

India Achieves its Highest Ever Merchandise Exports of \$417.8 billion

Sugar exports touch new record of Rs 34503 crore

12 times increase in Sugar exports in last five years; jump to nearly 75 LMT in 2021-22 as against 6.2 LMT in 2017-18

Exponential rise in Wheat Exports, YoY growth: 273%; Wheat worth Rs 15890 crore exported in 2021-22 as against Rs 624 crore in 2017-18 i.e. up nearly 25 times

India's rice exports rose by 9.35 per cent to USD 9.655 billion in 2021-22

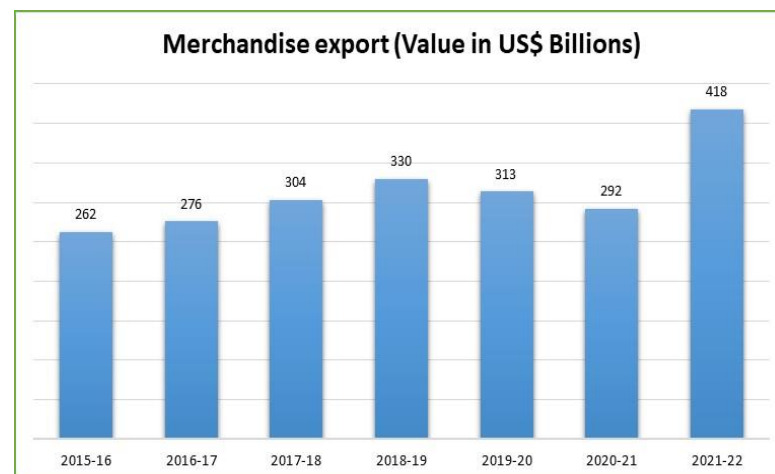
(Ministry of Commerce & Industry)

April 07, 2022

HIGHEST EVER MERCHANDISE EXPORTS

Owing to a slew of export measures and a big push by Prime Minister Narendra Modi, India for the first time in the history has reached **USD 417.8 billion merchandise exports** in 2021-22.¹

India has achieved highest monthly value of merchandise export in March 2022 amounting USD 40.38 billion, an increase of 14.53% over USD 35.26 billion in March 2021 and an increase of 87.89% over USD 21.49 billion in March 2020. India has earlier crossed **\$400 billion** merchandise exports in current financial year (2021-22), nine days ahead of schedule. This is the first time ever in the history when India has managed to break free of the band of \$300 billion (+/- 10%) which used to be India's export figure in the past.



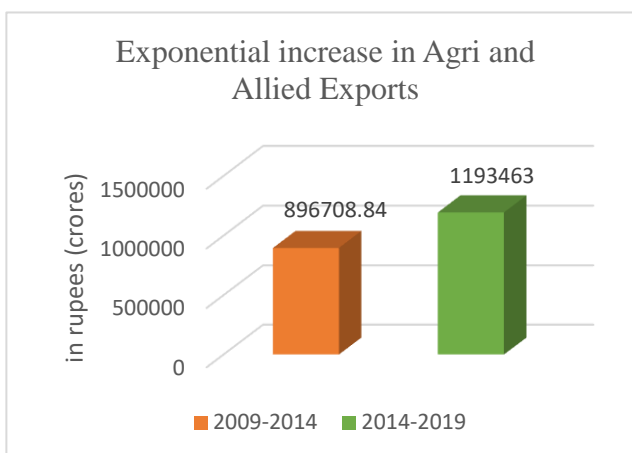
¹ <https://pib.gov.in/PressReleasePage.aspx?PRID=1812990>

INDIA'S AGRICULTURE EXPORTS TOUCH A HISTORIC HIGH OF USD 50 BILLION

Agriculture products export has played a major role in India's highest ever merchandise export. Exports of agricultural products (including marine and plantation products) for the year 2021-22 have crossed **USD 50 billion**, highest level ever achieved for agriculture exports. The Government of India's consistent and concerted endeavours to usher reforms for boosting agricultural exports have been highly fruitful.

