**PRESS RELEASE – Sugar production as on 31st May,2021**

* Sugar mills across the country have produced 305.68 lac tons of sugar between 1st October 2020 and 31st May 2021. This is 35.63 lac tons higher than 270.05 lac tons produced at the same time last year. As compared to 18 sugar mills which were crushing sugarcane on 31st May 2020, only 7 sugar mills are crushing sugarcane on 31st May’ 2021 this year primarily in two States i.e U.P. and Tamil Nadu.
* U.P. sugar mills have produced 110.16 lac tons of sugar as on 31st May’ 2021, which is 15.30 lac tons lower than the production of 125.46 lac tons produced by them last year on the corresponding date. Out of 120 mills which operated this year, 116 mills have ended their crushing and only 4 mills continue their operations as compared to 14 mills which operated last year on the corresponding date.
* Current crushing season in the Western region of the State of U.P. got prolonged by a few days as most of the Gur / Khandsari units have closed their operations due to lockdown restrictions, due to which some of the cane that would have gone to them, has got diverted to the sugar mills
* In Maharashtra, crushing season has concluded and the mills of the State have produced 106.28 lac tons of sugar, which is about 44.59 lac tons higher as compared to 61.69 lac tons produced in 2019-20 SS.
* Likewise, in Karnataka, all the operating mills had closed their crushing operations by 15th April,2021 and have produced 41.67 lac tons of sugar as compared to 33.80 lac tons produced last year same period. However, few mills in South Karnataka will commence their operations later this month for special season. Last year during the special season, Karnataka mills had produced 1.14 lac tons of sugar.
* As on date, in Tamil Nadu, out of 28 sugar mills which operated in this season, 3 mills are currently in operation for the special season. Till 31st May’ 2021, sugar production in the State was 6.52 lac tons, compared with 5.90 lac tons produced on the corresponding date last year. Of the 24 sugar mills, 4 mills were in operation as on 31st May 2020, last year. Last year, during the special season during June – September period, 2.0 lakh tons of sugar were produced by mills in Tamil Nadu.
* The remaining States of Gujarat, Andhra Pradesh, Telangana, Bihar, Uttarakhand, Punjab, Haryana and Madhya Pradesh, Chhattisgarh, Rajasthan and Odisha have also concluded their crushing operations for the current season and have collectively produced 41.05 lac tons till 31st May, 2021.
* There is a lot of talk about sugarcane availability and higher sugar production in next season 2021-22 also. As is the practice, ISMA will obtain satellite images of the sugarcane area across the country in latter part of June 2021 to get an idea of the acreage under sugarcane available for harvesting next year. Accordingly, ISMA will discuss the same in its meeting attended by members from across the country, and in July,2021 make its preliminary estimates of sugarcane availability and sugar production for 2021-22 sugar season.
* As per port information and market reports, about 58 lac tons of contracts for export of sugar against MAEQ of 60 lac tons of sugar for 2020-21 fixed by the Government, have already been entered into so far. It is also estimated that almost 44 - 45 lac tons of sugar would have physically got exported out of the country during January, 2021 to May, 2021.
* In addition to the above, the sugar industry had exported 4.48 lakh tons of sugar in Oct- Dec 2020 quarter against the MAEQ of last season 2019-20.
* Recently, the Government had reduced its assistance in export of sugar from Rs. 6000 per ton to Rs. 4000 per ton of sugar for exports against MAEQ for 2020-21 SS, citing current global market scenario. The reduced assistance shall be applicable for that quantity of MAEQ for which the export contracts/agreements are signed on or after 20th May, 2021.
* Moreover, amid continuously depressed Ex-mill prices, it is learnt that to maintain liquidity of funds and to generate adequate funds to be able to pay the full FRP to cane farmers, some mills are also exporting under OGL without any assistance.
* On the ethanol front, against the total LOI quantity of 346.52 crore ltrs, 321.18 crore ltrs have been contracted for and 145.38 Cr ltrs of ethanol have been supplied as on 24th May’ 2021. Out of the total supply so far, about 77% comprises of ethanol made from sugarcane juice /B-heavy molasses. The country, on an average, in the current ESY 2020-21 has achieved a blending percentage of 7.56% so far. We have achieved almost 8 – 10% blending in most of the States except Rajasthan, Kerala, West Bengal, Assam, NE States, Kashmir and Ladakh, not being the main sugar/ethanol producing States as also being far away from the ethanol producing States.
* To achieve the target of 8 – 8.5% for the whole year by the end of November, 2021 and move forward to achieve 10% blending, it is important to increase blending level to at least 12% in ethanol surplus States and the States adjoining them. It is understood that BIS standards for E12 and E15 would be fixed soon.
* Meanwhile, the OMCs have on 25th May,2021, floated their 4th cycle of Expression of Interest (EOI), inviting further bids from ethanol producers for another about 26 crore litres of ethanol in the current year 2020-21, for supplies from 1st June to 30th Nov 2021.