

## ISMA cuts sugar output estimates by 4m tonnes

Financial Chronicle: Date: 30.10.2018

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**I**NDUSTRY body Indian Sugar Mills Association (Isma) has lowered the country's 2018-19 sugar output estimate to 31.5 million tonnes from its earlier estimates of 35.5 million tonnes due to the adverse impact of weather, rainfall and white grub infestation in three largest sugarcane producing states of Uttar Pradesh, Maharashtra and Karnataka, which contribute around 80 per cent of the total production.

Also, diversion of sugarcane for production of ethanol would lead to lower sugar output, the industry body said.

Isma said that untimely rainfall in several areas of UP and flooding in some parts of western UP have adversely affected sugarcane growth, leading to a revision of its output estimates for UP to 1.21 million tonnes from its July estimates of 1.30-1.35 million.

However, area under sugarcane in UP for this season is seen to be slightly higher than in the 2017-18 sugar season. The area under the high yielding variety Co0238 is also up and, therefore, it was expected that sugarcane and sugar production in the 2018-19 sugar season would be around 1-1.5 million tonnes more compared to last year.

Despite a substantial increase in acreage in Maharashtra in the current sugar season, sugar production in the state is estimated to be around 9.5 million tonnes as compared to the production of 10.7 million tonnes in the previous sugar season. In Karnataka, the sugar output is expected to be 4.2 million tonnes, lower from the estimate of 4.48 million tonnes.

"Tender for ethanol procurement for 2018-19 SS has been opened by the OMCs, and for the first time there has been a bid for 485 million litres of ethanol from 'B' heavy molasses and 18.4 million litres from sugarcane juice," Isma said.

Expecting that almost all of these will be contracted for and produced by the sugar mills in the distilleries, there will be a further reduction in sugar production because of the diversion of 'B' heavy molasses and sugarcane juice away from sugar into ethanol.

As per standards, this would mean a diversion of around 450,000 to 500,000 tonnes of sugar into ethanol.

The industry body said that it will revisit the sugarcane and sugar production estimates in January 2019 once the sugarcane crushing starts and actual trends of yields and sugar recoveries become available.

—TickerNews Service