mill has not signed any contract or exported any quantity at all and accordingly deductions would be made from their MAEQ and reallocated as per the guidelines.
- e. DFPD has been issuing monthly release quota in respect of each sugar mill for sale of sugar by mills in domestic market. In order to meet the domestic requirement of different states, the sugar is being transported from surplus state to deficient state which involves huge transportation cost which also results in increase in retail prices of sugar. Secondly, many mills which have been allocated export quota do not export sugar as their mills are far away from domestic ports; and exporting sugar from such states involves huge transportation cost and thus has an effect on their profit margin. So in order to facilitate mills to export maximum sugar from the country; to ensure maximum participation in export; to reduce transportation cost involved in export of sugar; and to reduce transportation cost involved in movement of sugar from one state to another for domestic consumption which will ultimately benefit the consumers, DFPD has decided to allow exchange of MAEQ quantity from the quantity of monthly release quota as under:
 - i. Those sugar mills who do not wish to export the MAEQ quantity (whole/partial) allocated to them vide DFPD order dated 31.12.2020 may exchange their such MAEQ quantity with the monthly release quota of any other sugar mill which is willing to take the additional MAEQ quantity for export. For example if a mill in Madhya Pradesh or Uttar Pradesh which is far away from the port does not wish to export its MAEQ due to higher transportation cost involved can exchange its MAEQ quantity with the monthly domestic release quantity of any other mill located nearer to the port. This will save transportation cost (internal transport) involved in transporting sugar from far flung states to the port for export; and simultaneously, it will also save transportation cost involved in transportation of domestic sale sugar from one state to another.
 - ii. The sugar mills involved in such exchange of their MAEQ quantity and domestic monthly release quantity are required enter into an agreement and submit it to DFPD for reallocation of the MAEQ quantity, as well as monthly release quantity.
 - iii. The export quota (MAEQ) exchanged with monthly release quota (maximum quantity of white/ refined sugar for domestic sale & dispatch during the month) can be adjusted by the end of current sugar season 2020-21.

- f. As per the scheme notification dated 29.12.2020, the sugar mills may submit their claims w.r.t. original MAEQ in two tranches. As DFPD would be reallocating additional quantity, the additional MAEQ being allocated to sugar mills would be treated separately from the initial MAEQ allocated vide order dated 29.12.2020 for the purpose of calculating assistance and for submission of claims. Thus, if a sugar mill is allotted additional allocation, they may submit separate claims for such additional allocation.

Yours faithfully,



(Rajesh Kumar Yadav)

Under Secretary to the Government of India
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Copy to: ISMA / NFCSE/ AISTA/ISEC

Proforma

Statement Showing Data on Export of Sugar Against MAEQ

Sl. No.	Particulars	As on 15.02.2021	As on 31.03.2021	As on 30.06.2021
1	MAEQ (in MT)			
2	Quantity of sugar contracted for export (in MT) {along with copy of contracts}			
3	Quantity of sugar delivered for export (in MT)			
4	Quantity of sugar actually exported (in MT)			
5	Quantity likely to be contracted for further export (in MT)			
6	Quantity to be foregone out of MAEQ (in MT)			
7	Additional quantity (over and above MAEQ) requested for export during 2020-21 SS (in MT)			