

# ISMA: Sugar output touches 47.21 lakh tonne till Nov-end

FE BUREAU  
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**THE COUNTRY'S SUGAR** mills have produced 47.21 lakh tonne of sugar till November 30, around 4.19 lakh tonne higher than last season's production for the corresponding period. Last year, sugar mills had produced 43.02 lakh tonne at same time. The Indian Sugar Mills Association (ISMA) has attributed the higher production to an early start of crushing season in western region of the country this season and higher availability of cane.

Around 416 mills have started crushing this year as compared to 409 mills last year. In Uttar Pradesh, 101 sugar mills have started operations end of November and produced 10.39 lakh tonne compared to 12.65 lakh tonne in the same period last year. In Maharashtra, 172 sugar mills started crushing operations at the end of November, compared to 158 sugar mills that operated last year.

Sugar production in the state was 20.34 lakh tonne against 15.79 lakh tonne produced in the same time last year. The higher production was on account of crushing operations beginning earlier in Maharashtra and higher availability of sugarcane in this season, Isma said. Similarly, in Karnataka, 66 sugar mills were crushing by November-end to produce 12.76 lakh tonne of sugar. As compared to this, last year as on November 30, around 63 sugar mills were operating to produce 11.11 lakh tonne of sugar. In Gujarat, 15 sugar mills were in operation by November-end to produce 1.66 lakh tonne of sugar.

Similar number of mills were crushing in last year's corresponding period to produce



1.65 lakh tonne of sugar.

According to Isma, crushing operations in all the other states have also begun and the pace of crushing is picking up. About 62 sugar mills are operating in other states that have produced 2.06 lakh tonne in this season up to November 30, 2021. In the previous season, sugar production was 1.82 lakh tonne with a similar number of mills crushing in the same corresponding period. The association said that total sales in the first month of the ongoing season (October) was around 24.50 lakh tonne against domestic sales quota of 24 lakh tonne given by the government. The government had increased the time to sell an additional quota of 2.5 lakh tonne which was allotted for September-October. Last year, in the same period sugar sales stood at 22.73 lakh tonne as against sales quota of 23 lakh tonne. This year, sales are higher mainly due to easing of Covid restrictions, higher sales quota (i.e., 26.50 lakh tonne including carry over from the month of September, 2021) and higher festive demand.

Isma said sugar exports for about 35 lakh tonne had already been contracted in the current season of 2021-22. Most of these contracts were signed when the global sugar prices were in the range of 20-21 cents per pound of raw sugar. However, with a fall in the global prices to below 20 cents,

Indian sugar mills are not coming forward to sign further export contracts. The ex-mill sugar prices in north India are slightly higher than western and southern part of the country, and therefore not much export contracts have taken place from the northern region. With nearly 34 lakh tonne of sugar equivalent is estimated to get diverted into ethanol production, the pressure on the sugar mills to immediately contract further exports is less. Therefore, sugar mills are likely to wait for an upward revision of the global prices to around 21 cents or more, Isma said.

The Oil Marketing Companies (OMCs) invited bids from ethanol manufacturers for ethanol supply year 2021-22 (December-November) by the end of October 2021, for 459 crore litres for the targeted 10% ethanol blending with petrol for the country as a whole. The bids were opened on November 12 wherein about 414 crore litres of bids for ethanol supplies were offered by the ethanol manufacturers. Out of this, 333 crore litres have been offered by the sugar industry, based on B-heavy molasses and sugarcane juice as feedstock. This is against around 216 crore litres supplied last year from B-heavy molasses and sugarcane juice. Therefore, as against about 20 lakh tonne of sugar equivalent diverted into ethanol last year, around 32 lakh tonne of sugar equivalent diversion had been offered in the bids.

OMCs have finalised and issued letters of intent for signing contracts with the ethanol manufacturers for 317 crore litres of ethanol supplies in 2021-22 (against the offer of 414 crore litres). The OMCs have also floated a second EOI for another 142 crore litres, the association said.

