



ICMA's Sugar Sector Deregulation Plan for Pakistan: Gradual with Strong Oversight

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Research and Publications Department

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Message from the Vice President ICMA and Chairman, Research & Publications Committee



I am delighted to share with you this important report from ICMA's Research and Publications Department: ICMA's Sugar Sector Deregulation Plan for Pakistan: Gradual with Strong Oversight.

This work arrives at a pivotal moment. Pakistan is stepping away from over seventy years of sugar price controls, a bold move that could reshape one of our most vital and complex industries. Yet, as recent parliamentary findings reveal, this sector faces serious challenges, including misreported stocks, artificial shortages, and weak oversight. These are not merely statistics; they impact farmers, millers, businesses, and families nationwide.

In response, policymakers have called for full deregulation to curb market manipulation and speculation. We agree that change is essential, but we also believe that simply removing controls is insufficient. True reform must be responsible, transparent, and carefully managed.

That is why ICMA proposes a path forward that is both ambitious and prudent: a gradual transition supported by strong governance. Our plan prioritizes strategic food reserves, fair competition, digital monitoring, and timely payments to farmers, because reform must protect people, not just open markets.

This is more than a policy paper. It is a practical roadmap for building a sugar sector that is resilient, competitive, and equitable. I encourage all stakeholders, from government leaders to industry representatives, to engage with these ideas and help bring this vision to reality.

Together, we can move beyond crisis-driven policies and create a system that works for everyone. I extend my sincere appreciation to the ICMA research team for their dedication and insight in preparing this timely and actionable report.



Muhammad Yasin, FCMA

Preamble

The Pakistan Government is moving to deregulate the Sugar Sector, ending 77 years of price control and bringing a major change to one of the country's most politically sensitive and economically important industries. The plan will allow new sugar mills to be established, encourage private investment, and give market forces the authority to determine prices, imports and exports. To support this transition, ICMA Research and Publications Department has prepared a Gradual & Strong Oversighted Deregulation Plan to guide the development of a transparent, resilient and market driven industry that aligns with global practices while reflecting Pakistan's institutional realities.

While deregulation may help reduce distortions, strengthen competition and improve efficiency, ICMA's analysis shows that it cannot by itself resolve Pakistan's long standing market challenges without strong enforcement and effective oversight. Historical patterns of cartelization in the sugar sector, delays in farmer payments, inaccurate stock reporting, and sudden trade decisions for sugar imports or exports, along with politically influenced market behavior, continue to affect fair pricing and food security. This study therefore examines what is likely to change under full deregulation and why a gradual, semi deregulated transition with active government oversight is essential to prevent market volatility, protect vulnerable stakeholders and ensure that the intended benefits of deregulation are realized.

ICMA Study Framework for Sugar Deregulation

Market Changes

Ten major changes are expected once prices, exports, imports, contracting, and marketing are fully market-driven.

Enforcement & Oversight

Strong enforcement is needed even in a deregulated system to ensure transparent stock levels, fair competition, climate risk management, secure payments, and reliable market data.

ICMA Strategies

- Implement a National Agricultural Stock Management and Monitoring System for real-time stock visibility.
- Introduce rule-based trade triggers for imports and exports.
- Provide targeted subsidies to protect vulnerable stakeholders.
- Enforce competition measures to prevent collusion and unfair practices.
- Apply hybrid cane pricing (regional cost + CONSECANA model) to ensure fair pricing for farmers and mills.
- Expand warehouse receipt systems to improve storage and supply chain transparency.
- Establish escrow-based payment systems to ensure timely payments to farmers.
- Integrate climate-resilient risk management to address production and market risks.

Monitoring & Risk Management: The National Agricultural Stock Management System (Real-Time E-Portal) allows the government to monitor stock levels, detect shortages or surpluses instantly, trigger automatic policy responses, prevent hoarding, and safeguard food security across all agricultural value chains.

Global Best Practices: Lessons from India, Brazil, Colombia, the EU, Australia, Malawi, Tunisia, Mozambique, and South Africa show that successful deregulation requires strong institutional checks, transparent data systems, effective antitrust enforcement, targeted safety nets, and climate-risk management.

