

# CEFS FACT SHEET ON INDIA

## ABOUT INDIA

World's second largest producer and exporter of sugar with significant surplus that weigh on global sugar prices.

Expansion of sugar sector thanks to massive government support and intervention.

WTO condemned Indian sugar policy in 2021.

Unsustainable production practices that harm human health and the environment.

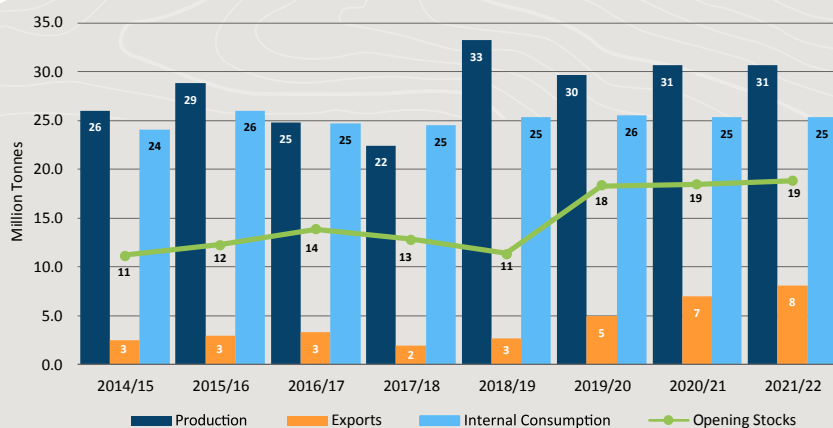


Figure 1: India's sugar production, exports and internal consumption 2014 to 2022, including opening stocks. Source: International Sugar Organisation

## VERY HIGH MINIMUM GUARANTEED PRICES FOR SUGARCANE

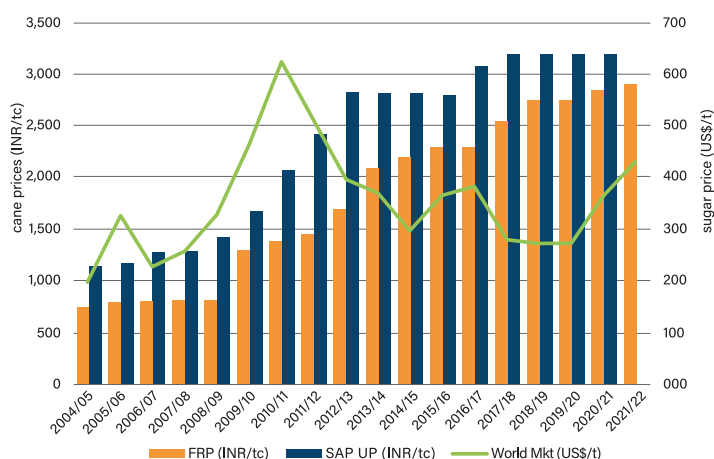
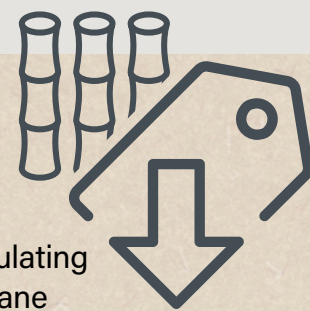


Figure 2: India: World raw sugar prices (US\$/t) and Cane prices (INR/tc) 2004/05 - 2020/21  
Source: ISMA, CACP, ICE

Cane prices completely disconnected from world market price trends, stimulating overproduction of sugarcane

India's sugarcane price support exceeded the level permitted under WTO Agreement on Agriculture

Sugar mills compensated when sugar cane prices exceed sugar producers' revenues







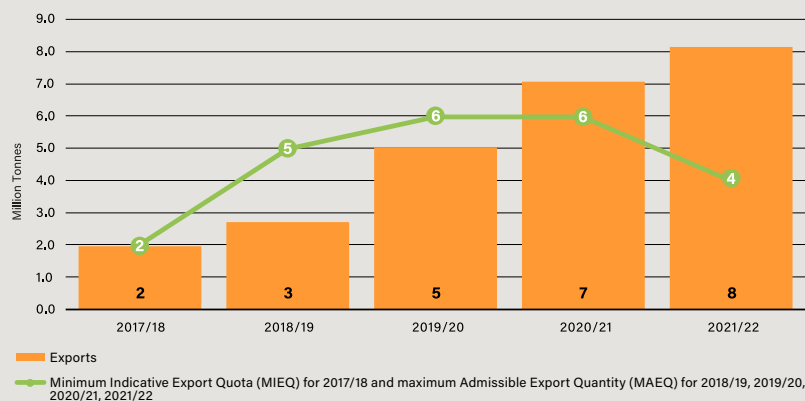
## EXPORT SUPPORT



High sugarcane prices → steady increase of sugarcane and sugar production. Persistent large sugar surpluses have to be stored or exported with the help of massive subsidies.

These subsidies include export quotas, aids for marketing and transportation, and funding of buffer stocks.

World sugar market flooded with subsidised Indian sugar between 2018/19 and 2020/21.



**Figure 3:** India's sugar exports and subsidised export quotas over the past five years.  
Source: S&P Global, WTO

Export quotas:  
**\$850m**  
in 2019/20

Internal transport subsidy (linked):  
**\$700m**  
in 2018/19 and 2020/21

Economic support from the Indian government to the Indian Sugar sector from 2014/15 to 2020/21:  
**\$1.2 billion on Production subsidies**  
**\$1.5 billion on export subsidies**  
**\$400 million on buffer stocks**

## SUSTAINABILITY



India – third water waster from all sugar producers worldwide<sup>1</sup>.



Sugar cane farmers in India have the possibility to use about 40 pesticides that have never been approved or have been banned in the EU.

1. The Wire Science. 13 July 2021. A water crisis is hiding behind India's sugar dominance.



**Sugarcane burning remains a widespread agricultural practice, causing air pollution and negative health outcomes among local populations and field workers.**

Source: S&P Global, WTO