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Report Highlights:

Assuming normal rainfall and favorable weather conditions, India's centrifugal sugar production in marketing year (MY) 2021/22 (October-September) is forecast to grow three percent to 34.7 million metric tons (MMT) (equivalent to 31.8 MMT of crystal white sugar) on a sugarcane production forecast of 389 MMT. Uttar Pradesh will continue to be the largest sugar producing state, followed by Maharashtra and Karnataka. India will retain its existing export policy that will enable subsidized exports at six MMT. Consumption is forecast to rise two percent to 28.5 MMT, as the economy recovers from the pandemic. Closing stocks are estimated at 16.5 MMT and expected to further decline as India diverts more sugar toward ethanol production to meet its domestic blending mandate.

Commodities:
Sugar, Centrifugal
Sugar Cane for Centrifugal

Production, Supply and Demand (PSD)

Table 1. India: Centrifugal Sugar (Raw Value Basis), in Thousand Tons						
Sugar, Centrifugal	**2019/2020**		**2020/2021**		**2021/2022**	
Market Year Begins	**Oct 2019**		**Oct 2020**		**Oct 2021**	
India	**USDA Official**	**New Post**	**USDA Official**	**New Post**	**USDA Official**	**New Post**
Beginning Stocks (1000 MT)	17614	17614	14614	14614	0	15374
Beet Sugar Production (1000 MT)	0	0	0	0	0	0
Cane Sugar Production (1000 MT)	28900	28900	33760	33760	0	34700
Total Sugar Production (1000 MT)	28900	28900	33760	33760	0	34700
Raw Imports (1000 MT)	900	900	1000	1000	0	1000
Refined Imp. (Raw Val) (1000 MT)	0	0	0	0	0	0
Total Imports (1000 MT)	900	900	1000	1000	0	1000
Total Supply (1000 MT)	47414	47414	49374	49374	0	51074
Raw Exports (1000 MT)	1400	1400	1500	1100	0	1000
Refined Exp. (Raw Val) (1000 MT)	4400	4400	4500	4900	0	5000
Total Exports (1000 MT)	5800	5800	6000	6000	0	6000
Human Dom. Consumption (1000 MT)	27000	27000	28500	28000	0	28500
Other Disappearance (1000 MT)	0	0	0	0	0	0
Total Use (1000 MT)	27000	27000	28500	28000	0	28500
Ending Stocks (1000 MT)	14614	14614	14874	15374	0	16574
Total Distribution (1000 MT)	47414	47414	49374	49374	0	51074
Note: Stocks include only milled sugar, as all *khandsari* sugar produced is consumed within the marketing year. Practically no centrifugal sugar is utilized for alcohol, feed, or other non-human consumption.						

Table 2. India: Sugarcane, Centrifugal, Area in Thousand Hectares and others in Thousand Tons						
Sugar Cane for Centrifugal	**2019/2020**		**2020/2021**		**2021/2022**	
Market Year Begins	**Oct 2019**		**Oct 2021**		**Oct 2022**	
India	**USDA Official**	**New Post**	**USDA Official**	**New Post**	**USDA Official**	**New Post**
Area Planted (1000 HA)	4850	4850	5283	5283	0	5441
Area Harvested (1000 HA)	4850	4850	5283	5283	0	5441
Production (1000 MT)	342000	342000	381000	381000	0	389000
Total Supply (1000 MT)	342000	342000	381000	381000	0	389000
Utilization for Sugar (1000 MT)	245000	245000	289000	289000	0	292000
Utilization for Alcohol (1000 MT)	97000	97000	92000	92000	0	97000
Total Utilization (1000 MT)	342000	342000	381000	381000	0	389000
Notes: Practically no cane is utilized directly for alcohol production. “Utilization for alcohol” in the PSD includes cane used for *gur* (jaggery), seed, feed, and waste. “Utilization for sugar” data includes cane used to produce milled sugar and *khandsari* sugar.						
All sugar data in the report are raw value basis unless otherwise noted. Sugar Polarization Factors: To convert raw value to refined/crystal white sugar, divide by a factor of 1.07. **Source:** FAS New Delhi Research.						

