

**Required Report:** Required - Public Distribution

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## **Report Name:** Sugar Semi-annual

**Country:** India

**Post:** New Delhi

**Report Category:** Sugar

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### **Report Highlights:**

India's centrifugal sugar (sugar) production forecast in marketing year (MY) 2022/23 (October-September) is unchanged from the previous estimate of 35.8 million metric tons (MMT), equivalent to 33.4 MMT of crystal white sugar. Yields from favorable rainfall in Maharashtra and Karnataka are offset by slightly reduced production in Uttar Pradesh due to an erratic 2022 monsoon. India's sugar exports are forecast lower to 9.4 MMT following the estimated 11.7 MMT record achieved in MY 2021/22. Industry sources report that the Indian government may restrict sugar exports to 8 MMT in the 2022/23 forecast year, as it attempts to maintain regular domestic sugar prices for consumers following a period of high food inflation. India's flourishing ethanol industry is expected to utilize sufficient sugarcane and derivative supplies that may further increase production in 2023.

## PRODUCTION, SUPPLY AND DISTRIBUTION

**Table 1. India: Centrifugal Sugar (Raw Value Basis) (Thousand Metric Tons [TMT])**

<b>Sugar, Centrifugal</b>	<b>2020/2021</b>		<b>2021/2022</b>		<b>2022/2023</b>	
<b>Market Year</b>	<b>Oct 2020</b>		<b>Oct 2021</b>		<b>Oct 2022</b>	
	<b>USDA Official</b>	<b>New Post</b>	<b>USDA Official</b>	<b>New Post</b>	<b>USDA Official</b>	<b>New Post</b>
<b>Beginning Stocks</b> (1000 MT)	14614	14614	14155	13213	14255	9439
<b>Beet Sugar Production</b> (1000 MT)	0	0	0	0	0	0
<b>Cane Sugar Production</b> (1000 MT)	33760	33760	36880	36880	35800	35800
<b>Total Sugar Production</b> (1000 MT)	33760	33760	36880	36880	35800	35800
<b>Raw Imports</b> (1000 MT)	1243	1245	1000	76	1000	1000
<b>Refined Imp. (Raw Val)</b> (1000 MT)	0	0	0	0	0	0
<b>Total Imports</b> (1000 MT)	1243	1245	1000	76	1000	1000
<b>Total Supply</b> (1000 MT)	49617	49619	52035	50169	51055	46239
<b>Raw Exports</b> (1000 MT)	3450	2900	4500	5760	3600	4610
<b>Refined Exp. (Raw Val)</b> (1000 MT)	4012	5506	4280	5970	1605	4780
<b>Total Exports</b> (1000 MT)	7462	8406	8780	11730	5205	9390
<b>Human Dom. Consumption</b> (1000 MT)	28000	28000	29000	29000	29500	29000
<b>Other Disappearance</b> (1000 MT)	0	0	0	0	0	0
<b>Total Use</b> (1000 MT)	28000	28000	29000	29000	29500	29000
<b>Ending Stocks</b> (1000 MT)	14155	13213	14255	9439	16350	7849
<b>Total Distribution</b> (1000 MT)	49617	49619	52035	50169	51055	46239

Note: Stocks include only milled sugar, as all khandsari sugar produced is consumed within the marketing year. Virtually no centrifugal sugar is utilized for alcohol, feed, or other non-human consumption. All figures in raw value. To convert raw value to refined/crystal white sugar, divide by a factor of 1.07.

Source: FAS New Delhi historical data series. Forecast for 2022/23; 2020/21 and 2021/22 are estimates.

