UP's sugar production to rise 2% despite drop in acreage

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Lucknow: Despite a drop in sugarcane acreage, Uttar Pradesh is likely to maintain a steady production of sugar, according to an early estimate of Indian Sugar Mills Association (ISMA). The association has projected an 18.5% rise in sugar production nationally while Maharashtra is likely to register a whopping 39% jump.

Uttar Pradesh, which was the on the top in 2024-25, is likely to register an increase of 2% in sugar production in 2025-26. However, this won't be enough for it to maintain its top position.

The development is significant since UP govt has planned aggressive steps to bolster the sugar industry besides raising the income levels of the cane growers. The govt had recently raised the State Advisory Price of cane by Rs 30 per quintal.

UP produced nearly 101 lakh metric tonnes of sugar (pre-ethanol) in 2024-25, overtaking Maharashtra, where sugar production plunged to 93.51 lakh metric tonnes, mainly due to inclement weather conditions.

ISMA estimates that Maharashtra's sugar production will jump from 93.51 LMT to 130 LMT in the ongoing cane-crushing season, indicating a major surge in sugar recovery. The state's cane area has already grown to 14.71 lakh hectares from 13.82 lakh hectares, aided by strong monsoon performance and full reservoirs.

UP's sugar production, on the other hand, is estimated to go up from 101 LMT to 103 LMT. Although the cane area in the state has declined from 23.3 lakh hectares to 22.57 lakh hectares, the overall crop health has improved due to better disease management and the introduction of high-yielding varieties. ISMA has said that timely field interventions and varietal replacement programmes have helped control red rot and other diseases, ensuring a healthy standing crop this season.

Cane industry sources said that the sugar recovery in UP has already shown marginal improvement from 9% to over 9.3% at the start of the 2025-26 crushing season. Over two dozen mills, mainly in west UP, have started operations. This is expected to go up even higher as the crushing progresses. Nevertheless, experts said, UP's sugar sector may well be entering a plateau phase — maintaining high efficiency but with limited room for further expansion.

The diversion of sugar towards ethanol production in 2025–26 is expected to be around 34 lakh tonnes, slightly lower than 35.01 lakh tonnes in the 2024–25 season. The net national sugar production is estimated at 309.5 lakh tonnes, compared with 261.08 lakh tonnes last year. With higher national output and sufficient stock, domestic sugar prices are expected to remain stable or slightly soft, benefiting consumers but limiting mills' profit margins.

Industry sources said the country's sugar stock remains comfortably placed, ensuring ample supply for domestic needs as well as to meet export commitments. India's ethanol programme, too, continues to support the govt's energy diversification goals, even as the sugar industry maintains healthy reserves.