

INDIAN SUGAR SECTOR

Gross sugar production for SY2026 is expected to be lower than initially forecast due to reduced yields in major sugar producing areas

February 2026

1 Domestic Demand–Supply Dynamics



2 Trend in Sugar Prices



3 Ethanol Blending in Petrol



4 ICRA Ratings in the Sector





[Click to see full report](#)

Recent sugar production estimates suggest that India's output will fall below the initial estimation of 34.4 million MT, primarily due to lower-than-expected yields in major sugar-producing regions.



Sugar Demand–Supply Balance Estimates – As per ISMA's* third advance estimates, gross sugar production for SY2026* is projected to increase by 9.4% at 32.41 million MT (P.Y. 29.6 million MT). The net sugar production, after an estimated diversion of 3.1 million MT towards ethanol production, is likely to remain at 29.3 million MT. Considering the domestic consumption of 28.3 million MT and export of 0.7 million MT, the closing sugar stock is expected to be 5.6 million MT (P.Y. 5.3 million MT), which is about two months of consumption, indicating a comfortable demand-supply scenario.



Sugar Production – For SY2026, sugar production stood at 22.53 million MT till February 14, 2026, marking a YoY increase of 13.9% compared to 19.78 million MT during the same period last year. The increase in sugar production was supported by adequate sugarcane availability and improved yield across key sugar producing regions compared to the previous year. At present, Maharashtra leads sugar mill operations, followed by Uttar Pradesh and Karnataka.



Domestic Sugar Prices – Domestic sugar prices (Uttar Pradesh) remained firm at Rs. 40-41/kg during December 2025-February 2026.



International Sugar Prices – International prices reduced marginally with raw sugar prices of \$326/MT in January 2026 compared to \$329/MT in December 2025, while prices of white sugar stood at \$421/MT in January 2026 compared to \$426/MT in December 2025. The premium between white and raw sugar stood at \$95/MT in January 2026.



Ethanol – India achieved a blending ratio of 19.98% in 3M ESY*2026. For 3M ESY2026, 239 crore litres have been blended, with 59.2 crore litres blended in January 2026.

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



ICRA Analytical Contact Details

Name	Designation	Email	Contact Number
Girishkumar Kadam	Senior Vice-President and Group Head	girishkumar@icraindia.com	022 – 61143 441
Ankit Jain	Vice-President and Co-Group Head	ankit.jain@icraindia.com	0124 – 4545 865
Rachit Mehta	Sector Head and Vice-President	rachit.mehta2@icraindia.com	022 – 6169 3328
Menka Sabnani	Assistant Vice President	menka.sabanani@icraindia.com	079 – 6923 3003





ICRA

Business Development/Media Contact Details

Name	Designation	Email	Contact Number
L Shivakumar	Chief Business Officer	shivakumar@icraindia.com	022-61693304
Sai Krishna	Head - Research Sales and Investor Connect	sai.krishna1@icraindia.com	9840774883
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 – East	vinita.baid@icraindia.com	033-65216801
Shivam Bhatia	Head Business Development – Corporate Sector – North & South	shivam.bhatia@icraindia.com	0124-4545803
Sanket Kulkarni	Head Business Development – Corporate Sector – West	sanket.kulkarni@icraindia.com	022-6169 3365
Naznin Prodhani	Head - Group Corporate Communications & Media Relations	communications@icraindia.com	0124-4545860





© Copyright, 2026 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.

#35YearsofUnwaveringCredibility



ICRA

35
Years of
Unwavering
Credibility

Thank You!

#35YearsofUnwaveringCredibility

Sensitivity Label : Public