**Table 2. India: Sugarcane, Centrifugal, Area in Thousand Hectares and Others, TMT**

<b>Sugar Cane for Centrifugal</b>	<b>2020/2021</b>		<b>2021/2022</b>		<b>2022/2023</b>	
<b>Market Year Begins</b>	<b>Oct 2021</b>		<b>Oct 2022</b>		<b>Oct 2023</b>	
	<b>USDA Official</b>	<b>New Post</b>	<b>USDA Official</b>	<b>New Post</b>	<b>USDA Official</b>	<b>New Post</b>
<b>Area Planted</b> (1000 HA)	5290	5290	5400	5400	5500	5500
<b>Area Harvested</b> (1000 HA)	5290	5290	5400	5400	5500	5500
<b>Production</b> (1000 MT)	403000	403000	416000	416000	418000	418000
<b>Total Supply</b> (1000 MT)	403000	403000	416000	416000	418000	418000
<b>Utilization for Sugar</b> (1000 MT)	310000	310000	340000	340000	330000	330000
<b>Utilization for Alcohol</b> (1000 MT)	93000	93000	76000	76000	88000	88000
<b>Total Utilization</b> (1000 MT)	403000	403000	416000	416000	418000	418000

Note: Virtually no cane is utilized directly for alcohol production. "Utilization for alcohol" in the table includes cane used for gur, seed, feed, and waste. "Utilization for sugar" data includes cane used to produce mill sugar and khandsari sugar.

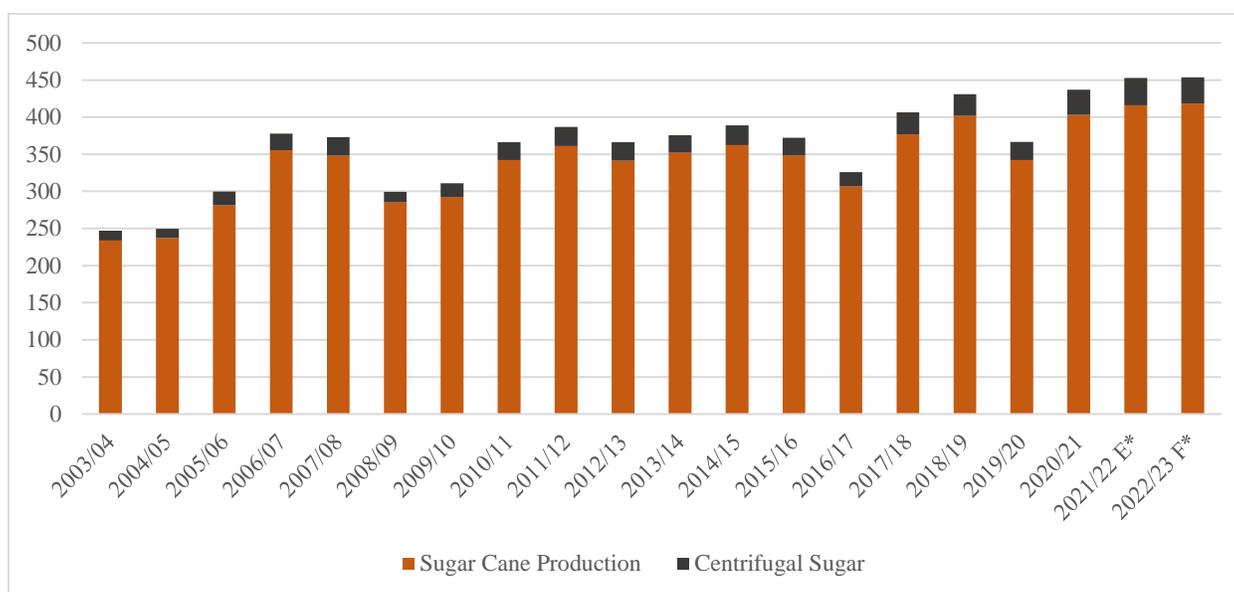
Source: FAS New Delhi historical data series. Forecast for 2022/23; 2020/21 and 2021/22 are estimates.

## PRODUCTION

FAS New Delhi (Post) estimates India's marketing year (MY) (October-September) 2022/23 centrifugal sugar production unchanged at 35.8 million metric tons (MMT), three percent below the previous season. This forecast is equivalent to 33.4 MMT of crystal white sugar<sup>1</sup> and includes approximately 500,000 metric tons (MT) of *khandsari*.<sup>2</sup>