Production

FAS New Delhi (Post) forecasts India's centrifugal sugar production at 34.7 million metric tons (MMT) in marketing year (MY) 2021/2022 (October-September), increasing three percent above the previous season. This forecast includes 600,000 metric tons (MT) of *khandsari*[1] and 34.1 MMT of milled sugar (equivalent to 31.8 MMT of crystal white sugar, see Table 3).

Table 3. India: Milled Sugar Production by State, in million metric tons (MMT), Crystal Weight Basis

	2019/20	2020/21	2021/22
State	**Revised**	**Estimate**	**Forecast**
Andhra Pradesh	0.6	0.5	0.5
Bihar	0.6	0.7	0.7
Gujarat	0.9	1	1
Haryana	0.7	0.6	0.5
Karnataka	3.3	4.3	4.4
Maharashtra	6.3	10.4	10.1
Punjab	0.8	0.6	0.5
Tamil Nadu	0.8	0.8	0.9
Uttar Pradesh	12.1	11.3	12.3
Others	0.9	0.8	0.9
Total	**27**	**31**	**31.8**

Sources: MYs 2019/20 and 2020/21, FAS/New Delhi estimate. MY 2021/22, FAS/New Delhi forecast.

According to the Indian Meteorological Department, India will likely have a normal monsoon season despite excessive heat and a forecasted extended summer season as a moderate intensity *La Nina* prevails over the Pacific Ocean. Typically, *La Nina's* effects during the summer months bring an above-normal monsoon in India. Assuming above average precipitation and reservoir levels, the state of Uttar Pradesh will be the largest producer of sugar in India for the fifth year in a row, followed by Maharashtra and Karnataka. Combined, these three states are expected to contribute nearly 84 percent of total sugar production in the out-year. This estimate accounts for a near normal diversion of cane for sugar production and an expectation of a net reduction in the national average sugar recovery rate.[2]

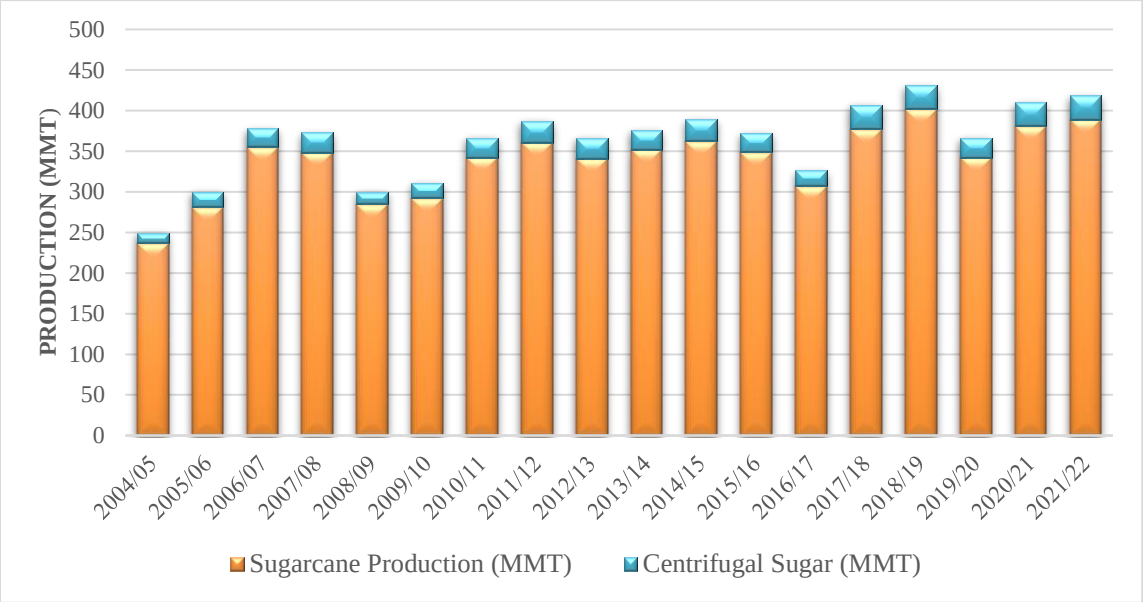
In addition, Post has revised centrifugal sugar production for the states of Uttar Pradesh, Maharashtra, and Karnataka for the current MY (2020/21) that reflects the latest industry estimates. Sugar production in Uttar Pradesh is revised downward to 11.3 MMT from the earlier forecast of 12.3 MMT due to reported pest infestations due to incidences in rainwater-stagnated sugarcane farms and relatively higher diversion of stocks toward ethanol production. However, the production decline will be offset by gains in Maharashtra of 10.4 MMT (revised from nine MMT), and Karnataka at 4.3 MMT[3] that will maintain annual centrifugal sugar production at 31 MMT. India's revival of closed and non-operational sugar mills in the states of Uttarakhand, Bihar, and Karnataka is also underway that may support additional sugar production.

