**Press release – 28th October’ 2021 – 1st Advance estimates 2021-22 SS**

* In July 2021, ISMA had released its preliminary estimates of net sugar production at 310 lac tons for 2021-22 SS, based on the first survey of satellite mapping carried out in last week of June 2021. This was estimated after considering a diversion of 34 Lakh Tons of sugar for production of Ethanol using B heavy molasses / juice / syrup.
* The second set of satellite images of sugarcane crop acreage across the country has been procured in the 2nd week of October 2021. Based on the satellite images so procured, the total acreage under sugarcane in the country is estimated to be around 54.37 lakh hectares in 2021-22 SS, which is about 3% higher than 2020-21 sugar season’s cane area of 52.88 lakh ha.
* The same was discussed in the meeting of ISMA on 28th October’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, and other related aspects were also discussed in detail.
* Uttar Pradesh is estimated to have sugarcane area of 23.08 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 decrease in yield as well as sugar recovery mainly due to impact of heavy and untimely rainfall throughout the State, particularly in Eastern region of the State. Thus, the estimated sugar production, without considering diversion for production of ethanol in 2021-22 SS, is expected to be around 113.5 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 12.78 lakh ha in 2021-22.
* SW monsoon rainfall in the State has been very good, also accompanied by sufficient water availability in the reservoirs in almost all the regions in the State. Ratoon cane availability is higher than plant cane, and hence yield per hectare is expected to be slightly lower as compared to last year. Based on above as also field reports, estimated sugar production is expected to be about 122.5 lac tons in 2021-22 SS, without considering diversion into ethanol.
* Sugarcane area in Karnataka is slightly higher in 2021-22 SS, at 5.11 lakh ha as against 5.01 lakh ha. in 2020-21 SS. In view of normal SW monsoon in 2021 and sufficient water level in reservoirs as also standing crop condition, sugar production in 2021-22 SS is therefore estimated to be around 49.5 lac tons, without considering any diversion of sugar into ethanol.
* The remaining States are expected to collectively produce about 53.10 lakh tons of sugar in the 2021-22 SS without diversion 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 the current season also. With higher ethanol production capacity and continued surplus sugarcane, a larger quantity of cane juice /syrup and B-molasses will get diverted to ethanol in 2021-22 SS.
* 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 the current season**, similar to preliminary estimates released by ISMA. However, ISMA will get a better idea of this diversion once the tenders for ESY 2021-22 happen and bids are given by millers for ethanol supplies.
* 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 305 lakh tons of sugar**, lower than its preliminary estimate of **310 lac tons** released in July, 2021.
* With an opening balance as on 1st Oct. 2020 of 107.40 lakh tons, sugar production for the season 2020-21 of around 311.81 lakh tons, domestic sales of around 265.55 lakh tons and exports of around 70.72 lakh tons during the season, the opening stocks as on 1st Oct, 2021, is estimated to be around 82.94 lakh tons.
* The OB of 82.94 lac tons on 1st Oct. 2021, is about 25 lakh tons less than the opening stock as on 1st Oct 2020. But it is still more than the domestic requirement for the initial months of next season, till when new season’s sugar comes into the market.
* Since we expect almost a similar production in 2021-22 SS, India will need to continue to export about 60 lakh tons of the surplus sugar out of the country during 2021-22 SS also.
* The sugarcane crushing for the season 2021-22 has already started in some areas, and is expected to start soon in the other regions of the country. Therefore, a better picture would emerge once the crushing starts fully and actual trend of yields and sugar recoveries would become available. As has been the practice, ISMA will again review the sugarcane and sugar production estimates in January 2022, when the trends of the above are available.