

5% dip in sugar output, 75% mills end operations

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The country's sugar production dipped 5.4 per cent to 31.1 million tonnes (mt) as of April 15 in 2022-23 sugar season (October-September) against 32.87 mt in the year-ago period, according to Indian Sugar Mills Association (ISMA), an industry body of private sugar companies.

As many as 400 mills have closed their operation and only 132 factories continue crushing operations as of April 15 against 305 a year ago. Experts said sugar production over the next few weeks is unlikely to see any improvement, potentially widening the fall in overall output in the country. ISMA is scheduled to assess the production in its committee meeting next week, as there will be a fair idea on the likely production this year.



BIG DROP. Only 132 factories are continuing crushing as of April 15 against 305 operational factories in the year-ago period

The industry body has estimated current year output at 34 mt (excluding quantity diverted towards ethanol) while the country had produced 35.76 mt in 2021-22 season. The annual domestic consumption is pegged at 27.5 mt.

Crushing is over in Maharashtra, Bihar, Odisha and Rajasthan. Only two mills are in operation in Karnataka and 77 in Uttar Pradesh are yet to close their plants. Only mills in

Tamil Nadu and some factories in UP are expected to continue crushing next month while in other States crushing may end by this month.

UP OUTPUT RISES

The output in Uttar Pradesh was higher at 9.66 mt against 9.44 mt while it dropped in Maharashtra to 10.5 mt from 12.65 mt and in Karnataka to 5.53 mt from 5.8 mt. Maharashtra, UP and Karnataka are top

three sugar producers in the country.

In Tamil Nadu, 28 mills are still in operation, same number as a year ago and the production is up 34 per cent to 1.03 mt from 0.77 mt.

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 to about 8 per cent, 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 rise in the coming months due to the expected surge in summer demand. It said after remaining in the range of ₹34.50-35/kg for several weeks, ex-mill prices in UP have already reached ₹37/kg.