[1] *Khandsari* is a domestic low-recovery sugar prepared by open-pan evaporation.

[2] From an estimated 11.5 to 11 percent following the recent five-year average.

[3] Includes production in the special season for July-September 2021.

Figure 1. India: Sugarcane and Centrifugal Sugar Production (MMT)



Source: FAS New Delhi research.

Economic benefits from the dedicated supply of cane juice/B-heavy molasses for fuel ethanol production continues to provide sugar mills with an incentive to divert excess sugar for fuel ethanol production. Uttar Pradesh, Maharashtra, and Karnataka will particularly benefit, and will improve sugar mills cash flows (see Ethanol Program section) and help with arrears settlement (overdue debt). Accordingly, India will likely accelerate its efforts to divert more sugar to produce fuel ethanol to achieve its near-term 2022 E-10 blend target.

Due to the COVID-19 pandemic and subsequent nationwide lockdown, *gur*[4] production facilities closed for a nearly two-month period. While the closures resulted in increased prices between June-September 2020, *gur* production facilities will still need to improve their purchase terms to ensure adequate supplies from the sugar mills. Post expects cane supply to *gur* manufacturers will increase by two percent to 4.5 MMT over last season on account of increased production in Uttar Pradesh. In 2021, the COVID-19 pandemic's impact on the domestic sugar industry is expected to be marginal, given the array of available options for centrifugal sugar, molasses, and ethanol production.

[4] *Gur* or *jaggery* is a traditional non-centrifuged cane sugar. It is a concentrated product of cane without separation of the molasses and crystals, varying from golden brown to dark brown in color.

Table 4. India: Sugarcane Area, Production and Utilization

Sugarcane	Area	Yield	Production	Milled Sugar	Khandsari	Gur	Seed
	Mha	MT/Ha	MMT	MMT	MMT	MMT	MMT
2010/11	4.89	70.09	342.38	24	0.7	5.4	4.1
2011/12	5.08	71.07	361.03	25.7	0.7	5.4	4.3
2012/13	5.06	67.38	341.2	25.1	0.7	4.2	4.1
2013/14	5.01	70.26	352.14	23.4	0.8	6.8	4.2
2014/15	5.14	70.44	362.33	26.5	0.8	4.5	4.4
2015/16	4.96	70.25	348.45	23.8	0.8	6	4.2
2016/17	4.38	70.02	306.7	19.3	0.8	6.8	3.7
2017/18	4.73	79.7	377	29.4	0.8	3	4.5
2018/19	5.55	72.43	402	29	0.9	5.5	4.8
2019/20	4.85	70.48	342	24.5	0.9	4.5	4.3
2020/21	5.28	72.18	381	28.9	0.8	4.4	4
2021/22	5.41	72	389	29.2	0.6	4.5	4.3

Source: FAS New Delhi research.
Note: Figures for MY 2020/21 and 2019/20 are FAS estimates.
Mha = Million Hectares

Fair and Remunerative Price

The Union Cabinet increased the Fair and Remunerative Price (FRP) for sugarcane in MY 2020/2021 by Indian Rupees (INR) 10.0 (USD $0.13[5]) to a total of INR 285/quintal (100 kilograms) (USD $3.80). There will be a premium of INR 2.85/quintal for each 0.1 percent increase in recovery over and above ten percent (see Press Information Bureau [PIB]). Sugar mill payment of the FRP sets cane prices paid to sugarcane producers. The FRP is determined based on recommendations of the Commission for Agricultural Costs and Prices (CACP) and after consultation with state governments and other stakeholders.