India's sugarcane planted area for the forecast year remains unchanged from the previous estimate at 5.5 million hectares (Mha), two percent above MY 2021/22 acreage. Favorable weather conditions in much of the primary sugar producing states have supported plantings, with cumulative seasonal rainfall 17 percent higher than the long-period average. Concurrently, Post retains the previous sugarcane production estimate of 416 MMT for the same period (Figure 1). An erratic and uneven 2022 monsoon has resulted in reduced rainfall in the northern Indo-Gangetic Plain region, including the primary sugar producing state of Uttar Pradesh, where 53 of its 75 districts are deficient in rainfall.<sup>3</sup> However, with most of the planted area in the state under irrigation, production is not expected to be set back. At the same time, favorable early season rains and sufficient monsoon rainfall and sufficient reservoir levels in Maharashtra and Karnataka are expected to support favorable yields.

**Figure 1. India: Sugarcane and Centrifugal Sugar Production (MMT) by Marketing Year**



**Sources:** FAS New Delhi research. MY 2021/22 E\* is estimated, MY 2022/23\*F indicates forecast.

Maharashtra is India's largest sugar producer, having overtaken Uttar Pradesh in MY 2021/22 after a five-year period. Combined, Maharashtra, Uttar Pradesh, and Karnataka produce nearly 80 percent of India's total sugar production (Table 3). According to the Ministry of Agriculture and Farmers Welfare,

<sup>1</sup> Sugar polarization factors: to convert raw value to refined/crystal white sugar, divide by a factor of 1.07.

<sup>2</sup> *Khandsari* is a local type of low-recovery sugar prepared by open-pan evaporation.

<sup>3</sup> See: All India Weather Summary and Forecast Bulletin, September 30, 2022. National Weather Forecasting Centre; India Meteorological Department; Ministry of Earth Sciences.

India's total sugar production for MY 2022/23 is estimated at 465.1 MMT, an 8 percent increase from the MY 2021/22 estimate of 431.8 MMT.<sup>4</sup>

**Table 3. India: Milled sugar production by state, MMT, crystal weight basis**

State	2020/21	2021/22	2022/23
	Revised	Estimate	Forecast
Andhra Pradesh	0.5	0.5	0.5
Bihar	0.7	0.7	0.6
Gujarat	1.1	1.3	1
Haryana	0.6	0.6	0.5
Karnataka	4.4	6.9	4.7
Maharashtra	10.7	13	12.2
Punjab	0.6	0.6	0.5
Tamil Nadu	0.8	0.7	0.9
Uttar Pradesh	11.3	9.3	11.2
Others	0.8	0.8	0.8
<b>Total</b>	<b>31.5</b>	<b>34.4</b>	<b>32.9</b>

**Sources:** FAS New Delhi historical data series. Post forecast for 2022/2023; 2020/2021 and 2021/2022 are estimates.

**Note:** Excludes *khandsari* sugar, as state-wise breakout is not available

According to the Indian Sugar Mills Association (ISMA), India produced 35 MMT of milled sugar from approximately 522 mills that were operational during the MY 2021/22 season, compared to 506 mills from the previous year.<sup>5</sup> Sugar recovery rates have varied state to state, ranging from an 9.6 percent average in Punjab to 11.5 percent in Maharashtra where newer, higher-yielding cane varieties have boosted production.

### Fair and Remunerative Price

On August 3, 2022, the Cabinet Committee on Economic Affairs approved an increase in the MY 2022/23 Fair and Remunerative Price (FRP) for sugarcane by Indian rupees (INR) 15 to a new high of INR 305 per quintal (USD \$3.83/quintal) based on a revised 10.25 percent sugar recovery rate.<sup>6</sup> A premium of INR 3.05/quintal for each 0.1 percent increase in the recovery over and above 10.25 percent is also offered for producers. This price increase is the highest to date and is 88 percent above the cost of production.<sup>7</sup> Where recovery is less than 9.5 percent, producers are paid INR 282.125/quintal (\$3.47/quintal) for sugarcane compared to the earlier INR 275.5/quintal (\$3.39/quintal) offering.