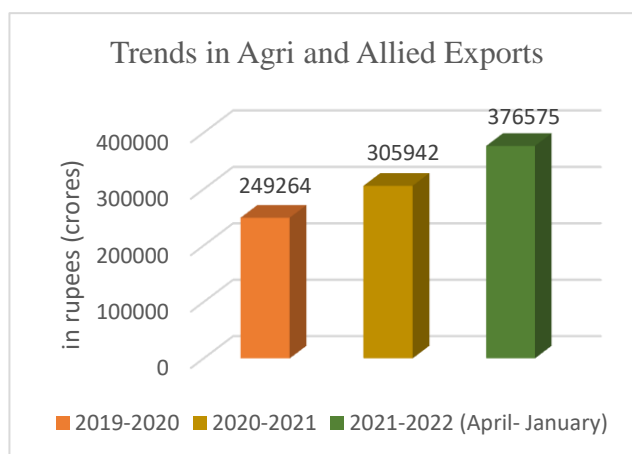
In spite of the unprecedented global pandemic, India has been able to step in to meet the increased global demand, emerging as a significant global supplier of food and other essential agricultural products. Notwithstanding logistical challenges posed by COVID-19 pandemic, India's exports of agricultural products have grown by **19.92%**

during 2021-22 to touch \$50.21 billion (Rs. 376575 Crore). Looking at five-yearly growth, it is observed that the export of agriculture and allied products have increased **from a total of Rs. 8,96,708.84 crore during 2009-14 to Rs. 11,93,463 crores during 2014-19.** Agricultural exports have already reached Rs. 9,31,781 crore mark during 2019-22.



Highest ever exports have been achieved for staples like rice (USD 9.65 billion), wheat (USD 2.19 billion), sugar (USD 4.6 billion) and other cereals (USD 1.08 billion). Wheat has recorded an unprecedented growth of more than 273%, jumping nearly four-fold from \$568 million in 2020-21 to touch close to \$2119 million in 2021-22.

Export of **marine products, at USD 7.71 billion**, is also the highest ever. Spices exports has touched USD 4 billion for second year in a row. Despite facing tremendous supply side issues, coffee exports have crossed USD 1 billion for the first time.²



For more details on Agri exports, [click here](#)

The Sugar Scenario

With a view to **facilitate export of surplus sugar** thereby improving liquidity of sugar mills and enabling them to clear cane price dues of farmers, **Government has been extending assistance to sugar mills.** Further, to facilitate export of surplus sugar from country, **custom duty on export of sugar has been withdrawn** by the Central Government w.e.f. 20.03.2018

As a consequence of measures initiated by the government, **Sugar exports for the year 2021-22 have touched a new record Rs 34503 crore with nearly 75 LMT sugar being exported during the year. It may be pointed out that sugar exports were just 6.2 LMT**

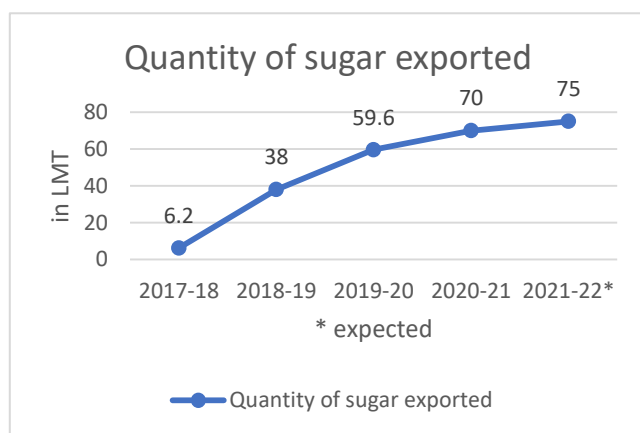
² <https://www.pib.gov.in/PressReleasePage.aspx?PRID=1814057>

in the year 2017-18 which have now jumped to 75 LMT which is a whopping increase of nearly 12 times.