These measures provide a comprehensive framework to ensure a smooth transition, protect the rights of farmers, mills and consumers, stabilize prices, and strengthen the long-term competitiveness of Pakistan's sugar industry. The report emphasizes that deregulation supported by strong governance, rather than deregulation alone, is the only path to a modern, competitive, and food-secure sugar and agriculture sector.

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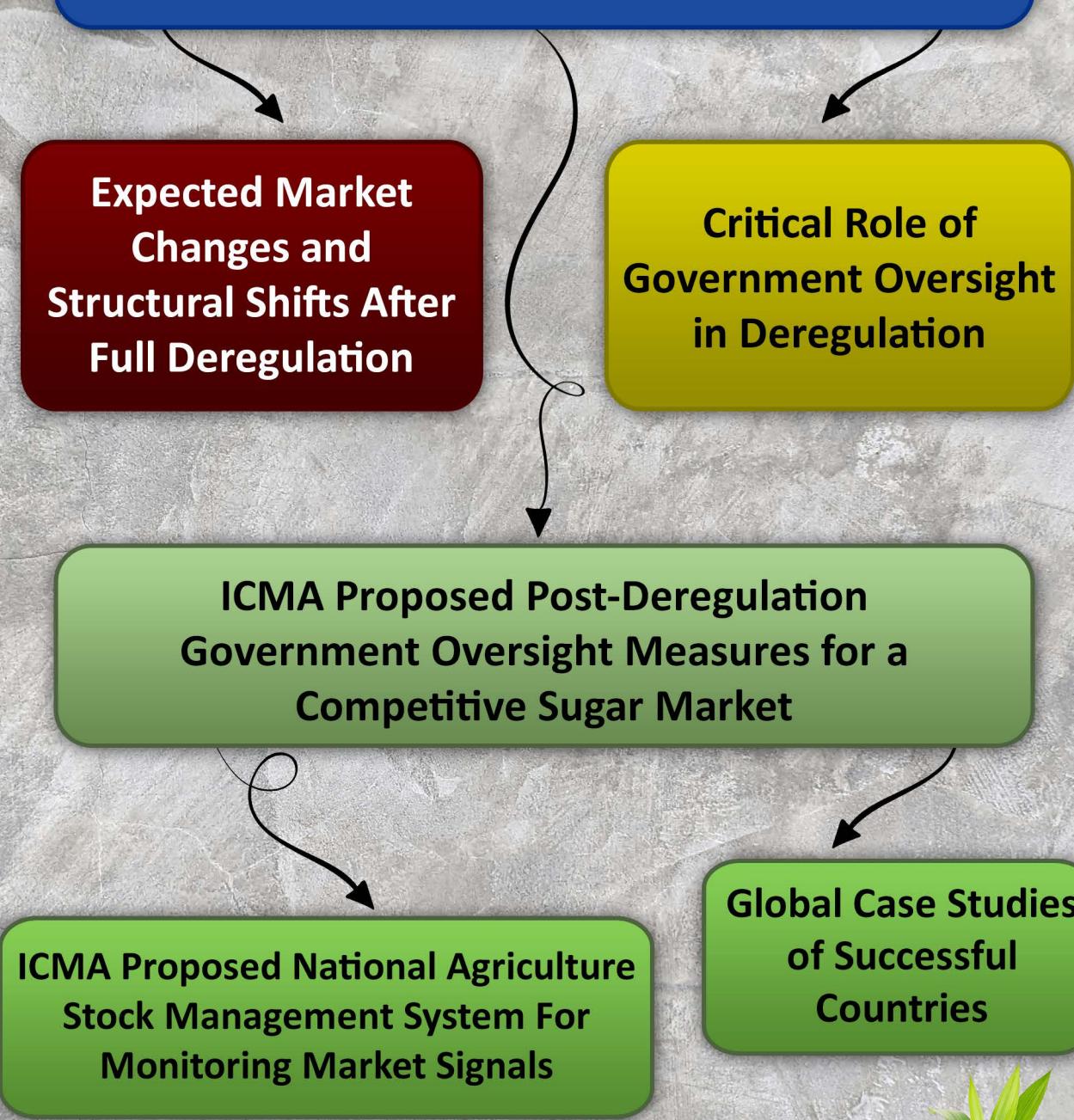
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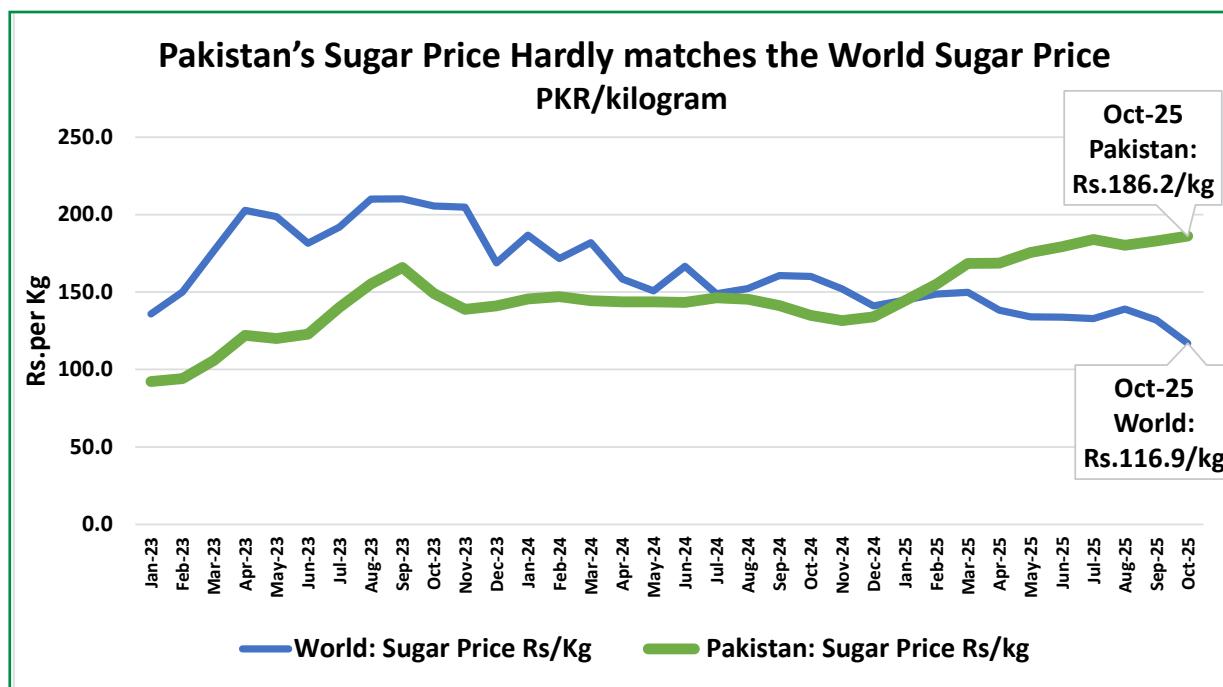
Key Elements of ICMA Proposed Gradual Deregulation and Oversight Plan



