

Sugar production slips 3% in Oct-March

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India's sugar production dipped over 3 per cent to 29.96 million tonnes (mt) in the first six months of the current sugar season (October 2022-September 2023) against 30.99 mt a year ago, according to Indian Sugar Mills Association (ISMA), an industry body of private sugar companies.

However, according to the National Federation of Co-operative Sugar Factories (NFCSF), the production dropped 4 per cent to 29.87 mt during the October-March period of the current season from 31.12 mt a year ago.

Both the industry associations said 337-338 mills have closed their operation, while 194 factories are still continuing crushing as on March 31.

In the year-ago period, the number of operational factories was higher at 366. Sugar production in the next six



months may be lower, experts said.

UP OUTPUT HIGHER

ISMA is scheduled to assess the production at its next committee meeting around April 25, as by that time there will be a fair idea on the production.

By mid-April, crushing will be over in Maharashtra and Karnataka and most of the mills in Uttar Pradesh are also likely to close their plants.

The industry body has estimated current year output at 34 mt (excluding quantity diverted towards ethanol) while

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the country produced 35.76 mt in 2021-22 season (October-September). The annual domestic consumption is pegged at 27.5 mt.

The output in Uttar Pradesh was higher at 8.9 mt against 8.8 mt, while it dropped in Maharashtra to 10.4 mt from 11.9 mt and in Karnataka to 5.5 mt from 5.7 mt.

Only 18 mills in Maharashtra and 4 in Karnataka were operational as on March 31, whereas 97 factories were still crushing cane in UP and it is higher from 88 mills in the year-ago period in the coun-

try's largest sugarcane producing State.

In Tamil Nadu, 28 mills are still in operation, same as a year ago, and the production is up by over 33 per cent to 0.92 mt from 0.69 mt.

ETHANOL DIVERSION

Though ISMA has not shared ethanol production data, the pan-India diversion (in terms of sugar) towards production of ethanol which was over 22 per cent up at 3.11 mt until March 15, has narrowed down, sources said.

According to a report by Centrum Broking, which has estimated sugar output at 32.5 mt for the whole season, prices of the commodity are likely to increase in the coming months due to the expected surge in demand for the summer season.

It said after ruling in the range of ₹34.50-35/kg for several weeks, ex-mill prices in UP have touched ₹37 per kg now.