

ISMA rules out supply scarcity next season

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THERE WILL BE no scarcity in supply of sugar in the next season (October-September), thanks to an adequate buffer and an increase in production prospects in Uttar Pradesh, Maharashtra and Karnataka, the India Sugar Mills Association (ISMA) said on Wednesday.

According to Aditya Jhunjhunwala, president of ISMA, at the start of the next season (2023-24) on October 1, there will be a carry forward stock of 5.5 million tonne (MT), and with its earlier estimate of 31.7 MT of sweetener production, excluding diversion of 4.4

MT to ethanol, against annual consumption of around 28 MT, it would be sufficient to meet the domestic demand.

"With recent rains after a dry August, sugar production is expected to get a boost and we will conduct an assessment next month after conducting satellite mapping," Jhunjhunwala said. He said there still exists a possibility of exports of 2-3 MT next season after the assessment on the output.

Last month, the ISMA predicted that production is likely to be around 31.7 MT in 2023-24 season (October-September), a decline of 3.4% from the current season. The food ministry had dismissed the



ISMA projection as 'too premature'.

The ISMA also urged the government to prepare a long-term ethanol pricing policy,

SWEET ENOUGH

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taking into consideration fair and remunerative price and minimum sales price which is expected to give a boost to investment in ramping up the

ethanol production capacity.

Currently, a committee set up by the government decides on the ethanol price prior to the beginning of the sugar season. "Without the proper return, the industry and banks will not be able to put additional investment," Jhunjhunwala said. The ISMA has estimated that ₹17,500-crore investment is needed to ramp up production from the current level of 5,500 million litre to 12,000 million litre for meeting the 20% blending target by end of FY26.

According to the ISMA, the ethanol blending in petrol has more than doubled to about 11.76%.