Government Relaxes Sugar Stockholding Limit for Bulk Consumers from 15 to 30 Days, Additional stock to be sourced exclusively from imported sugar under Advance Authorization Scheme (AAS) and Tariff Rate Quota (TRQ)

Retail Sugar Prices Decline by Around 10%; Government Urges Traders, wholesalers & Retailers to Pass on Benefit of Lower Ex-Mill Prices to Consumers

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The Government has decided that the existing 15 days' stockholding limit for bulk consumers is relaxed to 30 days, subject to the condition that the quantity of stock held beyond the existing 15 days' limit, shall be sourced exclusively from sugar imported under Advance Authorisation Scheme (AAS) and Tariff Rate Quota (TRQ). The stockholding limit for purchase from the open market shall remain unchanged and will be restricted to 15 days' consumption only. The government has also put in place a mechanism for the declaration and **weekly disclosure of sugar stocks every Friday** by bulk consumers through the Department of Food and Public Distribution's online portal @ https://foodstock.dfpd.gov.in/

The Government has held detailed consultations with major bulk consumers of sugar and their suggestions have been duly considered with a view to maintaining a stable and orderly sugar market.

At present, bulk consumers using or consuming more than 10 MT of sugar per month as a raw material for production, consumption or use are permitted to hold sugar stock for a period not exceeding 15 days of their consumption. Bulk consumers have represented that the existing limit may be enhanced, particularly in view of the upcoming festival season. They also suggested that they may be permitted to directly source sugar from importers holding sugar imported under Advance Authorisation Scheme and Tariff Rate Quota, so as to ensure uninterrupted availability of sugar for industrial consumption without adversely affecting domestic supplies.

The measure is intended to strike a balance between the interests of bulk consumers and the need to maintain stability in the domestic sugar market. It will provide greater operational flexibility to genuine industrial consumers during the upcoming festival season while ensuring that additional stocks are sourced from imported sugar rather than placing undue pressure on domestic stocks.

Retail sugar prices declined by 10%

Retail sugar prices have declined by around 10% from their peak **(Rs. 65 in August to Rs. 58.50)**. However, ex-mill prices have already declined by nearly 25%. The Government observed that the slower decline in retail prices indicates that the benefit of the reduction in ex-mill prices has not yet been fully transmitted through the supply chain to the consumer.

In a joint meeting held today with representatives of ISMA, the National Federation of Cooperative Sugar Factories and sugar trade, Secretary, Department of Food and Public Distribution, underlined that the reduction in ex-mill prices has not yet been reflected fully in retail prices.

The Government today made a strong appeal to the sugar traders, wholesalers & retailers to immediately pass on the benefit of the significant reduction in ex-mill sugar prices to consumers, emphasising that the decline in retail prices must keep pace with the correction already achieved at the mill level. The Government called upon the entire sugar value chain to collectively ensure that sugar and sugar-based products remain affordable and within the reach of consumers during the forthcoming festivals.

The Secretary emphasised that the farmer and the consumer are the two central pillars of India's sugar policy. The Government has consistently worked to balance the interests of sugarcane farmers with the need to maintain stable and reasonable sugar prices for consumers. From October 1, 2026, with the commencement of the new sugar season, sugarcane farmers will receive the increased Fair and Remunerative Price (FRP) of ₹365 per quintal. The Government has been increasing FRP every year to ensure remunerative returns to sugarcane farmers while maintaining balance in the sugar sector.

The Government will continue to closely monitor the availability and prices of sugar in the domestic market and take appropriate measures, as necessary, to ensure adequate availability of sugar to consumers as well as the requirements of the food processing and other industries.

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