### State Advised Pricing

Presently, the state governments of Punjab, Uttar Pradesh, and Haryana utilize a State Advised Price (SAP) for sugarcane, which is typically above the FRP. On October 3, 2022, Punjab increased the MY 2022/23 SAP for sugarcane by INR 20 to INR 380/quintal (\$4.67/quintal), an INR 75/quintal (\$0.92)

<sup>4</sup> See: [First Advance Estimates of Production of Oilseeds and Commercial Crops for 2022-23](#). Ministry of Agriculture and Farmers Welfare, Directorate of Economics and Statistics. Published September 21, 2022.

<sup>5</sup> See: [ISMA press release](#), June 8, 2022.

<sup>6</sup> One quintal equals 100 kilograms. For purposes of this report, USD \$1.00 equals INR 81.37.

<sup>7</sup> Source: Government of India, Press Information Bureau; Release ID: [1847997](#).

difference compared to the FRP. Sugar mills in Punjab have advocated for the state government to assume the cost of the price difference between the FRP and SAP, citing, among other things, high cane arrears owed to farmers from the previous marketing year, and a lower sugar recovery rate compared to other states, resulting in limited paying capacity and financial losses.<sup>8</sup>

Haryana's SAP is unchanged at INR 350/quintal (\$4.31/quintal) and the state of Uttar Pradesh has kept the SAP at INR 340/quintal (\$4.18) for standard sugarcane varieties (Table 4).

**Table 4. India: Comparative Commodity Support Price Table, INR/MT, Wheat, and Rice Minimum Support Price against Sugarcane FRP**

Marketing Year	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
Wheat	17,350	18,400	19,250	19,750	20,150	<b>20,150</b>
Rice (Grade A)	15,900	17,700	18,350	18,880	19,600	<b>20,600</b>
Sugarcane	2,550	2,750	2,750	2,850	2,900	<b>3,050</b>
<b>State Advised Price for Sugarcane, by State</b>						
Uttar Pradesh	3,150-3,250	3,150-3,250	3,150-3,250	3,150-3,250	3,400-3,500	<b>3,400-3,500</b>
Haryana/Punjab	2,850-3,300	2,950-3,100	3,100-3,400	3,100-3,500	3,600-3,620	<b>3,600-3,620</b>
Southern States	2,300	2,750	2,750	2,850	2,900	<b>2,900</b>

Note: For certain southern states, sugar mills pay the FRP; Tamil Nadu abolished its previously utilized SAP in 2018. Source: Commission for Agricultural Costs and Prices (CACP), Government of India.

### Cane Arrears

According to the Department of Food and Public Distribution, Government of India, India's cumulative arrears (debt) as of September 30, 2022, stood at \$726.3 million (INR 59.1 billion), almost 58 percent below the cumulative debt burden of \$1.72 billion observed in January 2022.<sup>9</sup> <sup>10</sup> Cane arrears vary by state and the number of operating mills, including the average recovery rates. As of September 1, 2022, outstanding debts in Uttar Pradesh totaled INR 48.3 billion (\$593.6 million), while Punjab has reportedly cleared its debt owed to farmers on September 8, 2022, where it had previously owed INR 750 million (\$9.2 million).

### Consumption

The out-year sugar consumption forecast is slightly lowered to 29 MMT, equivalent to 27.1 MMT of crystal white sugar. Domestic sugar consumption has increased over the years, supported by a growing food manufacturing sector and middle class with greater disposable incomes. During the pandemic, lockdowns and a general consumer hesitancy for dining out led to a drop in sugar demand from the institutional and manufacturing sector. However, as consumers spent less on discretionary items, disposable incomes have risen, and household demand for sugar and sugar-based products has returned to pre-pandemic levels.

Domestic food price movements, including sugar and processed foods will continue to remain vulnerable to continued high global commodity and fuel prices. Since the beginning of MY 2021/22,