ICMA Identifies Why Government Enforcement Remains Critical in Sugar Deregulation

Full deregulation can fix many structural problems in Pakistan's sugar sector, such as price misalignment, inefficient mills, and under-investment. However, it will not stop cartelization, hoarding, or misreporting on its own, as politically connected firms could exploit transitional gaps. The findings of the Competition Commission of Pakistan (CCP) and recent Government and Parliamentary actions highlight both the need for deregulation and the ongoing importance of effective enforcement.

Figure: 1



Source: PBS, Karaandaz, Contract no. 5 London Sugar (LSUc1) from investing.com

Figure 1 shows that Pakistan's domestic sugar prices rarely match global market prices, emphasizing the need for a market-oriented, deregulated system. Still, full deregulation alone cannot resolve longstanding issues, including delayed payments to farmers, stock misreporting, abrupt trade decisions, and politically influenced market behavior. These challenges make government enforcement and transition measures essential for a successful deregulation process.



ICMA Case for Government Oversight After Sugar Deregulation

ICMA highlights the following ten key market changes in the post-deregulation era and recommends strategies for government oversight, supported by global case studies:

01

Production Levels will be determined by Demand and Supply

After Deregulation

The government does not intervene. Producers set output based on demand and profitability.

Reasons for Government Oversight

If a few large mills control most processing and collude, they can keep domestic prices high even without official quotas. Past CCP investigations highlight such cartel behavior, underscoring the need for strong government oversight.