In every sugar season (October-September), **production of sugar in India is around 320-330 Lakh Metric Tonne (LMT)** as against the domestic consumption of 260 LMT which results in huge carry over stock of sugar with mills. Due to excess availability of sugar in the country, the ex-mill prices of sugar remain subdued resulting in cash loss to sugar mills. This excess stock of 60 LMT also leads to blockage of funds and affects the liquidity of sugar mills resulting in accumulation of cane price arrears.³

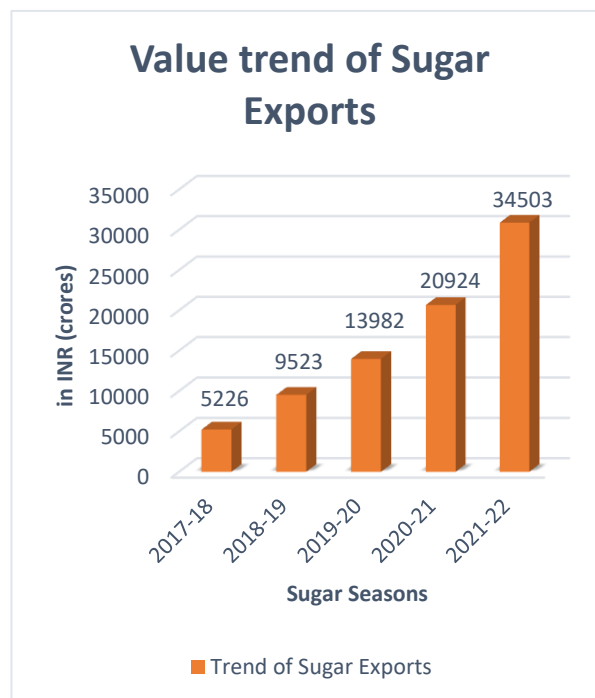
In sugar season 2021-22, against the estimated domestic consumption of 270 LMT, the sugar production is estimated to be around 308 LMT (after discounting estimated diversion of 35 LMT of sugar to ethanol).⁴

Details of export of sugar in past five years is depicted in the graph.



Source of Sugar export data:

- <https://dashboard.commerce.gov.in/commercedashboard.aspx>
- <https://www.pib.gov.in/PressReleasePage.aspx?PRID=1814057>,
- <https://pqars.nic.in/annex/256/AU2631.pdf>



Due to surplus production of sugar in the country since sugar season 2017-18, the Central Government has imposed **100% custom duty on import of sugar** under OGL to prevent import of sugar and thereby to safeguard the interest of sugar cane farmers.

Government’s commitment towards Sugarcane farmers

The cost of production of sugarcane for the sugar season 2021-22 is Rs. 155 per quintal. The Cabinet Committee on Economic Affairs has approved **Fair and Remunerative Price (FRP) of sugarcane for sugar season 2021-22 (October - September) at Rs. 290 per quintal. This FRP of Rs. 290 per quintal is higher by 87.1% over production cost**, thereby giving the

Highest ever Fair and Remunerative Price (FRP) of **290 Rs/qtl** for Sugarcane Farmers (GannaKisan) for 2021-22

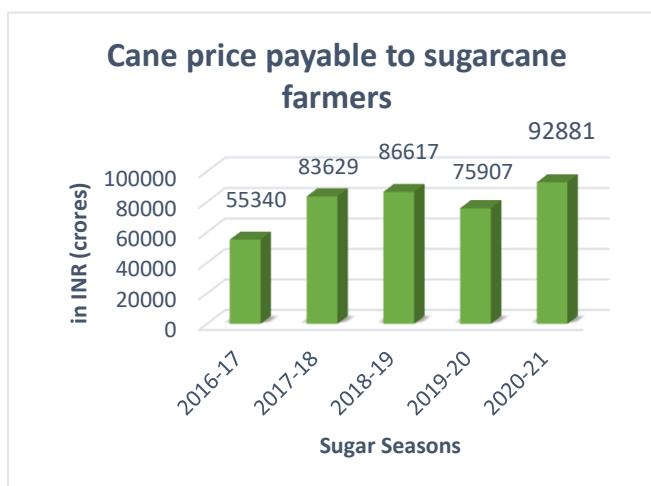
³ <https://pib.gov.in/PressReleaseFramePage.aspx?PRID=1760016#:~:text=In%20sugar%20seasons%202017%20D18,2021.>