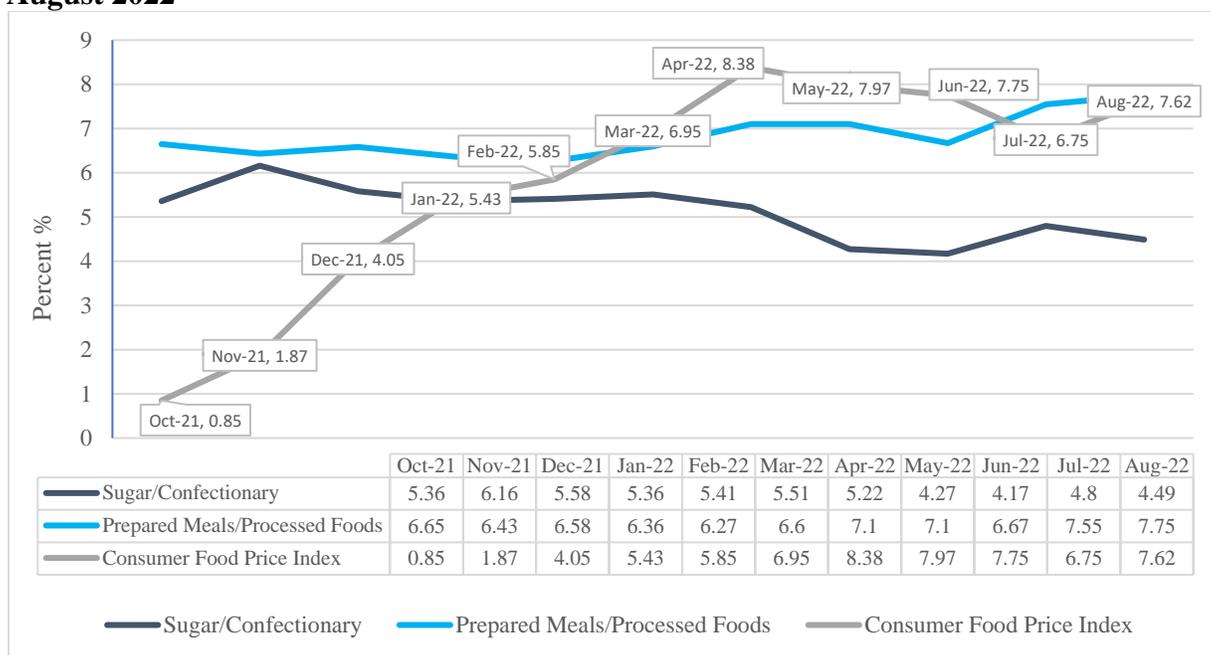
<sup>8</sup> See: FRP-SAP gap amount: Price deficit burdened Punjab private sugar mill owners seek govt bailout." [Hindustan Times](#); published October 2, 2022.

<sup>9</sup> One crore equals 10 million.

<sup>10</sup> See: "Cane price arrears inch to record high; top ₹14,000 crore." [Hindu Business Line](#); published December 7, 2021.

high consumer demand and a surge in exports led to an increase in sugar prices. However, sugar and processed food prices have since stabilized despite continually high food inflation from the previous year (Figure 2). High sugar prices in India have the potential to push retail inflation upward across the consumer price index. High sugar consumption is also expected the upcoming festive season where gifting of traditional sweets and processed foods and the spending on discretionary items are estimated to exceed pre-pandemic levels.<sup>11</sup>

**Figure 2. India: Consumer Price Index and Year-on-Year Inflation (Percent), October 2021-August 2022**



Note: Data label included for *Consumer Food Price Index*. Price data includes joint rural and urban markets and are calculated by on the provisional data month over same month of the previous year.

Source: Ministry of Statistics & Programme Implementation, Government of India; FAS New Delhi research.

On September 20, 2022, the Food Safety and Standards Authority of India (FSSAI) published draft regulations for mandatory front-of-pack labeling for packaged foods. With this approach, FSSAI expects to help consumers make an informed choice on consuming products considered high in sugar or fat content. This regulation requires companies to use product labels, and a front of pack “Indian Nutrition Rating” system (ranking by stars) to indicate the relative fat, sugar, and sodium levels of the product. The Indian government is using such measures to promote healthier food consumption (See: [FSSAI](#)).

