**Press release – 14th July’ 2021**

**PRELIMINARY ESTIMATES OF SUGAR PRODUCTION IN 2021-22 SS**

* Based on the satellite images procured in the latter part of June 2021, the total acreage under sugarcane in the country is estimated to be around 54.55 lakh hectares in 2021-22 SS, which is about 3% higher than 2020-21 sugar season’s cane area of around 52.88 lakh ha.
* This was discussed in the meeting of ISMA on 14th July,2021, wherein representatives from sugar producing States from across the country were present. The images of the cane area, field reports regarding expected yield, sugar recovery, drawal percentage, impact of previous and current year’s rainfall, water availability in reservoirs, expected rainfall during SW monsoon 2021 and other related aspects were considered.
* Uttar Pradesh is estimated to have sugarcane area at 23.12 lakh hectares, as against 23.07 lakh ha. in 2020-21 SS, i.e., more or less similar to previous year. ISMA is expecting a marginal increase in yield as well as sugar recovery and thus the estimated sugar production, without considering diversion for production of ethanol in 2021-22 SS, is expected to be around 119.27 lakh tons.
* The other major sugar producing State, viz. Maharashtra’s cane area has gone up by about 11% in 2021-22 SS, from 11.48 lakh ha. in 2020-21 SS to 12.75 lakh ha in 2021-22.
* During the current year pre – monsoon rainfall has been very good, which was followed by decent rains in the month of June ‘2021. Also, currently reservoir levels in almost all the regions in the State are reported to be above normal level. Ratoon cane availability is higher than plant cane, and hence yield per hectare is expected to be slightly lower as compared to last year. Estimated sugar production is, therefore, expected to be around 121.28 lac tons in 2021-22 SS, without diversion into ethanol.
* Sugarcane area in Karnataka is slightly higher in 2021-22 SS, at 5.22 lakh ha as against 5.01 lakh ha. in 2020-21 SS, i.e. Sugar production in 2021-22 SS is therefore estimated to be around 48.74 lac tons, without considering any diversion of sugar into ethanol.
* The remaining States are expected to collectively produce about 54.60 lakh tons of sugar in the 2021-22 SS without diversion into ethanol.
* During 2020-21 SS, as on date, about 307 lakh tons of sugar has been produced and another around 2 lakh tons is expected to be produced in the special season till September,2021 in Tamil Nadu and Karnataka, taking total sugar production in 2020-21 SS to aver 309 lakh tons.
* In the current season, till 5th July, 2021, total contracted quantity of ethanol is 333 crore litres. Ethanol manufactured from sugarcane juice and B-Heavy molasses (BHM) is expected to be 230 crore litres, which translates into diversion of around 21 lakh tonnes of sugar into ethanol.
* Since a significant quantity of sugarcane juice / syrup and B-molasses will again be diverted into ethanol production, a proportionate quantity of sugar will get diverted in next season also. With higher ethanol production capacity and continued surplus sugarcane in next year, a larger quantity of cane juice /syrup and B-molasses will get diverted to ethanol.
* During the next year 2021-22, since the target of 10% blending is expected to be achieved, about 450 crore litres of ethanol would be required, which will be about 117 crore litres more than the expected supplies in 2020-21. Assuming that most of the additional quantity of 117 crore litres will come from sugarcane juice and BHM to meet the target, it will translate into diversion of another about 13 lakh tonnes of sugar as compared to previous year. This would mean a total of approx. 34 lakh tonnes of sugar will be diverted into ethanol next season.
* Accordingly, **it is estimated that the diversion of cane juice and B-molasses to ethanol will reduce sugar production by about 34 lakh tons in next season**, as compared to about 21 lakh tons estimated to be diverted this year. However, ISMA will get a better idea of this diversion once the tenders happen and bids are given by millers for ethanol supplies, which will be sometime in October.
* Therefore, **after accounting for the reduction in sugar production due to diversion of cane juice and B-molasses to ethanol, ISMA estimates sugar production in 2021-22 at around 310 lakh tons of sugar**. This will be similar to the current year’s sugar production.
* The above estimate is made assuming normal rainfall and other optimum conditions during the remaining period. However, after considering rainfall in July – September, 2021, water situation in reservoirs, other related aspects and second set of satellite images in September/ October 2021 across India, ISMA will release its 1st advance estimates for 2021-22 season in October 2021. By that time, the crop will be more mature and there will be more clarity on the rainfall and water availability, as also the ethanol supply bids from cane juice and B-molasses.
* With an opening balance of about 107 lakh tons, as on 1st Oct. 2020, estimated sugar production for the current season 2020-21 of around 309 lakh tons, expected domestic sales of around 260 lakh tons and exports of around 70 lakh tons during the season, the opening stocks as on 1st Oct, 2021, is estimated to be around 87 lakh tons.
* The OB of about 87 lac tons on 1st Oct. 2021, will be about 20 lakh tons less than the opening stock as on 1st Oct 2020.