1) ICMA Proposes a National Sugar Stock Electronic Monitoring System (NEMS)

Proposed Strategy: The government should develop an e-portal to calculate and publish the optimum sugar stock, including buffer stocks sufficient for six months of national consumption. Mills, dealers, and farmer groups will register on the portal to record real-time seasonal production, stock levels, and transactions. This will enable timely interventions and strengthen food security.

Economic Impact: Monitoring real-time sugar stocks prevents false shortage claims and supports rule-based trade decisions. The e-portal ensures traceability, limits opportunities for fabricated exports, and automatically triggers investigations and temporary trade measures during shortages.

Case Study: India's Stock Management System



India's Department of Food & Public Distribution (DFPD) uses a digital system to track sugar, wheat, and rice stocks, including online submissions from mills and storage units. This system enhances transparency and accuracy, allowing the government to monitor real-time stock levels, reduce diversion, and make informed release decisions. India's new Sugar (Control) Order 2025 aims to achieve similar transparency.



02

Market Prices will be determined by Supply and Demand

After Deregulation

The government no longer sets cane or retail sugar prices. Mills, traders, and farmers negotiate freely, and domestic prices respond directly to market forces.

Reasons for Government Oversight

Powerful mills and politically connected traders can still manipulate prices by withholding supply or influencing the market. A “free” price can therefore be artificially driven up. Pakistan has seen sharp price spikes and repeated claims of manufactured shortages, despite adequate reported production.

2) ICMA Urges Mills and Traders to Publish Stock Data to Ensure Fair Market Prices

Proposed Strategy: The Competition Commission of Pakistan (CCP) should be given stronger and faster powers to detect and prevent price manipulation and hoarding. Mills and major traders must publish daily or weekly wholesale prices and their stock levels on the e-portal, in line with the government’s published optimum sugar stock. This ensures timely action to maintain market stability.

Economic Impact: Even in a deregulated market, politically connected firms can collude. Public price and stock data remove the informational advantage hoarders rely on, and strict penalties deter abuse, ensuring fair market prices.

Case Study: Antitrust Enforcement in Colombia’s Sugar Sector



In Colombia, the national competition authority, Superintendencia de Industria y Comercio (SIC), acted against anti-competitive practices in the sugar market. In 2015, it broke a cartel that restricted supply, enabling downstream firms to expand output. In 2011, it ruled against abuse of dominance, lifting inflated input prices and improving profit margins. This case demonstrates how targeted antitrust action can unlock unused capacity, reduce distortions, and create fair conditions across the value chain.



03

Producers can Export and Traders can Import based on Market Profitability

After Deregulation

Under full deregulation, exports and imports are allowed. Trade decisions are guided by where higher profits can be achieved; selling domestically or in the international market.

Reasons for Government Oversight

In Pakistan, export decisions have sometimes relied on misleading data, leading to poorly timed exports during periods of low domestic availability and worsening shortages. Deregulation without verified data cannot prevent such risks.

3) ICMA Recommends Rule-Based Trade Triggers with Independent Verification to Prevent Export-Related Shortages

Proposed Strategy: Exports should be allowed only when independently verified national stock levels exceed the optimum sugar stock on the e-portal. Pre-announced triggers for imports and exports should be used to avoid ad-hoc policy moves. If stock is below the optimum level, an automatic import window opens. If stock exceeds the optimum, export permits can be issued only after ensuring buffer stock requirements are met.

Economic Impact: Exports based on unverified industry-supplied data have caused shortages. Independent verification prevents misuse of export permits for private gain and supports market stability.

Case Study: WTO Dispute DS507 – Thailand Sugar Subsidies

In 2016, Brazil requested consultations with Thailand under the WTO dispute settlement system, alleging that Thailand's support for its sugar industry violated WTO rules on agriculture and subsidies. Thailand reformed its domestic sugar regime, amending the Sugarcane and Granulated Sugar Act in December 2022, and in March 2024 officially notified a mutually agreed solution. This case demonstrates that reforming export and subsidy regimes, along with compliance with international trade rules, strengthens transparency, fair competition, and alignment with global norms.