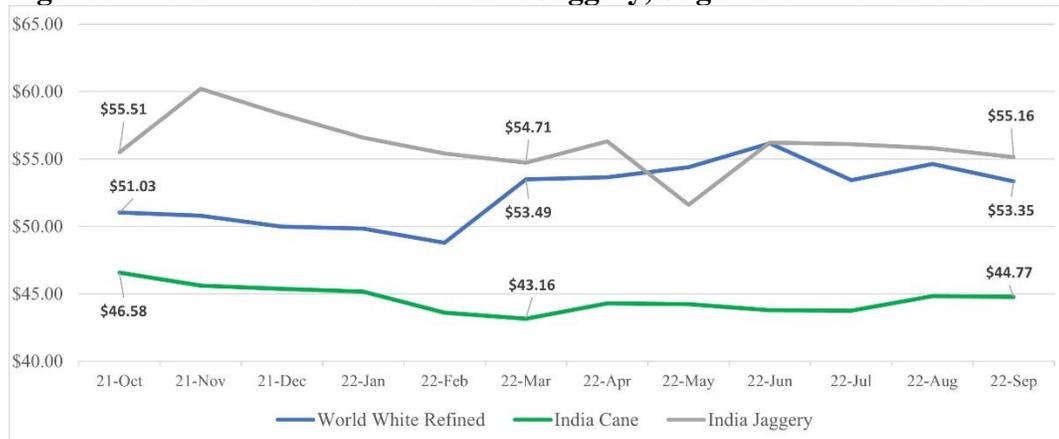
On July 18, 2022, the Government of India applied a new Goods and Services Tax (GST) on a range of new processed food products and household items. *Khandsari* and *gur* (jaggery) now include a five percent GST, increasing the retail price of such products for consumers. *Khandsari* sugar is primarily used in the *mithai* (traditional) sweets sector, while rural households mostly consume *gur* due to its wide availability and affordability compared to white sugar. Farmers also use *gur* as a livestock feed ingredient.

<sup>11</sup> See: “Consumer spending in India expected to be high this festive season: Report. [Mint](#); published October 2, 2022.

## Market Prices

Average international refined sugar prices in MY 2021/22 reached USD 23.8 cents per pound (\$52.47/quintal), about 9.1 percent above September 2021 prices. International refined sugar prices in March 2022 reached \$53.49/quintal, five percent higher than October 2021. The average price for Indian refined sugar in March 2022 fell seven percent to \$43.16/quintal, owing in part to surplus production (Figure 3) The Indian rupee's depreciation against the U.S. dollar (currently at seven percent) in 2022 has also made sugar exports more competitive. However, a large MY 2022/23 sugarcane crop, combined with strong consumer demand and increased sugar diversion toward ethanol will likely keep prices in check in the first half of the outyear. Gur prices typically move in tandem with sugar prices either at a premium or at a discount in response to domestic and international price movements.

**Figure 3. India: MY 2021/22 Domestic Jaggery, Sugar and International Pricing (USD/quintal)**



Note: Price labels given at six-month intervals. International price: Contract No. 5, London Daily Price, for world white (refined) sugar, free-on-board (FOB) Europe. India Sugar: ex-Mumbai (M-Grade, average monthly wholesale price); Jaggery: ex-Bengaluru (Mudde, average).

Source: USDA Economic Research Service; India Department of Consumer Affairs.

## Trade

Reports suggest that the Indian government may limit exports to 8 MMT for next marketing year to maintain sufficient supply following a record export year, but this has yet to be confirmed by the Ministry of Food and Public Distribution.<sup>12</sup> Nevertheless, Post has revised India's MY 2022/23 sugar export estimate to 9.4 MMT, taking into account current market trends, recent government policies (See: Trade Policy section), and sufficient domestic sugarcane production for crushing. Total exports include approximately 4.6 MMT of raw sugar and 4.78 MMT of white sugar. In addition, Post maintains the previous 700,000 MT estimate of sugar re-exported through the Advance Authorization Scheme (AAS).<sup>13</sup>

For MY 2021/22, Post revises India's sugar exports to 11.7 MMT, a new record. Competitive pricing, rupee depreciation, and reduced supply from Brazil supported strong demand in the marketing year. The exponential export growth seen in the first half of MY 2021/22 led to domestic pricing and supply

<sup>12</sup> See: "Govt may cut 2022-23 sugar export quota by 29%." [Financial Express](#); published on October 3, 2022.