Table 5. India: Comparative Commodity Support Price Table, INR/MT,

Marketing Year	2016/17	2017/18	2018/19	2019/20	2020/21
Wheat	16250	17350	18400	19250	19750
Rice (Grade A)	15100	15900	17700	18350	18880
Sugarcane	2300	2550	2750	2750	2850
State Advised Price (SAP) for Sugarcane, by State					
Uttar Pradesh	3000-3150	3150-3250	3150-3250	3150-3250	3150-3250
Haryana/Punjab	3100-3200	2850-3300	2950-3100	3100-3400	3100-3500
Southern States*	2300-3050	2300	2750	2750	2850

Source: Commission for Agricultural Costs and Prices (CACP), Government of India
Note: CACP has recommended the FRP for MY 2020/21 at a 10 percent recovery level subject to a premium of INR 2.86/quintal for every 0.1 percent point increase in the recovery rate.
*For Southern States, sugar mills typically pay the FRP as opposed to SAP.

[5] As of April 12, 2021, USD $1.00 = INR 74.92.

Cane Arrears

As of March 2021, India's cumulative arrears (debt) stood at USD $2.58 billion (INR 190.6 billion) of which 89 percent is due in MY 2020/21 (USD $2.2 billion). The pending arrears for MY 2019/20 and MY 2018/19 were $239 million and $55 million, respectively. Uttar Pradesh, Karnataka, and Maharashtra account for 77 percent of the cumulative outstanding dues (Table 6).

The Government of India typically facilitates payments in a no-lien bank account, usually in a public/cooperative bank operated by the respective sugar mills. The banks credit the amount owed to farmers on behalf of the sugar mills against payable cane dues and any remaining balance is credited back to the sugar mills account.

Table 6. India: Outstanding Cane Arrears (in INR crores[6]) by State

State	2018-19	2019-20	2020-21	Total	% Share
Uttar Pradesh	0	1406	7555	8961	47%
Karnataka	11	49	3585	3645	19%
Maharashtra	118	0	2030	2148	11%
Gujarat	0	0	1044	1044	5%
Haryana	0	4	670	674	4%
Punjab	0	137	576	713	4%
Others	281	170	1423	1874	10%
Total	**410**	**1766**	**16883**	**19060**	**100%**

Source: Ministry of Consumer Affairs, Food & Public Distribution.

Consumption

Out-year sugar consumption is forecast at 28.5 MMT, two percent above the current year estimate and equivalent to 26.6 MMT of crystal white sugar. Post revised its current year estimate to 28 MMT (26.1 MMT of crystal white sugar), reflecting industry and market sentiments which indicate lower domestic offtakes in central and western India in the first five months in MY 2020/21.

India's per capita sugar consumption remains stagnant at 19 kilograms (kg) compared to the global average of 23 kg/person (Source: ET). In 2020, the national lockdown negatively affected bulk/institutional sugar demand, which typically accounts for two-thirds of total consumption. Ice cream, processed food, and beverage manufacturers were most affected, along with the hotel, restaurant, and institutional sector, including smaller food businesses. Even as India has gradually reopened, public skepticism toward dining out remains high, despite some relaxation and changing consumer habits. However, strong household sugar demand and shifting food consumption trends toward online food deliveries and a gradual return to in person dining has reinforced the Indian sugar industry. Post expects these factors will result in a slight increase in sugar consumption for MY 2021/22.

[6] One crore (India unit of measurement) equals ten million.

Market Prices

White sugar prices greatly fluctuated in MY 2020/21 due to the pandemic, averaging $414/MT in February 2020, but dropping 16 percent in April 2020 to $348/MT. Prices subsequently rose to $389/MT and further to $399/MT in October and December, respectively, as various economies gradually opened, reviving demand. Similarly, New York raw sugar prices averaged 15 cents/pound, before dropping 33 percent to ten cents/pound in April and gradually stabilizing at 14 cents/pound from October to December 2020. February 2021 white sugar prices have since recovered and grew 11 percent ($461/MT) from last year, while raw sugar prices increased three percent to 16 cents/pound. This trend is attributed to various factors, including reduced sugar output forecast for Thailand and the European Union, uncertainty over Brazil's diversion of cane sugar toward ethanol, and the delayed sugar export subsidy announcement by the Indian government MY 2020/21, which was eventually made public in December 2020.

