

INDIAN SUGAR SECTOR

**Gross sugar production to rebound
in SY2026; estimated to be 16%
higher than in SY2025**

November 2025



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India's sugar output is expected to rebound in SY2026, driven by improved crop quality. This progress results from a higher proportion of cane planting and adequate water availability.

In ESY2026, OMCs had called for bids for 1,050 crore litres for the first cycle, and have attracted significant interest, with manufacturers placing bids for 1,776 crore litres.



Sugar Demand–Supply Balance Estimates – As per ISMA's first advance estimates, gross sugar production for SY2026 is projected to increase by around 16% at 34.4 million MT (P.Y. 29.6 million MT). The net sugar production, after an estimated diversion of 3.4 million MT towards ethanol production, is likely to remain at around 31.0 million MT. Considering the domestic consumption of 28.5 million MT and export of 1.5 million MT, the closing sugar stock level is expected to be around 6.3 million MT (P.Y. 5.3 million MT), which is about three months of consumption, indicating a comfortable demand-supply scenario.



Sugar Production – Sugar production in SY2025 fell by 7.2% to 29.61 million MT from 34.1 million MT in SY2024, mainly due to lower sugarcane availability, adverse weather, and pest outbreaks in key states like Uttar Pradesh and Maharashtra. Output is projected to rebound by 16% to 34.4 million MT in SY2026, primarily driven by a favourable monsoon and improved crop conditions across major regions. The increase is largely from Maharashtra and Karnataka, while Uttar Pradesh is expected to remain at previous year levels.



Domestic Sugar Prices – Domestic sugar prices (Uttar Pradesh) remained firm at Rs. 40/kg during August–September 2025. In October 2025, the prices increased to Rs. 41/kg, driven by increased demand during the 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 against \$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 ESY2025*, India achieved a cumulative ethanol blending ratio of 19.2% while the October 2025 blending rate stood at 20.0%. For ESY2025, 1003.1 crore litres have been blended.

*ISMA: Indian Sugar Mills Association; SY: Sugar Year (from October 01 to September 30); ESY: Ethanol Supply Year (from November 1 to October 31)



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