



INDIAN SUGAR SECTOR

Grain-based distillery to boost ethanol production for ESY2025

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The OMCs have allocated around 837 crore litres of ethanol for ESY2025, out of which 63% allocation is towards grain-based feedstock (maize and damaged food grains) and rest towards molasses-based feedstock.

Domestic prices continued to remain firm in the range of Rs. 38-39/kg mainly due to ongoing festive season.



Sugar Demand-Supply Balance Estimates – ISMA* projects gross sugar production of 33.3 million MT in SY2025 against 34 million MT in SY2024. After considering the ethanol diversion of 4 million MT, net sugar production is likely to decline to 29.3 million MT. The closing sugar stock levels, post domestic consumption, is expected to remain moderately high at around 9.4 million MT as on September 30, 2025.



Sugar Production – Net sugar production is expected to remain at 32.0 million MT, after diversion for SY2024. Domestic sugar consumption is estimated at 28.5 million MT in SY2024; therefore, closing stock is expected to be around 9.0 million MT as on September 30, 2024 (significantly higher than the sugar stock of 5.6 million MT as on September 30, 2023). This would be equivalent to 3.8 months of consumption (PY: 2.4 months).



Domestic Sugar Prices – Domestic sugar prices (Uttar Pradesh) continued to remain firm in the range of Rs. 38-39/kg mainly due to the ongoing festive season.



International Sugar Prices – International prices of raw sugar improved to \$456/MT in September 2024 over \$406/MT in August 2024 while prices of white sugar improved to \$549/MT in September 2024 over \$522/MT in August 2024. The premium between white and raw sugar stood at \$93/MT in September 2024—lower than \$116/MT in August 2024.



Ethanol – In September 2024, India achieved an ethanol blending ratio of 15.90% and cumulative ethanol blending during November 2023–September 2024 stood at 13.8%. For ESY2024, 647 crore litres of ethanol have been contracted, of which 585 crore litres have been supplied till September 2024. The OMCs have invited tenders for the supply of 916 crore litres of ethanol for ESY2025 and offers for 970 crore litres of ethanol have been submitted by manufacturers across the country.

*ISMA: Indian Sugar Mills Association; SY: Sugar Year (from October 01 to September 30); ESY: Ethanol Supply Year (From Nov 1 to Oct 31); OMC: Oil Marketing Companies



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