Conversely, Indian wholesale raw sugar prices remained steady, ranging between INR 33,500/MT ($452/MT) and INR 36,000/MT ($485/MT) in calendar year (CY) 2020 (Table 7). Consecutive years of surplus production and steady domestic demand (ranging from 27 MMT to 28.5 MMT) have led to high inventories which also stabilized domestic prices. However, gur prices have seen major fluctuations, as most gur manufacturing units were shut down due to the COVID-19 lockdown (Table 8). Generally, gur prices move in tandem with sugar either at a premium or discount in response to domestic and international price movements (Figure 2).

Table 7. India: Commodity, Centrifugal Sugar, Price Table (INR/MT)

Year	2019	2020	2021	Percent Change
January	34100	35350	34800	(2)
February	34300	34800	34400	(1)
March	33400	34500	34000	(1)
April	34500	34500	-	-
May	35800	33700	-	-
June	35100	35200	-	-
July	34900	35200	-	-
August	36400	35600	-	-
September	37500	35000	-	-
October	37000	35800	-	-
November	36000	35000	-	-
December	35800	35000	-	-
Exchange Rate INR/USD	70.16	74.13	73.71	

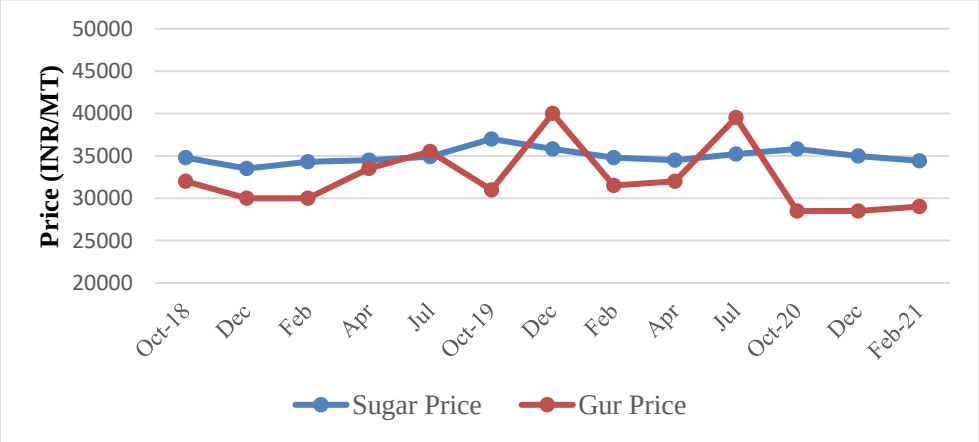
Note: 2019 and 2020 exchange rates refer to respective their respective marketing years (October-September).
Source and Contract Terms: Department of Consumer Affairs, Government of India; month end prices in the Delhi wholesale market.

Table 8. India: Commodity, Gur, Price Table (INR/MT)

Year	2019	2020	2021	Percent Change
January	29000	36500	28700	(21)
February	30000	31500	29000	(8)
March	31500	32000	28250	(12)
April	33500	32000	-	-
May	34500	32500	-	-
June	34500	38000	-	-
July	35500	39500	-	-
August	38000	38500	-	-
September	37000	38500	-	-
October	31000	28500	-	-
November	29000	29500	-	-
December	40000	28500	-	-
Exchange Rate INR/USD	70.16	74.13	73.71	

Note: 2019 and 2020 exchange rates refer to respective their respective marketing years (October-September).
Source and Contract Terms: Department of Consumer Affairs, Government of India; month end prices in the Delhi wholesale market.

Figure 2. India: Delhi Market Sugar and Gur Prices



Source: FAS New Delhi office research

Trade Policy

On December 16, 2020, the Cabinet Committee on Economic Affairs (CCEA) approved the MY 2020/21 sugar subsidy of USD $475.8 million (INR 3,500 billion) to export six MMT of sugar under its Maximum Admissible Export Quota (MAEQ).[7] The subsidy resulted in an export assistance of $78.60/MT (INR 5,833/MT), a 44 percent drop over the MY 2019/20 export assistance of $140.8/MT (INR 10,448/MT). The MAEQ subsidy covers marketing expenditures such as handling, quality upgrading, debagging, and other processing costs; internal transportation and freight charges including loading, unloading, and distribution services; and ocean

[7] The MAEQ program facilitates sugar exports and subsidizes any related additional production costs.

freight (shipments to destination ports). Sugar mills typically direct credit subsidies to farmers' accounts for owed cane payments. The balance, if any, goes to the sugar mills accounts[8] (Source: PIB).

