

Sugar diversion towards ethanol up 38% as mills rush to hike biofuel supply

Our Bureau
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Sugar production in the current season starting October 2022 was 228.4 lakh tonnes (lt) as of February 15, against 222.2 lt during the same period a year ago, up by 2.8 per cent, according to data released by the Indian Sugar Mills Association (ISMA). As the crushing season continues, as many as 505 sugar mills are still in operation, compared with 504 factories that were operational until mid-February last year.

The estimated diversion towards ethanol production was 25.8 lt between October 1 and February 15 of the cur-

rent season, against 18.7 lt in the year-ago period, a whopping 38 per cent jump.

"We are on our way to reaching the target as mills have committed to deliver 45 lt towards ethanol this year compared with 35 lt last season," said Aditya Jhunjhunwala, president of ISMA. He said already a tender for 42.5 lt (ethanol in terms of sugar) is out by oil marketing companies and it is hoped that the remaining quantity will be out too.

24 LT DISPATCHED

On export, the ISMA resident said almost 60 lt of allocated quantity has been contracted out of which 24 lt has been dispatched by mills un-



GOING STEADY. As the crushing season continues, as many as 505 sugar mills are still in operation

til January 31. "We are confident of exporting the entire quantity within the prescribed deadline," he added. The government has asked mills to export 60 lt by May 31. Out of the total operational sugar factories in India

this season, 39 per cent of them (198 mills) are in Maharashtra and together they have produced about 85.9 lt of sugar, down from 86.2 lt in the year-ago period as more sugarcane has been diverted for ethanol. The estimated

diversion (in terms of sugar) towards production of ethanol was 8.2 lt as against 6.1 lt year-ago, up by 34 per cent.

On the other hand, India's biggest sugarcane grower Uttar Pradesh (UP) has 116 operational mills which have produced 61.2 lt of sugar, up from 59.9 lt from the year-ago period. Only one mill has closed operation in the last one-and-a-half months in the State. The estimated diversion (in terms of sugar) towards production of ethanol in UP was 8.6 lt as against 6.5 lt year-ago, up by 32 per cent.

MORE QUOTA UNLIKELY

Though, Food Secretary Sanjeev Chopra last week had

said the government would take a call on the release of any additional export quota beyond 60 lt after assessing production in March. Sources said that it is unlikely to be released as sugar production in some States are lower due to higher amount of cane diversion towards ethanol.

Among other States, as many as 66 mills are operational in Karnataka as of February 15 against 71 a year ago. The total sugar production in the third-largest State has reached 46.1 lt up from 45.4 lt, ISMA data showed. Ethanol production in Karnataka has seen a 48 per cent surge as 8 lt has been diverted towards the biofuel.

Other States including Gujarat, Tamil Nadu, Andhra Pradesh, Telangana and Bihar have produced 35.2 lt of sugar against 30.7 lt in the year-ago period.

In September, the Maharashtra government had announced that around 203 sugar mills in the State would be operational this season and the estimated sugar output in the State could be 138 lt. In 2021-22 season, mills in Maharashtra had produced 137.4 lt of sugar and surpassed UP to reach the top position despite lower sugarcane acreage compared to UP. Maharashtra has 32 per cent share and UP 33 per cent in India's ethanol production.