

# INDIAN SUGAR SECTOR

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Monthly Update

SEPTEMBER 2021





**Sugar Production** – The sugar production for SY2021 is expected at 30.9 million MT (PY: 27.4 million MT). Further, as per preliminary estimates of ISMA, the sugar production for SY2022 is expected at 31.0 million MT after adjusting for sugar sacrifices of around 3.4 million MT towards ethanol.



**Domestic Sugar Prices** – The domestic sugar prices have remained rangebound within Rs. 31,800 – 32,500/MT in April–July 2021, however, rose to around Rs. 33,500/MT in August 2021. The prices have firmed up in August owing to lower domestic quota announced by the Government amid onset of the festive season. Further, the uptick in prices is continuing in September 2021 as well, whereby, the prices are estimated to be at Rs.35,000 –Rs.36,000/MT in September 2021.



**International Sugar Prices** – The international prices of raw sugar improved to around \$427/MT in August 2021 against \$391/MT in July 2021 and white sugar prices firmed to \$476/MT in August 2021 against \$456/MT in July 2021. The raw sugar prices reached to US\$420-440/MT (19-20 cents/lb) in August-September 2021 compared to US\$270-280/MT (12.8 cents/lb) in August-September 2020, primarily owing to the downward revision in expected Brazilian sugar production.



**Ethanol** – All India average ethanol blending with petrol has slightly moderated to 7.98% as on September 19, 2021 compared to 8.06% as on August 16, 2021, however, has remained encouraging. Considering the feedstock-wise contribution, the share of sugarcane juice and B Heavy molasses stood at 69% of contracted and 75% of the receipts during ESY 2021 (till September 19, 2021).

## 1 Domestic Demand – Supply Dynamics



## 2 Trend in Sugar Prices



## 3 Ethanol Blending



## 4 ICRA Ratings in the Sector





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