⁴ <https://pib.gov.in/PressReleasePage.aspx?PRID=1794807>

farmers a return of much more than 50% over their cost.⁵

Continuous rise in Fair Remunerative Price (FPR) and price payable to Sugarcane Farmers

In sugar seasons 2016-17, 2017-18, 2018-19, 2019-20 & 2020-21, cane price payable to sugarcane farmers on all India basis was Rs. 55340 crore, Rs. 83629 crore, Rs. 86617 crore, Rs. 75907 crore & Rs. 92881 crore respectively.⁶ This has resulted in clearing the huge amount pending arrears of sugarcane farmers in the country.



The Central government, with a view to improve liquidity of the sugar mills and enabling them to clear cane prices dues of farmers and to facilitate export of sugar, has notified following schemes in last three sugar seasons⁷:

Sugar Season (Oct-Sep)	Name of the Scheme
2018-19	<ol style="list-style-type: none"> 1. Assistance to sugar mills for Sugar Season 2018-19 to facilitate export of sugar. 2. Creation and maintenance of buffer stock of 30 lakh metric tonne (LMT) of sugar w.e.f. 01.07.2018 to 30.06.2019 3. Scheme for defraying expenditure towards internal transport, freight, handling and other charges on export of sugar for Sugar Season 2018-19.
2019-20	<ol style="list-style-type: none"> 1. Assistance to Sugar Mills for Sugar Season 2019-20 to facilitate export of sugar. 2. Creation & maintenance of buffer stock of 40 LMT of sugar w.e.f. 01.08.2019 to 31.07.2020.
2020-21	<ol style="list-style-type: none"> 1. Scheme for providing assistance to sugar mills for expenses on marketing costs including handling, upgrading and other processing costs and cost of international and internal transport and freight charges on export of sugar for sugar season 2020-21 to facilitate export of sugar.

Under these schemes a **sum of about Rs. 15130 crore** has been released to various mills of the country in the last three financial years till 22.03.2022.

Centre issues guidelines for restructuring under Sugar Development Fund Rules 1983⁸

In order to facilitate rehabilitation of financially weak but economically viable sugar mills which have availed loans under the Sugar Development Fund Act, 1982, Department of Food

⁵ <https://pib.gov.in/PressReleasePage.aspx?PRID=1748833>

⁶ <https://pib.gov.in/PressReleaseDetail.aspx?PRID=1780088>

⁷ <https://pqars.nic.in/annex/256/AU2631.pdf>

⁸ <https://pib.gov.in/PressReleaseDetail.aspx?PRID=1787743>

and Public Distribution issued guidelines for restructuring of SDF Loans under Rule 26 of the SDF Rules 1983 on 03.01.2022.

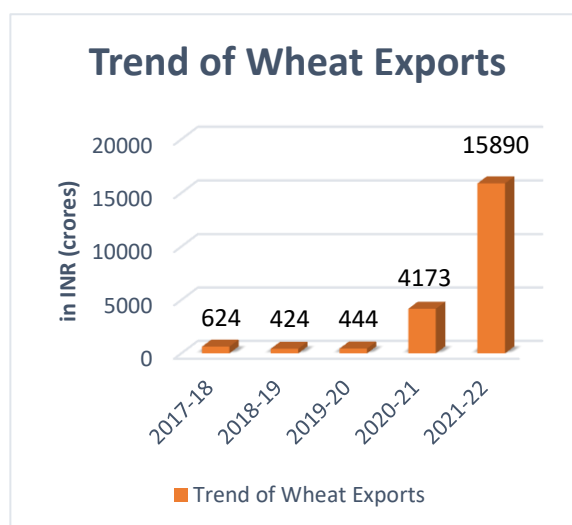
A sugar factory that has been incurring cash losses continuously for the last 3 financial years or sugar factory's net worth is negative, and the sugar factory is not closed/has not ceased to crush cane for more than 2 sugar seasons, excluding the current sugar season is eligible to apply for re-structuring.

