**SUGAR CO-OP FED PEGS CLOS­ING STOCK AT 50 LT**

THE clos­ing stock of sugar at the end of the sea­son in Septem­ber will likely be 4850 lakh tonnes (lt).

This will be suf­fi­cient to meet the domestic demand in Octo­ber and Novem­ber 2025, the National Fed­er­a­tion of Co­oper­at­ive Sugar Factor­ies (NFCSF) said on Thursday.

On the other hand, sugar out­put is expec­ted to rebound strongly in the 2025-26 sea­son owing to favour­able mon­soon con­di­tions and increased cane sow­ing in Maha­rashtra and Karnataka.

Peg­ging sugar out­put dur­ing the cur­rent 2024­-25 sea­son at 257.50 lakh tonnes (lt), down from 315.4 lt in the pre­vi­ous year, the NFCSF said reduced cane avail­ab­il­ity, coupled with lower recov­ery rate and weather-­induced challenges like defi­cit rain and increase in dis­ease attacks, had led to an 18 per cent dip in the coun­try’s sugar out­put this sea­son.

This decline is primar­ily due to reduced sug­ar­cane avail­ab­il­ity and a dip in aver­age recov­ery rates — from 10.1 per cent last year to 9.3 per cent this sea­son.

**DIP IN KEY STATES**

Also, the cane crushed dur­ing the cur­rent sea­son was lower at 2,767.75 lt — down from 3,122.61 lt.

NFCSF said Mahar­shatra, Uttar Pra­desh and Karnataka had seen the largest fall in sugar out­put.

In Maha­rashtra, pro­duc­tion declined to 80.95 lt from 110.20 lt the pre­vi­ous year, while in Uttar Pra­desh, the decline has been estim­ated at 92.75 lt (103.65 lt) and in Karnataka at 40.40 lt (51.40 lt), impacted by lower recoveries. The net sugar pro­duc­tion has been pro­jec­ted at 261.10 lakh tonnes.

**ETHANOL DIVERSION**

The actual sugar diver­sion for eth­anol pro­duc­tion in the cur­rent sea­son is estim­ated at 32 lt, slightly below the ini­tial tar­get of 35 lt.

This short­fall is primar­ily attrib­uted to the absence of price revi­sion for eth­anol pro­duced from sug­ar­cane juice and B-­heavy molasses, mak­ing dir­ect sugar pro­duc­tion a more fin­an­cially attract­ive option.

Mean­while, the ex­-mill sugar prices are cur­rently stable in the range of ₹3,8803,920 per quintal, sup­por­ted by lower over­all pro­duc­tion and the gov­ern­ment’s pro­act­ive decision to per­mit exports. This has sig­ni­fic­antly improved liquid­ity across the industry, enabling sugar mills to clear approx­im­ately ₹91,000 crore in cane dues — out of a total of ₹1.01 lakh crore, within just six months of the sea­son.

Fur­ther, to off­set the increased pro­duc­tion costs, NFCSF urged the gov­ern­ment to revise upwards the min­imum selling price of sugar and con­sider an early announce­ment of the 50 lakh tonnes sugar diver­sion tar­get for eth­anol for the 2025-26 sea­son. It also urged the gov­ern­ment to con­sider revi­sion of the eth­anol pro­cure­ment price, espe­cially for eth­anol from sug­ar­cane juice and B­-heavy molasses, and con­tinu­ation of a pro­gress­ive sugar export policy to bene­fit port States like Maha­rashtra, Karnataka, Gujarat and Tamil Nadu.

“NFCSF reit­er­ates its com­mit­ment to sup­port­ing sus­tain­able growth in the sugar sec­tor. The Fed­er­a­tion looks for­ward to work­ing with all stake­hold­ers to ensure timely pay­ments to farm­ers, stable sugar prices for con­sumers and a vibrant future for India’s cooper­at­ive sugar industry,” said Har­shav­ard­han Patil, Pres­id­ent, NFCSF.

(THE HINDU BUSINESS LINE; MUMBAI: MAY 16, 2025)

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