

## THE HINDUSTAN TIMES

### 75% of sugar mills finish operations 2 months earlier

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Apr 25, 2023 01:49 PM IST

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Nearly 75% of sugar mills in India, the world's largest producer of the commodity, have finished operations this month, two months earlier than they normally do, as the country's output of the sweetener is estimated to have fallen 6-9% to about 30-33 million tonnes in 2022-23, the first major decline in a decade due to weather disruptions.

Experts said the impact of tightening supplies could show up around October-November, the beginning of a long-drawn festival season when demand peaks. The country is the world's largest consumer of sugar.

Lower output could also hamper India's ambitious ethanol-blending programme under which the government is moving expeditiously to achieve a 20% target of blending petrol with ethanol.

Mixing of petrol with ethanol, which is made from molasses, a by-product of sugar, helps lessen the amount of oil India imports and supplement farmers' income. India is the third-largest oil consumer in the world after the US and China.

Households account for 33% of India's direct sugar consumption. The rest goes into commercial products, such as baked goods, soft drinks and other fast-moving edible goods.

India is such a large producer of many commodities that the impact of domestic output now ripples around global markets. In March, global white sugar prices hit their highest price levels in a decade, according to data from ICE Futures Europe.

The surge was mainly driven by lower global exports and news that India would not allow more overseas sales than the already fixed quota of 6.1 million tonnes, as scanty rains and heat impacted its cane crop for 2022-23. India's sugar crop year runs from October-September.

"Our first priority is to keep sugar prices affordable and we have been successful in keeping prices range-bound. The ethanol blending programme comes next. The government has already said that we won't allow more exports," an official said, requesting anonymity.

Data showed that production in Maharashtra fell to 10.5 million tonnes from 12.6 million tonnes, while that in Karnataka dropped to 5.5 million tonnes from 5.8 million tonnes, largely due to a patchy monsoon last year.

Sugar is one of the most tightly regulated food items in India, with the government deciding how much of the sweetener