The Indian Government provisioned a financial outlay of $875 million last season toward the MAEQ. The reduced allocations coincide with the World Trade Organization (WTO) dispute settlement challenge over India's 2019 distortionary subsidies given to its sugarcane farmers (See: DS581 - Measures Concerning Sugar and Sugarcane). India responded at the September 2020 WTO Committee on Agriculture insisting that developing nations could give such incentives until the end of 2023, citing the decision of the 2015 Nairobi Ministerial meeting. The WTO panel is expected to submit its final report in the latter half of 2021.

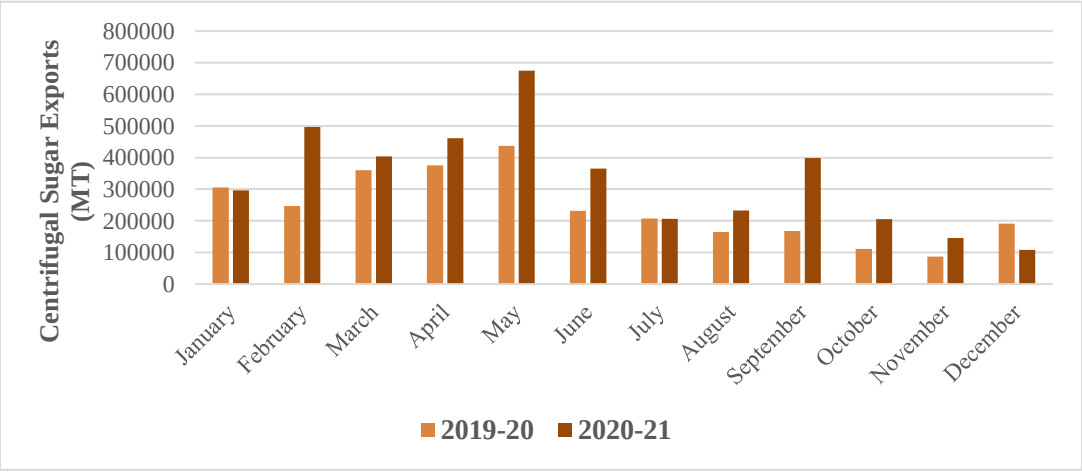
Effective February 6, 2018, India maintains a 100 percent import duty on white and raw sugar, and there is no export tax since March 20, 2018.

Trade

Assuming normal market conditions and existing export incentives and surplus production, India is forecast to export six MMT of sugar in MY 2021/2022. Total exports are estimated to include 0.8 MMT of sugar re-exported under the Advance Authorization Scheme (AAS), the remaining 5.2 MMT through commercial sales.[9]

For the current season, Post estimates sugar exports in MY 2020/21 to be approximately six MMT, utilizing the benefits of the MAEQ program. Despite the relatively delayed announcement of India's export policy, domestic sugar mills have already contracted 4.5 MMT in exports through March 2021. With the Indian Government permitting mills to swap between the MAEQ and domestic quota in the current MY, along with lower Thai sugar production and delayed sugar crushing in Brazil, India's sugar mills look to take advantage of the supply gap. Top buyers for Indian sugar in MY 2019/20 included Sudan, Iran, Indonesia, and Malaysia. Exports to Iran, among the top three buyers of Indian sugar are slated to drop due to delayed payments and Iran's diminishing rupee reserves with Indian banks (Source: Reuters).

