

INDIAN SUGAR SECTOR

Net sugar production estimated to decline by 14% in SY2025

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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 summer months resulting in the release of higher sales quota during April-June 2024.*

Domestic sugar prices increased sharply in January 2025.



Sugar Demand–Supply Balance Estimates – Net sugar production is expected to decline to 27.4 million MT in SY2025 against 32 million MT in SY2024 mainly due to lower cane yields across three largest sugar producing states along with increase in sugar diversion for ethanol production. The ethanol diversion for SY2025 is expected at 4.0 million MT. The closing sugar stock following domestic consumption of 28 million MT and exports of 1 million MT, is likely to moderate at around 6.1 million MT as on September 30, 2025 (P.Y: 7.7 million MT).



Sugar Production – For SY2025, sugar production stood at 9.54 million MT till December 31, 2024, over 11.30 million MT of sugar during the same period in the previous year. This was mainly due to decline in output in Maharashtra. Uttar Pradesh currently leads sugar mill operations, followed by Maharashtra and Karnataka. The number of operating sugar factories stood at 493 in SY2025 against 512 last year.



Domestic Sugar Prices – Domestic sugar prices (Uttar Pradesh) increased sharply in January 2025 to Rs. 38.5/kg 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 declined to \$449/MT in December 2024 over \$477/MT in November 2024 while prices of white sugar declined to \$529/MT in December 2024 over \$560/MT in November 2024. The premium between white and raw sugar stood at \$80/MT in December 2024 — slightly lower than \$83/MT in November 2024.



Ethanol – In 2M ESY2025, India achieved a cumulative ethanol blending ratio of 16.40% while the December 2024 blending rate stood highest at 18.2%. For ESY2025, 930 crore litres of ethanol have been allocated.



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Analytical Contact Details

Name	Designation	Email	Contact Number
Girishkumar Kadam	Senior Vice-President	girishkumar@icraindia.com	022 – 61143 441
Vikram V	Vice-President	vikram.v@icraindia.com	040 – 4547 4829
Rachit Mehta	Vice-President	rachit.mehta2@icraindia.com	022 – 6169 3328
Menka Sabnani	Senior Analyst	menka.sabanani@icraindia.com	079 – 6923 3003





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Business Development/Media Contact Details

Name	Designation	Email	Contact Number
L Shivakumar	Chief Business Officer	shivakumar@icraindia.com	022-61693304
Neha Agarwal	Head – Research Sales	neha.agarwal@icraindia.com	022-61693338
Rohit Gupta	Head Business Development - Infrastructure Sector	rohitg@icraindia.com	0124-4545340
Vivek Bhalla	Head Business Development - Financial Sector	vivek.bhalla@icraindia.com	022-61693372
Vinita Baid	Head Business Development – Corporate Sector - West & East	vinita.baid@icraindia.com	033-71501131
Shivam Bhatia	Head Business Development – Corporate Sector - North & South	shivam.bhatia@icraindia.com	0124-4545803
Naznin Prodhani	Head – Group Corporate Communications & Media Relations	communications@icraindia.com	0124-4545860





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