

INDIAN SUGAR SECTOR

**SY2025 expected to end with 19%
less net sugar production compared
to previous season**

MAY 2025



1 Domestic Demand–Supply Dynamics



2 Trend in Sugar Prices



3 Ethanol Blending



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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 – ISMA estimates gross sugar production of 29.6 million MT in SY2025 (P.Y. 34 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 26.2 million MT (P.Y. 32.2 million MT), post the ethanol diversion of 3.4 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 5.2 million MT as on September 30, 2025 (P.Y: 8.0 million MT).



Sugar Production – For SY2025, sugar production stood at 25.7 million MT till May 15, 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 two as of May 15, 2025.



Domestic Sugar Prices – Domestic sugar prices (Uttar Pradesh) continue to remain firmed up at Rs. 40/kg in April 2025 in line with March 2025 prices at Rs. 40.2/kg. This was mainly due to the expected decline in sugar production in the current season.



International Sugar Prices – International prices of raw sugar declined slightly to \$401/MT in April 2025 from \$420/MT in March 2025 while prices of white sugar declined to \$509/MT in April 2025 from \$539/MT in March 2025. The premium between white and raw sugar stood at \$108/MT in April 2025—lower than \$119/MT in March 2025.



Ethanol – In 6M ESY2025, India achieved a cumulative ethanol blending ratio of 18.6% while the April 2025 blending rate stood the highest at 19.7%. For 6M ESY2025, 457.4 crore litres of ethanol have been received and 477.1 crore litres have been blended.



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