



INDIAN SUGAR SECTOR

India achieves blending ratio of 18%
till February-end for the ongoing
ESY2025

MARCH 2025



1 Domestic Demand–Supply Dynamics



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As per ISMA*, India's sugar consumption is likely to be lower at 28 million MT compared to 29 million MT in the previous year, mainly due to the absence of major events like the 2024 General Elections, which were held in the summer months, resulting in the release of higher sales quota during April-June 2024.

Domestic sugar prices increased sharply since January 2025.



Sugar Demand–Supply Balance Estimates – As per ISMA's revised estimates gross sugar production is expected to decline to 29.9 million MT in SY2025 (P.Y. 34 million MT) against the second Advance Estimates of 31 million MT, mainly due to lower cane yields across three of the largest sugar-producing states. Further, net sugar production is expected to remain at 26.4 million MT (P.Y. 32.2 million MT), post the ethanol diversion of 3.5 million MT in SY2025. The closing sugar stock, following domestic consumption of 28 million MT and exports of 1 million MT, is likely to moderate at around 5.4 million MT as on September 30, 2025 (P.Y: 8.0 million MT).



Sugar Production – For SY2025, sugar production stood at 23.3 million MT till March 10, 2025, lower than the previous fiscal. This was mainly due to the decline in output in Maharashtra and Karnataka. Uttar Pradesh currently leads sugar mill operations, followed by Maharashtra and Karnataka. The number of operating sugar factories stood at 228 as of March 10, 2025.



Domestic Sugar Prices – Domestic sugar prices (Uttar Pradesh) increased sharply in January 2025 to Rs. 38.5/kg and further increased to Rs. 39.9/kg in February 2025 and Rs. 40.2/kg in March 2025 compared to Rs. 36/kg in December 2024. This was mainly due to the expected decline in sugar production in the current season.



International Sugar Prices – International prices of raw sugar improved to \$445/MT in February 2025 over \$418/MT in January 2025 while prices of white sugar improved to \$532/MT in February 2025 over \$498/MT in January 2025. The premium between white and raw sugar stood at \$87/MT in February 2025—higher than \$80/MT in January 2025.



Ethanol – In 4M ESY2025, India achieved a cumulative ethanol blending ratio of 18% while the February 2025 blending rate stood the highest at 19.7%. For 4M ESY2025, 279 crore litres of ethanol have been received and 302.5 crore litres have been blended.

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



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