04

Universal Subsidies & Support Payments will be Phase Out:

After Deregulation

General subsidies and financial support may be removed in case of full deregulation to promote free market mechanism.

Reasons for Government Oversight

If subsidies are cut too quickly without support, small farmers and mills may suffer. Without government support to vulnerable groups, large players may capture remaining benefits.

4) ICMA Recommends Phasing Out Universal Subsidies and Providing Targeted Support

Proposed Strategy: Remove blanket subsidies that distort markets. Replace them with targeted, time-limited grants or soft loans for small mills and farmers to modernize and meet quality standards.

Economic Impact: Universal subsidies often benefit well-connected large mills and create fiscal pressure. Targeted support supports vulnerable groups during transition without encouraging hoarding.

Case Study: Malawi & Tunisia Targeted Subsidy Scheme



In Malawi, the agricultural input subsidy programme initially provided heavily subsidized fertilisers and seeds to nearly all small farmers. Over time, it evolved into a more targeted scheme “The Farm Input Subsidy Programme (FISP)” focusing on smallholder farmers and vulnerable households. This targeting improved cost efficiency, promoted equity, and enhanced yields among those most in need. Research on Tunisia’s sugar subsidy reforms shows that removing general subsidies provides fiscal benefits while protecting vulnerable groups through targeted support.



05

No Minimum Sugarcane price and Free Contracting: Farmers Choose Their Buyers

After Deregulation

Minimum price for sugarcane purchase and compulsory zonal agreements may be removed. Farmers can freely choose buyers and sign private contracts with mills.

Reasons for Government Oversight

If the government doesn't set a minimum sugarcane price or enforce competition rules, powerful mills can cartelize and fix low purchase prices in the region.

5) ICMA Proposed Formula to Calculate Optimum Production Cost Using Regional Cost and CONSECANA Model

Proposed Strategy: Assess optimum sugarcane production costs for every region and set fair minimum prices for farmers. Link a portion of their payments to market-based outcomes such as sugar or ethanol prices, or the quality of sugarcane. This hybrid approach ensures farmers receive fair income and mills receive better-quality cane, supporting efficiency and higher production standards.

Economic Impact: Region-specific pricing helps stabilize sugarcane supply, protects farmer livelihoods, encourages continued cultivation, and reduces the risk of market distortions or hoarding. Linking part of the payment to local and international market prices also promotes efficiency and better resource allocation.

Case Study: Fair & Remunerative Price (FRP) & CONSECANA Model



India uses a Fair & Remunerative Price (FRP) based on production costs and regional differences, ensuring that farmers recover their costs and continue growing sugarcane.

In Brazil, sugarcane growers are paid according to the Total Recoverable Sugar (ATR) content through the CONSECANA system, which uses a transparent formula linked to real sugar and ethanol market prices. This system ensures fair payments, reduces disputes, and strengthens trust between mills and growers.



06

Government Market Ownership and Boards Transition to Private Marketing

After Deregulation

The Government will scale back its role in marketing, allowing private firms and exporters to manage trade independently.

Reasons for Government Oversight

Without transparency, private marketing of sugar can be exploited by cartels to conceal stocks or coordinate exports. Public boards previously provided oversight, although imperfect.

6) ICMA Recommends Promoting Ethanol & Bagasse Value-Added Demand Once Optimum Stock Level Is Achieved

Proposed Strategy: Once the industry achieves a resilient and sustainable optimum sugar stock level, increase surplus production by providing tax incentives, affordable credit for ethanol plants, and bagasse cogeneration or feed-in tariff schemes. Under these schemes, the Government guarantees a fixed and above-market price for electricity generated from renewable sources, ensuring mills have alternative outlets when sugar prices fall. This approach ensures renewable energy production only utilizes surplus sugar without affecting the optimum stock level.

Economic Impact: By-product markets absorb excess supply, stabilize sugar prices, and increase mill incomes, reducing incentives to hoard or manipulate sugar supply.

Case Study: Brazil's Sugar Industry – Ethanol and Biofuel



Brazil introduced a strong policy framework allowing sugarcane to be used flexibly for sugar or ethanol fuel, helping stabilize the sector. Mandatory fuel blending requirements for ethanol, encouragement of “flex-fuel” vehicles, and deregulation allowed mills to switch production between sugar and ethanol depending on market conditions. This made the sugar-ethanol supply chain more resilient: when sugar prices were weak, more cane went into ethanol, and vice versa.



