

INDIAN SUGAR SECTOR

Production improved in the current sugar year due to better efficiency and cane quality

April 2026

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International sugar prices in SY2026 remained lower than the current cost of sugar production and domestic prices, mainly due to surplus supply from Brazil.



Demand-Supply Balance Estimates – As per ISMA's* third advance estimates, gross sugar production in SY2026 is projected to increase by 9.4% to 32.41 million MT (PY 29.6 million MT). Net sugar output in SY2026, after an estimated diversion of 3.1 million MT towards ethanol production, is likely to remain at 29.3 million MT. Considering domestic consumption of 28.3 million MT and export of 0.7 million MT, the closing sugar stock is expected to be 5.6 million MT (PY 5.3 million MT), which is about two months of consumption, indicating a comfortable demand-supply scenario.



Production – In SY2026, sugar production stood at 27.48 million MT till April 15, 2026, marking a YoY increase of 8% compared to 25.50 million MT during the same period last year. The increase in output was supported by adequate sugarcane availability and improved yield across the key sugar producing regions compared to the previous year. At present, Maharashtra leads the sugar mill operations, followed by Uttar Pradesh and Karnataka.



Domestic Prices – Domestic prices (Uttar Pradesh) remained firm at Rs. 40-41/kg during December 2025-February 2026.



International Prices – International prices declined substantially with raw sugar prices at \$326/MT in March 2026 against \$420/MT in March 2025, while the prices of white sugar declined to \$432/MT in March 2026 from \$538/MT in March 2025. The premium between white and raw sugar stood at \$106/MT in March 2026, lower than \$119/MT recorded in March 2025.



Ethanol – India's blending ratio remained steady at 20% in 5M ESY*2026. In 5M ESY2026, 417 crore litres have been blended, with 89 crore litres blended in March 2026.



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