Figure 3. India, Centrifugal Sugar Exports, 2019/20 and 2020/21, Metric Tons



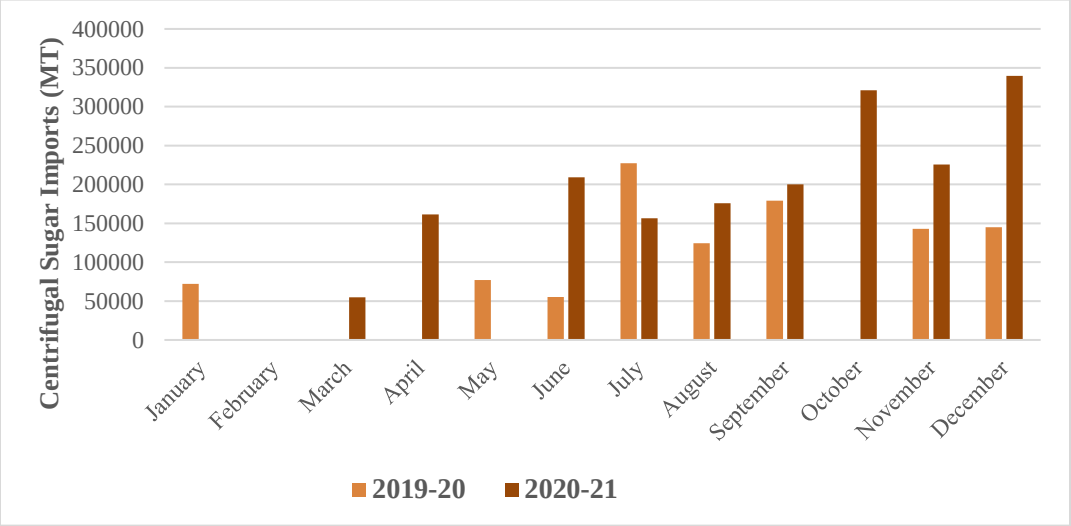
Source: FAS New Delhi Research.

[8] The Indian government claims this conforms with the provisions of Article 9.1 (d) and (e) of the Agreement on Agriculture and is thus WTO compatible.
[9] Post will adjust export sales in subsequent updates to reflect actual market conditions.

The United States sanctioned MY 2020/21 WTO raw sugar Tariff Rate Quota allocation of 8,077 MT to India. As of April 7, 2021, India had issued Certificates for Quota Eligibility (CQE) totaling 3,080 MT.

Imports are likely to be negligible[10] and remain flat at approximately one MMT as domestic supply will exceed requirements for both consumption and stocks. Most of India's sugar imports are under the import authorization scheme by Indian coastal sugar refineries, who refine and re-export the products.

Figure 4. India, Centrifugal Sugar Imports, 2019/20 and 2020/21, Metric Tons



Source: FAS New Delhi Research.

Stocks

Post estimates India's sugar ending stocks in MY 2021/2022 at 16.5 MMT, almost eight percent above MY 2020/2021 at 15.3 MMT. This figure includes four MMT of buffer sugar stocks applied to the current MY and out year and is carried forward as excess supply.[11] This change is attributed to higher opening stocks and surplus production during MY 2021/22. Ending stocks will represent eight month's supply using average consumption levels, exceeding the normal 2-3 months of reserve stocks. However, stock levels are likely subject to decline on account of diversion toward ethanol

The Ministry of Consumer Affairs, Food and Public Distribution is responsible for the creation, implementation, and maintenance of the four MMT of buffer stocks for a one-year period starting August 1, 2019. Funds provided to the sugar mills as reimbursement of the carrying cost of the buffer stock are used for payments owed to farmers for cane supplied in the 2018/19 and 2019/20 sugar seasons and also for arrears of previous sugar seasons (DFPD Notification).

[10] An exception involves the Duty-Free Import Authorization (DFIA) scheme. Under the DFIA, exporters may import sugar duty-free after meeting an export obligation. In contrast, the AAS allows local sugar millers or exporters to import raw sugar duty-free against a future export commitment.

[11] Excess supply referred as being above export sales, normal stocks, and consumption requirements.

Policy

Sugarcane Production Policy

To increase both yield and sugar recovery rates, the Government of India supports research, development, training of farmers, promotion of new varieties, and improved production technologies, including seeds, machinery, and pest management methods. The Indian Council of Agricultural Research conducts sugarcane research and development at the national level. At the regional and state level, agricultural universities, regional research institutions, and agricultural extension agencies support sugarcane growers in various capacities. State governments also support sugarcane growers through their own promotion policies.

Sugar Development Fund (SDF)

Established in 1982, the SDF finances loans to sugar mills to facilitate the rehabilitation and modernization of existing production equipment and methods. Included are bagasse-based co-generation power projects, production of anhydrous alcohol or ethanol from alcohol, and conversion of existing ethanol plants into zero liquid discharge (ZLD) plants. The loans are provided at a concessional rate of two percent below the prevailing national bank rate. The fund has many functions and is used to finance costs associated with sugar buffer stocks and internal transport and freight charges for exports. Additionally, the SDF is applied as part of concessional loan terms to sugar factories that support any scheme approved by the central government, marketing, and promotion services for raw cane production, and as loans for sugar mills to expedite payments to cane farmers.

