



NEWS OF THE WEEK

SUGAR | Week 1 & 2 MAR 2025

DOMESTIC NEWS:

1. **Production estimates revised downwards:** ISMA has reduced its 2024-25 sugar production estimate to 26.4 MMT, down 8.7 lakh tonnes from previous projections. Current production stands at 23.31 MMT with 228 mills operating. Total availability is forecast at 344 lakh tonnes against 280 lakh tonnes domestic demand. Greenleaf forecast is further lower, around 26 MMT net of ethanol diversion.

2. **Export progress slow:** Indian mills have contracted 600 KMT for export with 250 KMT dispatched. Rising domestic prices have slowed further deals, with Indian sugar trading \$20 per ton above London futures.

3. **Additional Policy Support for Cooperative Mills:** Govt. has launched an Ethanol Interest Subvention scheme offering 6% interest support for cooperative sugar mills to convert to multi-feedstock facilities. This initiative aims to extend operations beyond the traditional 4-5 month crushing season.

4. **Industry Seeks Ethanol Policy Clarity:** ISMA is discussing ethanol rates for the upcoming season and has requested price increases for ethanol produced from sugarcane and B-Heavy molasses. The industry awaits clearer direction as the government pursues its 20% ethanol blending target by 2025.

INTERNATIONAL NEWS:

Philippines to Export 66 KMT of Sugar to U.S. to stabilize local prices ahead of a supply surge in Sept. SRA set a 15 Aug deadline for shipments, aiming to maintain U.S. market access while managing domestic price fluctuations.

Pakistan to Import Raw Sugar Amid Surging Prices to stabilize domestic prices and boost local supply. Meanwhile, sugar exports to Afghanistan soared reaching \$262.68 million, making it Pakistan's top export to the country.

AI Transforms Sugarcane Farming AI technology implementation has boosted sugarcane yields by 40% while optimizing resource usage. The National Federation of Cooperative Sugar Factories president highlighted these advancements during a visit to Baramati's Agricultural Science Center, where AI farming models developed with Microsoft and Oxford University were demonstrated.

Overall, India's sugar production forecast drops significantly raising concerns over closing stocks. Exports are being executed at a slow pace despite quotas, while government extends support for cooperative mills. AI technology boosts farming yields in some parts of India.

For detailed news visit: www.gleaf.in/commodities/sugar

