

# INDIAN SUGAR SECTOR

**Sugar export ban to support  
domestic availability amid tightening  
SY2026 inventory levels**

**May 2026**



## 1 Domestic Demand-Supply Dynamics



## 2 Trend in Sugar Prices



## 3 Ethanol Blending in Petrol



## 4 ICRA Ratings in the Sector





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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** – Gross sugar production for SY2026 is projected to increase by 5.03% to 31.10 million MT (PY 29.6 million MT). Net sugar production, after an estimated diversion of 3.1 million MT towards ethanol production, is likely to remain at 28 million MT. Considering the domestic consumption of 28.3 million MT and export of 0.7 million MT (already done), the closing sugar stock level is expected to remain at around 4.3 million MT (PY 5.3 million ) by September 2026, which is about two months of consumption, indicating slightly lower sugar inventory levels compared to the previous years.



**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. 39-40/kg during March -April 2026.



**International Prices** – International prices fell substantially with raw sugar prices at \$310/MT in April 2026 against \$401/MT in April 2025, while the prices of white sugar declined to \$426/MT in March 2026 from \$509/MT in April 2025. The premium between white and raw sugar stood at \$117/MT in April 2026, higher than \$108/MT recorded in April 2025.



**Ethanol** – India's blending ratio remained steady at 20% in 6M ESY\*2026. In 6M ESY2026, 510 crore litres have been blended, with 93 crore litres blended in April 2026.

\* ESY: Ethanol Supply Year (from November 1 to October 31)



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# Analytical Contact Details

Name	Designation	Email	Contact Number
Girishkumar Kadam	Senior Vice-President and Group Head	<a href="mailto:girishkumar@icraindia.com">girishkumar@icraindia.com</a>	022 – 61143 441
Ankit Jain	Vice-President and Co-Group Head	<a href="mailto:ankit.jain@icraindia.com">ankit.jain@icraindia.com</a>	0124 – 4545 865
Rachit Mehta	Sector Head and Vice-President	<a href="mailto:rachit.mehta2@icraindia.com">rachit.mehta2@icraindia.com</a>	022 – 6169 3328
Menka Sabnani	Assistant Vice President	<a href="mailto:menka.sabanani@icraindia.com">menka.sabanani@icraindia.com</a>	079 – 6923 3003





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# Business Development/Media Contact Details

Name	Designation	Email	Contact Number
L Shivakumar	Chief Business Officer	<a href="mailto:shivakumar@icraindia.com">shivakumar@icraindia.com</a>	022-61693304
Sai Krishna	Head - Research Sales and Investor Connect	<a href="mailto:sai.krishna1@icraindia.com">sai.krishna1@icraindia.com</a>	9840774883
Rohit Gupta	Head Business Development – Infrastructure Sector	<a href="mailto:rohitg@icraindia.com">rohitg@icraindia.com</a>	0124-4545340
Vivek Bhalla	Head Business Development – Financial Sector	<a href="mailto:vivek.bhalla@icraindia.com">vivek.bhalla@icraindia.com</a>	022-61693372
Vinita Baid	Head Business Development – East	<a href="mailto:vinita.baid@icraindia.com">vinita.baid@icraindia.com</a>	033-65216801
Shivam Bhatia	Head Business Development – Corporate Sector – North & South	<a href="mailto:shivam.bhatia@icraindia.com">shivam.bhatia@icraindia.com</a>	0124-4545803
Sanket Kulkarni	Head Business Development – Corporate Sector – West	<a href="mailto:sanket.kulkarni@icraindia.com">sanket.kulkarni@icraindia.com</a>	022-6169 3365
Naznin Prodhani	Head - Group Corporate Communications & Media Relations	<a href="mailto:communications@icraindia.com">communications@icraindia.com</a>	0124-4545860





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