The complete Guidelines are available at <https://dfpd.gov.in/sdfguidelines-sdf.htm> and at <https://sdfportal.in>.

EXPONENTIAL RISE IN WHEAT EXPORTS, YOY GROWTH: 273.07%

India has reported an exponential rise in wheat export during last two years, with wheat export worth **USD 567.93 million in 2020-21** and **USD 2118.79 million in 2021-22**. This indicates the rapid strides India is taking in reaching new markets worldwide.

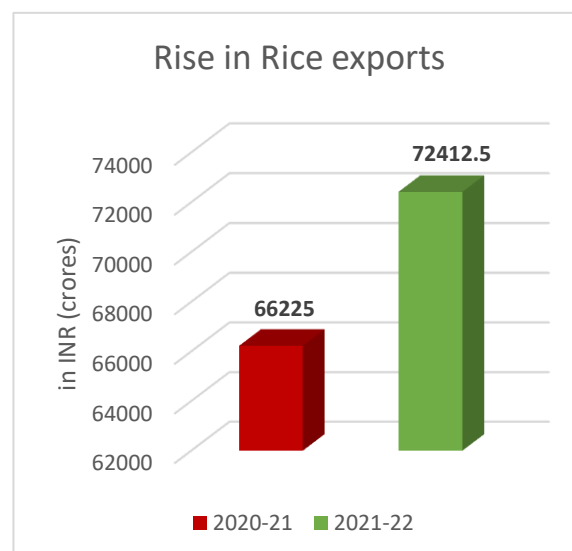
As per Foreign Trade Policy, export of wheat is under 'Free' category and therefore no licence/ Authorisation is required from Government for its export. The exporters from India have exported wheat in view of the rising global demand. The Government does not export wheat except as humanitarian aid-in-grant form to the deserving countries.⁹



RICE EXPORTS: INDIA HAS CAPTURED NEARLY 50% OF THE WORLD MARKET¹⁰

India's thrust on expanding port handling infrastructure, development of value chain involving key stakeholders along with efforts to explore new opportunities in countries or markets for rice exports in the last couple of years have led to a huge spike in rice exports. India continues to expand its rice exports footprint in the African, Asian and European Union markets, thus having the largest share in global rice trade. The robust global demand also helped India's growth in rice exports.

In terms of value realisation, India's rice exports rose by 9.35 per cent to USD 9.655 billion in 2021-22 from USD 8.829 billion reported in 2020-21. In terms of Rupee also,



⁹ <https://pib.gov.in/PressReleaseDetail.aspx?PRID=1811558>

¹⁰ <https://www.pib.gov.in/PressReleasePage.aspx?PRID=1814057>

India's rice export grew by 9.35 per cent to Rs 72412.5 crore in 2021-22 from Rs 66225 crore in the previous year.

The outbreak of COVID-19 pandemic during first quarter of 2020 resulted in increased demand for staples, which provided an opportunity for increasing agriculture exports. Because of the institutional framework, already in place at State and district levels, and special efforts made to overcome the pandemic-induced bottlenecks, India was able to rise to the occasion and emerge as a reliable supplier of food. Even during the current crisis due to Russia-Ukraine war, the world is looking at India for supplies of wheat and other food grains.

Government of India is continuing efforts to promote agriculture export so that the momentum gained over the past two years is sustained and agriculture exports touch new highs over the coming years.

References:

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- <https://pib.gov.in/PressReleaseIframePage.aspx?PRID=1760016#:~:text=In%20sugar%20seasons%202017%2D18,2021.>
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[Click here for table on Export of Agriculture Commodities in 2021-22](#)

Further Reading:

- [Agriculture Export Policy](#)
- [Reforms to promote Agri Exports](#)
- [Record Production, Procurement and MSP Payments \(PPPs\) in Agriculture Sector](#)

AG/HP/AKP