



भारतीय कृषि एवं खाद्य परिषद्
INDIAN COUNCIL OF FOOD AND AGRICULTURE

INDIAN SUGARCANE MARKET



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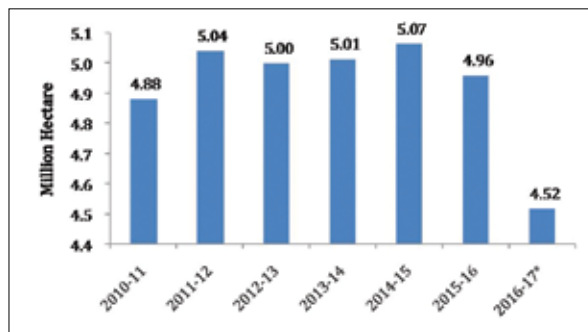
Indian Sugarcane Market

Agriculture is the backbone of India which has approximately 70% of the rural population engaged in agriculture. The agro-based industries like sugar and cotton play an important role in the national economy and socio-economic development of the country. Sugar industry, the second most important among the agro-based industries with an annual turnover of approximately Rs. 800-850 billion per annum, has a significant contribution to the national GDP. Sugarcane is being grown in about 126 million ha in the world with a total cane production of approximately 1850 million tonnes. Three-fourth of the total sugar produced comes from sugarcane and the rest from sugar beet. More than 115 countries cultivate sugarcane with a total sugar production of approximately 177 million tonnes. Brazil is the largest producer of sugar followed by India.

INDIAN SUGARCANE AND SUGAR PRODUCTION ANALYSIS

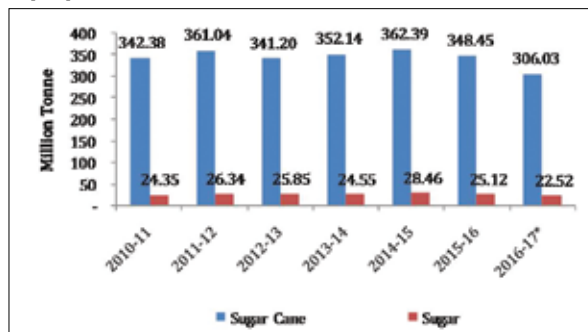
Sugarcane is a source of alternate products like feed, fibre and energy, esp., bio-fuel and co-generation, apart from sugar. The crop being one of the most efficient converters of biomass to energy and thereby an excellent source of bio-fuel production, has resulted in a heightened focus on its cultivation, sugar trade and that of other related

AREA COVERED UNDER SUGARCANE CULTIVATION IN INDIA



Source: Ministry of Agriculture

PRODUCTION OF SUGARCANE AND SUGAR IN INDIA



Source: Ministry of Agriculture





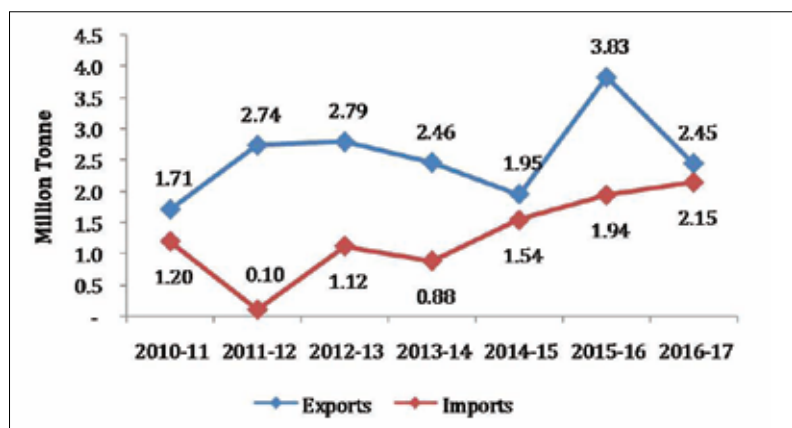
products at national as well as international level. Out of the total global sugar output, developing countries contribute approximately 70% of the total production. In most of the developing countries, the production is mostly consumer centric except in Brazil, where the annual growth rates have enabled the country to turn its attention towards global sugar export market.

There are two distinct sugarcane growing zones in India- the tropical zone comprising of the southern region below the Tropic of Cancer and the sub-tropical zone comprising of the northern states. The tropical zone contributes 45% of the total area under sugarcane and the sub-tropical zone around 55% of the area. But the average cane productivity in the sub-tropical zone is lower than that of the tropical zone. The lower cane productivity in subtropical north zone is primarily due to availability of shorter period of favorable environmental conditions for crop growth and shorter crop cycle as compared to the tropics.

However, India is a major producer as well as consumer of sugar in the world and its annual sugar production comes to 25-26 million tonnes. The contribution of Indian sugar was nearly 14% of the total sugar production of the world. Due to its potential as a feedstock for renewable energy, sugarcane is becoming the preferred crop not only for sugar production but also for bio-fuel, green energy and other by-products like bio-plastics, bio-polymers etc.

Indian sugar industry is very vibrant, supporting approximately 6 million people through sugarcane cultivation and other related industries. The crop is grown in about 5 million hectares i.e., in around 3% of the total cultivated area, which produces approximately 350 million tonnes of sugarcane annually. The production of sugar is spread across the country.

INDIA'S SUGAR TRADE



Source: Ministry of Agriculture

Maharashtra, Uttar Pradesh, Karnataka, Tamil Nadu, Gujarat and Andhra Pradesh are the major sugar producing states in India. These six states together accounted for almost 94% of the total sugar produced in India.

INDIAN SUGAR TRADE ANALYSIS

India is the fourth largest exporter of sugar in the world. The export of sugar from India increased tremendously over the past two decades. The reasons for increase in the sugar export were increase in domestic production. The major export destinations for India in 2015-16 were Myanmar, Somalia, Sudan, Sri Lanka and UAE. The highest growth in India's sugar export was for Myanmar in 2015-16 compared to the preceding year.

India is surrounded by sugar deficit countries in the Middle East, East Africa, Bangladesh, Pakistan and Sri Lanka. India enjoys freight advantage in exporting sugar to these countries in the post EU sugar sector reform scenario. The Indian sugar sector should make the necessary investments to capture these markets on a long term basis. Export of large quantities of sugar requires handling infrastructure in the ports.

However, India also imports sugar from across the globe. Substantial part of India's sugar imports (around

99.6%) came from Brazil in 2015-16. India imported negligible amount of sugar during the same year from Germany, USA, UK and China.

Sugarcane is the main source of sugar in India and the crop has a significant contribution towards the national economy. Being an important agro-based industry, it has a substantial role in the socioeconomic development of the rural population in the country. This is apart from the large proportion of workers who are employed in the ancillary units/industries like jaggery, paper, alcohol etc. Besides providing direct employment to approximately 7.5% of the rural population of the country, the sugar industry undertakes various developmental schemes to create infrastructure and socio-economic overhead, thereby playing a vital role in employment generation. The sugar sector as a whole contributes significantly to export earnings, excise revenue etc. , besides supplementing energy generation, reducing pollution through facilitating use of clean/green energy, carbon sequestration etc. The sector also serves as a major source of food, nutritional as well as economic security. The Indian sugar industry through its vast network of sugarcane growers, sugar mills and other infrastructure has been self-sufficient in meeting the huge demand of sugar arising within the country.



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