<sup>13</sup> Imported raw sugar through the AAS is re-exported post refinement. The products cannot be sold in the domestic market.

concerns, and on June 1, 2022, the Indian government announced a cap on sugar exports at 10 MMT.<sup>14</sup> However, with record sugarcane production and worries about a drop in price, on August 5, 2022, the Ministry of Consumer Affairs, Food and Public Distribution, announced an additional export quota of 1.2 MMT, of which sugar mills filled the entire amount.<sup>15</sup> In MY 2021/22, Indonesia was the largest importer of Indian sugar, followed by Bangladesh and Sudan (Table 5).

**Table 5. India: MY 2021/22 Sugar Exports to World (MT)**

Country	Raw Sugar	Refined Sugar	Total	% Share
<b>Indonesia</b>	1,416,456	208,992	1,625,448	15.4%
<b>Bangladesh</b>	1,103,632	171,779	1,275,411	12.1%
<b>Sudan</b>	15,248	1,173,877	1,189,125	11.3%
<b>Saudi Arabia</b>	483,095	240,617	723,712	6.8%
<b>Somalia</b>	116,338	468,753	585,091	5.5%
<b>Iraq</b>	529,583	40,077	569,660	5.4%
<b>Malaysia</b>	402,364	78,855	481,219	4.6%
<b>United Arab Emirates</b>	214,986	265,086	480,072	4.5%
<b>Pakistan</b>	184,270	276,373	460,643	4.4%
<b>Djibouti</b>	53,314	388,202	441,516	4.2%
<b>Sri Lanka</b>	93,284	245,222	338,506	3.2%
<b>Yemen</b>	198,697	120,182	318,879	3.0%
<b>China</b>	84,089	183,049	267,138	2.5%
<b>Afghanistan</b>	19,008	234,773	253,781	2.4%
<b>Turkey</b>	110,566	70,319	180,885	1.7%
<b>Iran</b>	85,596	26,540	112,136	1.1%
<i>United States</i>	<i>10,861</i>	<i>3,663</i>	<i>14,524</i>	<i>0.1%</i>
<b>Rest of World</b>	337,130	913,185	1,250,315	11.8%
<b>Total</b>	<b>5,458,517</b>	<b>5,109,544</b>	<b>10,568,061</b>	<b>100</b>

Note: October 2021-July 2022 for MY 2021/22 data. Raw sugar includes HS codes: 170111, 170112, 170113, 170114; Refined sugar HS codes: 170191, 170199.

Source: Trade Data Monitor, Ministry of Commerce and Industry, Government of India.

On September 9, 2022, the U.S. Department of Agriculture extended the FY 2022 World Trade Organization raw sugar tariff rate quota (TRQ) to December 31, 2022, two months later than the previously announced entry date. India received an additional 900 MT allocation, totaling 9,324 MT under the preferential duty rate. The United States also issued its MY 2022/23 raw sugar TRQ, which includes 8,606 (raw value) MT to India under the preferential duty rate.<sup>16</sup>

<sup>14</sup> See: USDA GAIN - India's Government Restricts Sugar Exports, [IN2022-0050](#).

<sup>15</sup> Source: "India to raise sugar export cap this year amid high production; ship 1.2 mln tonnes of additional sweetener." [Economic Times](#), published August 5, 2022.

<sup>16</sup> See: U.S. Federal Register [87 FR 43593](#).

Imports are forecast to remain negligible at approximately 1 MMT as domestic supply will exceed consumption and stock requirements. Market year 2021/2022 imports have been revised downward to 76,000 MT to reflect market realities. Most of India's sugar imports fall under the AAS program and are reexported.

## **Stocks**

FAS New Delhi has revised India's MY 2022/23 sugar ending stocks forecast to 7.8 MMT a 17 percent drop from MY 2021/22 which is estimated at 9.4 million metric tons. The quantity of MY 2021/22 buffer stocks is sufficient for approximately four months of domestic supply. This change results from lower opening stocks, increased sugarcane diversion toward ethanol and record exports achieved in MY 2021/22.