As of March 31, 2021, owing to surplus sugar production and high stocks, the Government of India will not extend loans via the SDF to sugar mills to expand capacity for at least one year. The decision is slated for federal review after the Indian Fiscal Year (IFY) 2021/22 (Source: DFPD).

Sugar Marketing Policy

According to industry sources, the sugar industry remains under tight production controls by the state governments, which include sugar industry licensing, cane land reservation, minimum distance criteria, cane price formula adoption, specified cane procurement areas for sugar mills, and cane pricing. Sugar procurement for the public distribution system (PDS) occurs on the open market by state governments/Union Territories at the central government subsidy of INR 18.5/kg for the *Antyodaya Anna Yojana* (Uplifting the Poorest Food Plan), a program first established in 2000 to provide food to the poorest families. Families are limited to one kg of sugar per family every month. The states and Union Territories may continue to subsidize expenditures on transportation, handling, and commissions above the retail price of INR 13.5/kg to the beneficiary. The central government allocated INR 2.2 billion (USD $29.8 million) for sugar subsidies payable under the PDS system for IFY 2020/21 (Source: DFPD Budget Allocations).

Ethanol Program

India's ethanol blending program (EBP) seeks to achieve ethanol blending with gasoline (petrol) to curb pollution, reduce India's oil import bill, integrate the sugar and ethanol value chains, improve cash flows, particularly to clear cane payment arrears to farmers and reduce large surplus sugar stocks. Consistent with India's 2018 National Biofuel Policy, the Indian government has advanced its 20 percent blending with gasoline (E-20) target by five years to 2025 from 2030. The ten percent (E-10) target ethanol blending rate in gasoline by 2022 remains in place. The blending rate for MY 2019/20 reached 5.2 percent.

On December 30, 2020, the Government of India approved an interest subvention grant of $626 million (INR 45.73 billion) to augment ethanol distillation capacity. Under the program, the federal government would bear the interest subvention[12] for five years and finalize interest disbursements for five years, including a one-year moratorium against the loan utilized by project proponents from banks at an interest rate of six percent annually, or 50 percent of the rate of interest charged by the banks, whichever is lower. For IFY 2021/22, the Indian government has provided a budget estimate of $41.16 million (INR 3 billion) for sugar mills to expand and upgrade ethanol production capacity. This allocation coupled with the denatured ethanol import duty increase from 2.5 to five percent intends to make domestic ethanol production more competitive by about $0.014/liter (INR 1.0/liter). Furthermore, on October 29, 2020, the Cabinet Committee on Economic Affairs approved an increase in the ethanol purchase price for gasoline blending for one year from December 1, 2020 to November 30, 2021 (Source: PIB).

The price changes are as follows:

- Ethanol derived from C-heavy molasses is fixed at INR 45.69/liter ($0.61/liter), up from the previous price of INR 43.75/liter.
- Ethanol produced from B-heavy molasses and partial sugarcane juice is fixed at INR 57.61/liter ($0.77/liter), up from the previous price of INR 54.27 per liter.
- Ethanol derived from 100 percent sugarcane juice/sugar/sugar syrup is fixed at INR 62.65/liter ($0.84/liter), up from the previous INR 59.48/liter price for mills that will divert 100 percent sugarcane juice for ethanol production.
- The Goods, Services Tax (GST) and transportation charges are facing reassessment. There is a requirement for oil marketing companies to fix realistic transportation charges so that long distance ethanol transport is not discouraged.
- Ethanol is prioritized in the following order: 100 percent sugarcane juice, B-heavy molasses/partial sugarcane juice, C-heavy molasses, and damaged food grains and other sources.

As of March 8, 2021, the oil marketing companies (OMC) have delivered 80 million liters of ethanol against the contracted quantity of 2.97 billion liters. Of the total contracted volume, approximately 2.62 billion liters are to be derived from cane processing with the rest coming from other feedstocks like damaged food grains, maize and surplus rice.

Attachments:

No Attachments

[12] Interest subvention intends that the Indian Government is paying part of the interest on the loan. These loans would typically be long term.