07

New Entrants Will Be Permitted to Invest in the Sugar Industry

After Deregulation

Easier licensing and lower entry barriers will encourage new mills, refiners, and by-product firms to enter the market.

Reasons for Government Oversight

New entrants are currently officially banned in the sugar mill industry. The CCP has explicitly recommended lifting this ban to allow new firms to enter, enhancing competition and reducing the dominance of existing players.

7) ICMA Proposes Lifting Ban on New Entry and Expanding Certified Warehouses & Warehouse-Receipt Financing

Proposed Strategy: The Government should remove the ban on new entry in the sugar mill industry to reduce the risk of collusion or market blocking by a few large players. In addition, extend certified, low-cost warehouses nationwide for the sugar sector, enabling mills, traders, and farmers to store sugar and use Electronic Warehouse Receipts (EWRs) as collateral for bank loans.

Economic Impact: This approach reduces hoarding, unlocks liquidity, and enhances market transparency, stabilizing domestic sugar prices. Recent sugar EWR pilots confirm feasibility, supporting a more efficient, resilient, and transparent sugar supply chain.

Case Study: Structuring African Warehouse Receipt Systems (WRS) to Succeed



Experiences from Africa (Ghana, Uganda, Malawi, Zambia) demonstrate how WRS can benefit small farmers. Key recommendations include focusing on community warehouses instead of only large commercial ones, implementing tailored grading and quality standards, simplifying collateral receipt procedures, and addressing cost and transaction barriers.



08

Stock Management & Warehousing will be done by Private Sector

After Deregulation

Private warehouses will manage stocks and report digitally, while the government intervenes only when rules are triggered.

Reasons for Government Oversight

Without verified reporting, mills and dealers can conceal stocks and create artificial shortages. Recent government seizures and audits show disputes over actual stock levels.

8) ICMA Urges Monitoring Stock Levels for Accountability & Publishing Monthly Transparency Reports

Proposed Strategy: Governments should regularly monitor stock levels and publish accurate monthly market data, comparing it with information provided by mills, dealers, and farmers. This data should be linked to an e-portal to detect discrepancies, ensure accountability, and make information accessible to all stakeholders across the supply chain.

Economic Impact: Publicly available data curbs false shortage claims, builds trust, and enables policymakers and markets to make informed decisions. Transparency stabilizes markets, strengthens decision-making, and aligns all stakeholders around reliable information.

Case Study: EU / Australia Data Transparency Lessons



In the EU and Australia, publishing clear market data fostered trust and guided better decisions. In the EU, the Agri-Food Supply Chain Observatory shares price and stock information so all participants in the food chain can monitor market conditions. In Australia, the SIRP released regular reports on progress, market trends, and farmer support. Public access to this information reduced false shortage claims, enabled markets to react based on real data, and kept all stakeholders well-informed.



09

Farmers and Mills can negotiate Sugarcane Payment Schedules

After Deregulation

Farmers and mills may mutually negotiate and establish a sugarcane payment schedule based on their operational and financial feasibility.

Reasons for Government Oversight

Liquidity squeezes can be used to force concessions. Deregulation without payment enforcement leaves growers vulnerable. This perpetuates weak incentives and low yields. Audits show mills owing growers large sums in some provinces.

9) ICMA Recommends Securing Farmers' Payments Through Escrow Accounts

Proposed Strategy: Enforce timely payment rules requiring mills to pay sugarcane suppliers within a legally mandated period (e.g., 15 days). Payments should be secured through escrow accounts or bank guarantees. Mills that default should face fines and trade sanctions.

Benefit to Economy: Powerful mills often delay payments to pressure farmers. Enforceable payment rules protect farmer livelihoods, encourage continued planting, and stabilize production.

Case Study: Escrow Account Usage in USA & Australia



In some countries, escrow accounts ensure farmers are paid safely and on time. In the United States, crop insurance payments are sometimes held in escrow so funds go directly to farmers when needed. In Australia, escrow accounts are used for farmer trades to protect payments and build trust. These examples demonstrate that escrow accounts can prevent delays or misuse of funds and ensure farmers receive their money.



