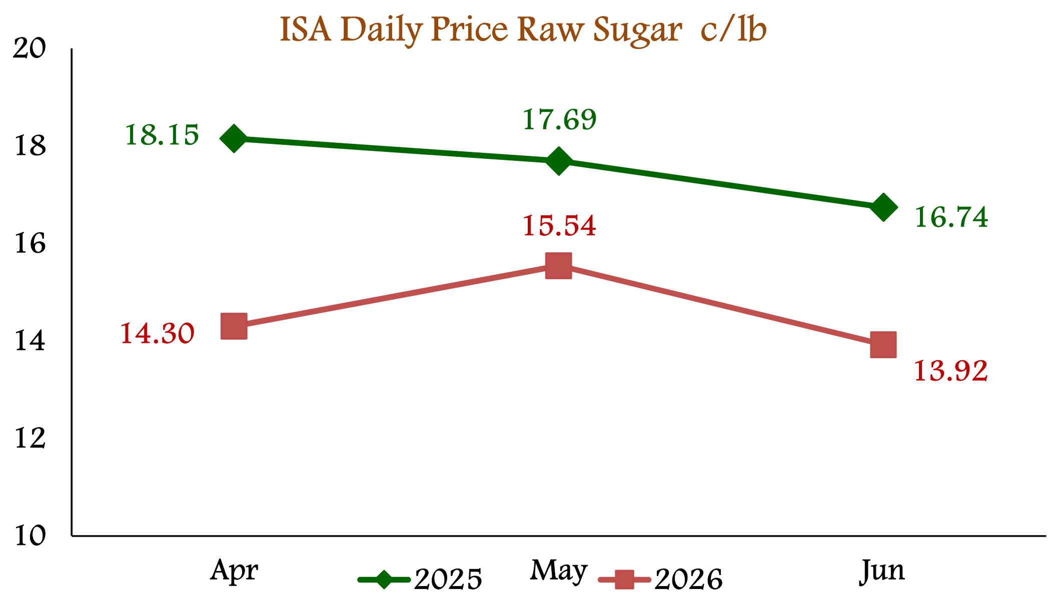
1. World Sugar

1.1 Scenario

The International Sugar Organization (ISO) in its Quarterly Market Outlook of May'26 presented the third revision of global sugar balance for 2025/26 season that underpins the following:

- Global surplus at 2.25 MMT, up from the previous estimate of 1.2 MMT – First surplus after 6 deficit years.
- Global production in 2025/26 revised up by 0.72MMT to a record 182 MMT, up 6.1 MMT from last season.
- Consumption in 2025/26 expected to reach 179.76MMT, marking a third downward revision and a cumulative reduction of 1.06 MMT since August 2025.
- The ending stocks/consumption ratio for 2025/26 is estimated at 44.15%, using the revised methodology which provides for processing losses on raw sugar trade. This is just marginally up from the ratio in 2024/25 that was a 15-year low.

1.2 Prices



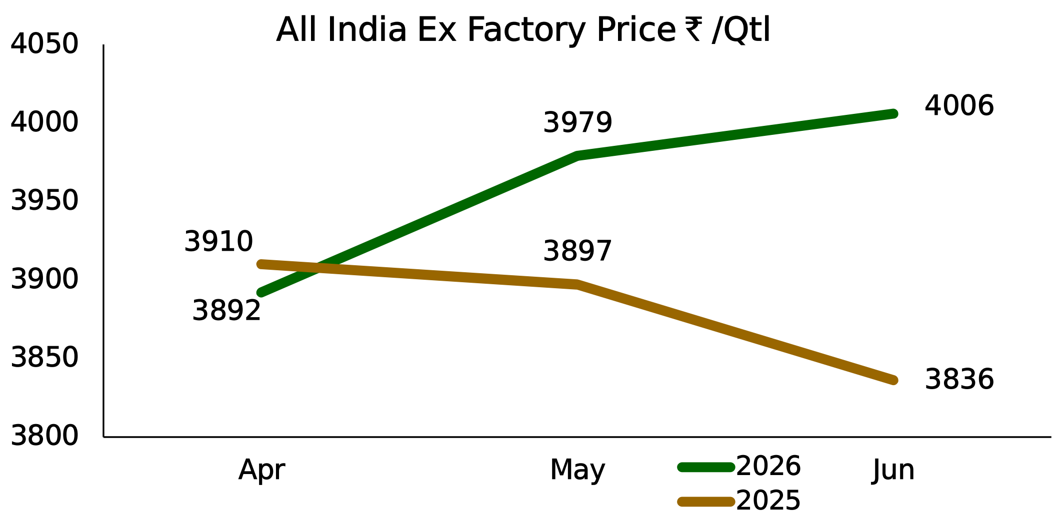
2 Indian sugar

2.1 Sugar production (ongoing SS Estimate)

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	280
3	Internal consumption	273	278	290	281	280
4	Diversion for Ethanol	32	38	21	35	29
5	Export	111	64	0.50	9	8
6	Closing stock	55	56	85	50	42
7	Closing stock as % of offtake	20	20	29	18	15

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

2.2 Sugar Prices



2.3 Fair & Remunerative Price for SS 2026-27

The CCEA chaired by Hon'ble Prime Minister on 5th May 2026 approved the increase in FRP of sugarcane for SS 2026-27 at Rs.365/Qtl. This is for basic recovery rate of 10.25%. It provides for a premium of Rs.3.56/Qtl for each 0.1% increase in recovery rate over & above 10.25%. Similarly, deduction in FRP is applicable at the same rate for each 0.1 % decrease in recovery. Such a reduction however is not applicable where recovery is below 9.5%.

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