

# INDIAN SUGAR SECTOR

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**Domestic sugar prices remain firm,  
supported by ongoing festive season**

**SEPTEMBER 2025**



## 1 Domestic Demand–Supply Dynamics



## 2 Trend in Sugar Prices



## 3 Ethanol Blending



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*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, after 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 (YoY) 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 additional tonnes to the overall production.



**Domestic Sugar Prices** – Domestic sugar prices (Uttar Pradesh) remained firm at Rs. 40/kg in August 2025 improved from Rs. 39/kg in July-June 2025. Prices continue to hold steady with ongoing festive season.



**International Sugar Prices** – International prices increased marginally with raw sugar prices of \$361/MT in August 2025 compared to \$360/MT in July 2025 while prices of white sugar stood at \$479/MT in August 2025 compared to \$472/MT in July 2025. The premium between white and raw sugar stood at \$118/MT in August 2025—higher than \$112/MT in July 2025.



**Ethanol** – In 10M ESY2025\*, India achieved a cumulative ethanol blending ratio of 19.1% while the August 2025 blending rate stood at 19.8%. For 10M ESY2025, 837.5 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)



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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
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





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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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