10

Climate Risk Responsibility Shifts more to Private Sector

After Deregulation

After full deregulation, farmers and mills may need to independently manage the impacts of floods, droughts, and other climate-related shocks, without relying on direct government intervention.

Reasons for Government Oversight

In Pakistan, climate change is already disrupting agriculture; extreme weather, water scarcity, and unpredictable rainfall are putting crops at risk. Without government-led support, such as early-warning systems, climate-smart infrastructure, or risk insurance, the private sector cannot fully absorb these losses, leaving farmers vulnerable and production unstable.

10) ICMA Urges Weather-Proof Agriculture Using Resilient Seeds & Flood Management

Proposed Strategy: For each agricultural season, estimate production capacity considering possible weather shocks such as floods, droughts, or unpredictable rainfall. Manage these risks using climate-resilient seeds and hydrodynamic modelling to improve irrigation infrastructure, flood-prevention systems, and emergency storage buffers. Coordinated planning between governments, private companies, and local communities ensures both large farms and smallholders can better withstand adverse weather events.

Economic Impact: By anticipating seasonal supply risks and maintaining emergency reserves, governments and producers can respond systematically rather than reactively. This reduces market volatility, stabilizes crop supply, protects farmers' incomes, and lowers fiscal costs associated with emergency imports or disaster relief.



Case Study: Tunisia Climate-Resilient Seeds



In Tunisia, unpredictable rainfall and droughts affect wheat production, increasing reliance on imports. The World Bank supports projects that provide climate-resilient seeds, help farmers cope with weather shocks, and maintain emergency grain stocks. Expanding grain storage allows larger reserves, enabling timely responses to supply shortages without panic buying. These measures stabilize markets and reduce fiscal costs during adverse weather years.

Case Study: Lower Incomati Basin (Mozambique & South Africa), Sugar Sector Flood Management



In the Lower Incomati Basin, spanning Mozambique and South Africa, flood-risk management has successfully protected the sugar sector. Supported by the Climate Resilient Infrastructure Development Facility (CRIDF), a public-private partnership implemented flood embankments, drainage channels, and watercourse control using hydrodynamic modelling. These measures reduced vulnerability for both large sugar estates and smallholder outgrower farmers. The project shows that coordinated planning between governments, private sugar companies, and local communities can stabilize production and reduce flood impacts, replacing reactive, ad-hoc responses.



ICMA Proposed National Agricultural Stock Management and Monitoring System

(Agriculture stock include sugar, wheat, rice, etc)

To strengthen national food security and prevent sudden shortages, the government should establish a centralized e-portal capable of monitoring the product-wise, real-time status of national stock levels. By continuously comparing these levels with seasonally defined optimum production and optimum stock thresholds, the government can significantly enhance its ability to respond promptly to emerging supply gaps.

ICMA's Recommended Stock Monitoring Framework

The government should systematically track changes in key market variables through the National Agricultural Stock Management and Monitoring System e-portal. Timely observation of these signals will support early detection of market stress, enable rapid investigation of underlying causes, and guide the design of appropriate policy interventions. The ICMA-proposed system serves as a practical, self-correcting and effective mechanism to monitor agricultural commodities and strengthen Pakistan's overall food security architecture.

Market Variables to Monitor (Signals)

1. Optimum Production level	4. Domestic sugar stock level
2. Available optimum stock level	5. World sugar price
3. Domestic sugar production level	6. Optimum domestic sugar price

Monitoring Technique

Step 1: Detect Market Deviations

Identify any deviation or signal in the monitored market variable.

Step 2: Analyze Market Response

Assess how the market is likely to react to this change.

Step 3: Investigate Root Causes

Examine the economic, supply-chain, and policy factors driving the deviation.

Step 4: Implement Policy Response

Formulate and execute the most effective intervention to stabilize the market.

Refer to the next page for ICMA's demonstration of the National Agricultural Stock Management System.

