

## ECONOMY &amp; PUBLIC AFFAIRS P7

## India's net sugar use may hit 30 mt next season

India's net sugar consumption may touch an unprecedented 30 million tonnes (mt) in the next 2024-25 season on the back of a steady 2.2 per cent Y-o-Y growth, market participants said. India's annual sugar consumption growth rate of 2.2 per cent is significantly higher than the world average which is closer to 1 per cent.

# Net sugar use may hit 30 mt next season

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The country's net sugar consumption might touch an unprecedented 30 million tonnes (mt) in the 2024-25 season (October to September) on the back of a steady 2.2 per cent year-on-year growth rate, market participants said. The net sugar consumption excludes ethanol diversion.

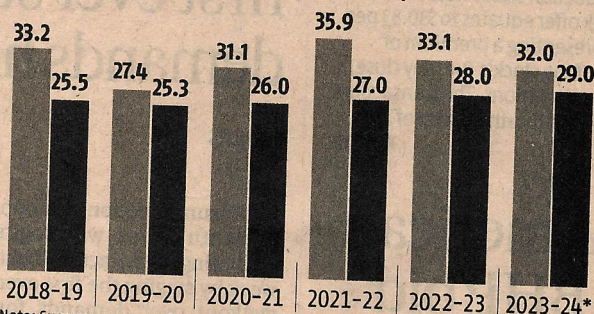
The annual sugar consumption growth rate of 2.2 per cent is significantly higher than the world average that is closer to 1 per cent.

In the ongoing 2023-24 sugar season that will end in September, domestic sugar consumption touched a record 29 mt on the back of strong demand due to intense heatwave and the ongoing elections.

During elections, consumption of beverages goes up manifold, while heatwaves

## TOO SWEET

Sugar tally (mt) ■ Production ■ Consumption



Note: Sugar season runs from October to September; \*Estimated  
Source: Sugar Traders and industry

push up demand for soft drinks and confectioneries.

The latter comprises over 60 per cent of total demand for sugar annually in the country. In the 2023-24 season, the central government released 19.6 million tonnes through the mills between the October to May months

through its regulated release orders. This is almost 9 per cent more than the sugar released in the market during the same months of the last season (2022-23). This also means that roughly there has been a 9 per cent rise in sugar demand in the first eight months of the 2023-24 sugar

season. Therefore, net sugar production in 2023-24 is projected at 32 mt, while consumption is estimated at 29 mt.

The average ex-mill price of sugar so far in the season is around ₹3,750 per quintal, which is higher than the average price of last season.

This is despite the fact that sugar mills are anticipating a nine million tonnes closing stocks of sugar due to discontinuation of exports and lower diversion towards ethanol.

"The prices have stayed firm due to speculative sentiment and strong demand," another official said. The official said some moderation in demand was likely as no polls are scheduled for next year, but growth may be seen. Trade sources said that in 2024-25, net sugar production could be around 29 mt, almost matching the estimated production.