

1. World Sugar

1.1 Scenario

The International Sugar Organization (ISO) in its Quarterly Market Outlook of Aug'26 presented the fourth revision of global sugar balance for 2025/26 season and its first detailed estimate of the 2026/27 balance that underpins the following:

- Surplus down to 1.1 million metric tons (mmt) from 2.2 mmt estimated in May'26 mainly due to weaker-than-expected Centre/ South Brazil production.
- Production in 2025/26 is revised lower by 1.3 mmt to 180.7 mmt
- For 2026/27, ISO expects a near-balanced market, with a small 0.2 mmt production deficit.
- Consumption is forecast to rise 0.5% (+0.9 mmt) in 2025/26 to 179.6 mmt and by 0.8 mmt in 2026/27 to 180.4 mmt.

Overall, the global sugar market is expected to tighten, moving from a moderate surplus in 2025/26 to a miniscule deficit in 2026/27.

1.2 Prices

Global sugar prices over the last six-months show a clear upward trend, amidst relative volatility. From around 13.5-14 cents/lb in April-June, prices gradually strengthened through July and then rose sharply from August onward, reaching around 18-19 cents/lb in September. By early October, prices surged to nearly 21 cents/lb, representing a significant increase from the levels seen at the beginning of the period. The recent rally reflects growing concerns over tighter global sugar supplies, adverse weather conditions and potential production shortfalls, particularly in major producing regions. ISO reported that raw sugar averaged 18.4 cents/lb in September, up about 6% from August, with prices moving above 20 cents/lb in early October.

2 Indian sugar

2.1 Sugar production

Sl #	Particulars	21-22	22-23	23-24	24-25	25-26 (E)
1	Opening Stock	82	70*	56	79*	50
2	Production net of diversion	358	328	320	261	279
3	Internal consumption	273	278	290	281	285
4	Diversion for Ethanol	32	38	21	35	30
5	Export	111	64	0.50	9	8
6	Closing stock	55	56	85	50	36
7	Closing stock as % of offtake	20	20	29	18	13

*SS 22-23 & 24-25 (Est.) ~ Reconciled with Government data Source: ISMA

2.2 Sugar Prices (All India – ex Factory)