Monitoring Key Market Variables and Signals for National Agricultural Stock



Signal # 01



Sugar Stock Level (Decreases)



(Gets Lesser than)

Required Optimum Stock Level

Expected Market Reactions to Change

- Domestic sugar prices likely to rise
- Hoarding and speculation could increase
- Exports may remain unchecked

Possible Root Causes to Change

- Natural disasters (floods, droughts)
- Hoarding and speculative shortages
- Supply tightness and poor inventory monitoring

ICMA Proposed Policy for Market Stability

- Temporarily restrict sugar exports to ensure domestic supply
- Release strategic sugar reserves via transparent auctions
- Encourage short-term imports through tariff cuts or duty suspension
- CCP to promptly investigate causes of stock level reductions





Signal # 02



Sugar Stock Level **(Increases)** →

(Gets Greater Than)

Required
Optimum Stock Level

Expected Market Reactions to Change

- Domestic sugar prices likely to fall
- Storage costs may rise
- Sugar exports could increase

Possible Root Causes to Change

- Oversupply or weak demand
- Risk of mill financial stress
- Higher world prices incentivize mills to increase production and export

ICMA Proposed Policy for Market Stability

- Encourage exports to absorb surplus in line with WTO rules
- Promote ethanol and by-product production to diversify usage
- Establish low-cost warehouses for private sugar stocks designated for future exports
- Limit imports until there is any stock shortage





Signal # 03



**World Sugar
Price (Increases)**

(Gets Greater Than)

**Domestic
Sugar Price**

Expected Market Reactions to Change

- Mills may export sugar to earn higher profits
- Hoarding and speculation could push domestic prices up

Possible Root Causes to Change

- Domestic stock exceeds optimum level
- Higher productivity and efficiency lower domestic prices

ICMA Proposed Policy for Market Stability

- Permit exports only when sugar stock exceeds the optimum level
- If domestic supply falls short due to hoarding, use forward import contracts to stabilize supply
- Imported sugar pressures hoarders to release stock





Signal # 04



Expected Market Reactions to Change

- Low global prices reduce export profitability for mills
- Mills may cartelize to shield domestic prices from global decline
- Mills may diversify into profitable by-products like ethanol and bagasse

Possible Root Causes to Change

- Supply shocks from floods or natural disasters
- Mills may hoard locally and sell at higher domestic prices

ICMA Proposed Policy for Market Stability

- CCP immediately escalates investigation to identify the root cause of sudden price rises
- If the cause is natural disaster or cartel manipulation and reported stock is below optimum, trigger sugar imports to stabilize supply
- If reported stock exceeds optimum, promote ethanol blending programs to absorb the surplus





Signal # 05



**World Sugar
Price (Decreases)**

**(Simultaneous
Drop in Both Prices)**

**Domestic Sugar
Prices (Decreases)**

Expected Market Reactions to Change

- Opportunity to stabilize reserves at lower cost

Possible Root Causes to Change

- Global market correction process benefiting consumers

ICMA Proposed Policy for Market Stability

- Build public-private reserves to maintain optimum inventory at lower cost
- Use excess production to support future export contracts





Signal # 06



Domestic Sugar Production (Decreases)

(Low Seasonal Harvest than)

Required Optimum Production level

Expected Market Reactions to Change

- Short-term domestic shortage likely to push prices up

Possible Root Causes to Change

- Weather events or floods
- Incorrect data recorded in the National Stock Level system by mills or traders

ICMA Proposed Policy for Market Stability

- If investigations confirm artificial shortages for price manipulation, regulators should impose strict financial penalties and legal action against responsible mills or market participants to prevent future distortions.
- In case of natural disasters, the government should provide merit-based financial support to affected farmers to ensure long-term agricultural sustainability.





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<https://evegoils.nic.in/rice/login.html>

https://dfpd.gov.in/WriteReadData/StockHolderUploadDocuments/2891a4b8-f887-4f15-a4da-39f5aadc329e_Release%20order%20July%2C%202025%20English_000425.pdf

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2) ICMA Urges Mills and Traders to Publish Stock Data to Ensure Fair Market Prices

<https://documents.worldbank.org/en/publication/documents-reports/documentdetail/099248406262520726>

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3) ICMA Recommends Rule-Based Trade Triggers with Independent Verification to Prevent Export-Related Shortages

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4) ICMA Recommends Phasing Out Universal Subsidies and Providing Targeted Support

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7) ICMA Proposes Lifting Ban on New Entry and Expanding Certified Warehouses & Warehouse-Receipt Financing

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