

Nationwide lockdown may be bitter for sugar

Drop in global prices affects exports

**SPECIAL CORRESPONDENT
COIMBATORE**

The country-wide lockdown is likely to have an impact on domestic sugar consumption this season (October 2019 to September 2020).

According to the Indian Sugar Mills Association (ISMA), sugar sales and despatches have been affected because of the lockdown. Almost 65 % of the sugar consumption in the country is by bulk buyers.

Increase in demand

The supply chain pipeline usually holds one million to 1.5 million tonnes. This will dry up during the lockdown and there may be an increase in demand when the lockdown is lifted. However, the domestic consumption this season may be 25 million tonnes, which is slightly less than the expected demand, association sources said. Exports have also been affected because of the drop



in global sugar prices. Meanwhile, Indonesia is opening up its market for Indian sugar, giving preferential duty and this will create demand for Indian sugar in that country, the ISMA added.

There were problems in ethanol offtake when the lockdown came into force. Now, ethanol supplies have shifted to other States and depots where there is hardly any or nil supply.

Further, a majority of the sugar mills have started making hand sanitisers, using part of the ethanol available with them, the ISMA said.