

F. No. 6-1 (2021)-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:- 5th February, 2021

To,

All the Cane Commissioners/Director (Sugar) of all sugar producing states.

Subject:- Compliance of Minimum Selling Price (MSP) for sale of Sugar in domestic market alongwith imposition of monthly stock holding limits on sugar mills.

Sir/Madam,

The Central Government with a view to manage the situation of surplus production in the country and to stabilize the sugar prices with a view to clear cane price arrears of farmers notified Sugar Price (Control) Order 2018, on 07.06.2018 for fixing minimum selling price for sale of sugar alongwith imposition of monthly stock holding limits on sugar mills.

2. Minimum Selling Price (MSP) of sugar was introduced to prevent cash loss to sugar mills and monthly stock holding limit is being imposed to maintain demand-supply balance in the domestic market. The limit of sales/dispatch of all sugar mills are determined based on a very well defined and uniform criteria based on stock held by the sugar mills along with incentive given on diversion of sugar to ethanol and on account of export. Objective of imposing the stock holding limit on sugar mills is to ensure that a level playing field is provided to all sugar mills. Further, stock limit on sugar mills are being imposed in such a manner that release of sugar from the mills are restricted to the extent of consumption requirement of the country so that the sugar price remains stable at a reasonable level.

3. Sale of sugar by sugar mills in domestic market below MSP and in excess of monthly quota allocated to mill would dislodge the entire steps taken by the Government for survival of sugar industry and may result in accumulation of cane price arrears of farmers.

4. It is requested to issue necessary instructions to the field officers in the States to monitor the sale of sugar by mills in the domestic market and to ensure that the sugar mills do not sell sugar in the domestic market below the MSP i.e. Rs. 3100/- per quintal and to ensure strict compliance of monthly Stock holding limit orders issued by the Directorate of Sugar and Vegetable Oils, for sale of sugar in the domestic market.

5. In this regard, appropriate action may be taken against the defaulting sugar mills and action taken may be intimated to this Department. Name of such defaulting mills should also be intimated to this Directorate for taking necessary action at our end.

Yours faithfully,



(Jitender Juyal)
Joint Director
Tele: 23097059

Copy to:

1. Chief Secretary of all sugar producing states.
2. Principal Secretary (Sugar and Sugarcane Development) /Cooperation of sugar producing States.
3. ISMA/NFCSF.