## **Trade Policy**

India's has delayed announcing its export program for MY 2022/2023 but is expected to place an initial export cap to ensure sufficient domestic supply. Post assumes that the Maximum Admissible Export Quota (MAEQ) program will remain discontinued in the new marketing year.<sup>17</sup> The earlier MAEQ program facilitated sugar exports up to 6 MMT and subsidized additional production. However, findings from the 2019 World Trade Organization dispute panel ruling against India's identified trade distorting sugar subsidies which compelled India to suspend the MAEQ program.<sup>18</sup> India achieved record exports in MY 2021/22 under the Open General License policy, which was suspended in May 2022. However, various sugar mills, including ISMA, have asked that the government allow for a resumption of MY 2022/23 exports under the MAEQ program, which would put pressure on global prices considering surplus production expected in both India and Brazil.

An import duty of 100 percent on white and raw sugar has been in effect since February 6, 2018, and there is no export duty since March 20, 2018.

## **Ethanol Blending**

India's ethanol production is still heavily dependent on sugarcane and molasses for primary feedstocks. The 2018 National Biofuels Policy prioritizes ethanol production from sugarcane, sugar juice derived from sugar beet, sweet sorghum, starch-containing crops, and broken grains. Consistent with this policy, the Ethanol Blended Petrol Program (EBP) has a target of a 10 percent (E-10) all-India average blending rate of ethanol in gasoline by 2022, and E-20 by 2025. According to the Ministry of Petroleum and Natural Gas (MoPNG), in June 2022, India achieved its blending rate for Ethanol Supply Year (ESY) (December-November) 2021/22, averaging 10 percent through over 3 billion liters procured from sugar and derivatives. As of September 18, 2022, MoPNG reports that approximately 4.54 billion liters have been contracted, of which an estimated 3.46 billion liters have been delivered (used for blending). Of this amount, approximately 2.18 billion liters are derived from B-heavy molasses, 700 million liters from sugarcane juice, 84.2 million liters from C-heavy molasses, and 497 million liters combined in damaged grain and broken rice (Table 6).

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<sup>17</sup> According to the [Indian government](#), "Due to record exports and diversion of sugar to ethanol, [the] sugar sector has become self-sustainable and budgetary support for export and buffer are not required to improve liquidity of mills."

<sup>18</sup> See: USDA GAIN - WTO Rules Against India's Sugar Export Subsidies and Domestic Price Support; [IN2021-0147](#).

**Table 6: India: Ethanol Volume by Feedstock for ESY 2021-2022 (in crore liters)**

Feedstock	Total Letter of Intent Quantity	Total Contracted Quantity	Receipt Quantity
Sugarcane Juice/Sugar Syrup/Sugar	81.33	80.39	69.99
B-Heavy Molasses	276.2	272.85	218.21
C-Heavy Molasses	13.53	12.8	8.42
Damaged Food Grains/Maize	43.96	36.37	18.32
Surplus Rice from Food Corporation of India	39.23	49.43	31.36
<b>Total</b>	<b>454.25</b>	<b>451.85</b>	<b>346.3</b>

Source: MoPnG.

Note: Data as of September 18, 2022. 1 Crore = 10 million.

As of May 2022, approximately 252 sugarcane/molasses-based distilleries are operating with a nameplate capacity of 5.68 billion liters of ethanol (denatured and undenatured). According to ISMA, India will reach E-12 next ESY through approximately 4.5 MMT of sugarcane feedstocks (molasses, sugarcane juice) that will be diverted to produce 5.45 billion liters of ethanol. The Indian government (NITI Aayog) estimates that approximately 10.2 billion liters of ethanol are required to meet its E20 goal, but for India to meet its long-term biofuel blending targets FAS New Delhi continues to estimate that biofuel and biofuel feedstock imports will be needed to supplement domestic production.

To date, prices for ethanol procured by oil marketing companies have not been announced for ESY 2022/23. However, the Indian government is reportedly intending to increase the procurement price for ethanol, which is typically linked to the sugar FRP, that was raised to INR 305/quintal (See: Fair and Remunerative Price section).<sup>19</sup>

#### **Attachments:**

No Attachments

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<sup>19</sup> Source: "Ethanol purchase price may be hiked by up to Rs 2 per litre next year." [Business Standard](#); published on September 20, 2022.