

## INDIAN SUGAR SECTOR

---

**Gross sugar production expected to rebound by 18% in SY2026 as per ISMA's preliminary estimates**

**AUGUST 2025**



## 1 Domestic Demand–Supply Dynamics



## 2 Trend in Sugar Prices



## 3 Ethanol Blending



## 4 ICRA Ratings in the Sector





**Click to see full report**

*India's sugar output is expected to rebound in SY2026, driven by improved crop quality. This was supported by higher proportion of plant cane and adequate water availability.*

*Domestic sugar prices are expected to remain firm until the start of the next season.*



**Sugar Demand–Supply Balance Estimates** – As per ISMA's preliminary estimates, gross sugar production for SY2026 is estimated to increase by around 18% at 34.9 million MT (P.Y. 29.5 million MT). Net sugar production, post estimated diversion of 4 million MT towards ethanol production, is likely to remain around 30.9 million MT. Considering the domestic consumption of 28 million MT and export of 1 million MT similar to SY2025, the closing sugar stock level is expected to remain around 7.0 million MT (5.1 million MT), which is about three months of consumption, indicating comfortable demand-supply scenario.



**Sugar Production** – For SY2025, sugar production stood at 25.82 million MT till July 2025, marking a year-on-year decline of 18.38% compared to the corresponding period in the previous fiscal. This was mainly due to the decline in output in major sugar-producing states. Special crushing operations are currently under way in Karnataka and Tamil Nadu, from June to September and is expected to add some additional tonnes to the overall production.



**Domestic Sugar Prices** – Domestic sugar prices (Uttar Pradesh) remained firm at Rs. 39/kg in July 2025 and June 2025. Prices continue to hold steady with the expected decline in sugar production in the current season.



**International Sugar Prices** – International prices increased marginally with raw sugar prices of \$360/MT in July 2025 compared to \$357/MT in June 2025 while prices of white sugar stood at \$472/MT in July 2025 compared to \$471/MT in June 2025. The premium between white and raw sugar stood at \$112/MT in July 2025—lower than \$114/MT in June 2025.



**Ethanol** – In 9M ESY2025\*, India achieved a cumulative ethanol blending ratio of 19.1% while the July 2025 blending rate was the highest at 19.9%. For 9M ESY2025, 749 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)



ICRA

# 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
Vikram V	Vice-President and Co-Group Head	<a href="mailto:vikram.v@icraindia.com">vikram.v@icraindia.com</a>	040 – 4547 4829
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





ICRA

# 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





***© Copyright, 2025 ICRA Limited. All Rights Reserved.***

All information contained herein has been obtained by ICRA from sources believed by it to be accurate and reliable. Although reasonable care has been taken to ensure that the information herein is true, such information is provided 'as is' without any warranty of any kind, and ICRA in particular, makes no representation or warranty, express or implied, as to the accuracy, timeliness or completeness of any such information. Also, ICRA or any of its group companies, while publishing or otherwise disseminating other reports may have presented data, analyses and/or opinions that may be inconsistent with the data, analyses and/or opinions in this publication. All information contained herein must be construed solely as statements of opinion, and ICRA shall not be liable for any losses incurred by users from any use of this publication or its contents.



ICRA

# Thank You!