

Businessline, sf. 7/1/26

Govt may curb sugar exports to allow higher ethanol blending with petrol

MOUNTING DUES. Centre concerned about ₹16,918 crore of sugarcane dues that have piled up till March-end

Our Bureau
New Delhi

Amid the Indian ethanol industry lobbying for blending beyond 20 per cent, a global agency has said that any hike from the E20 level will require India to ban sugar exports, potentially helping the government to control domestic prices when global rates are predicted to jump in April-June quarter.

“India, having achieved E20, appears increasingly likely to pursue a further expansion of its ethanol mandate. While India has capacity for further ethanol expansion, realising it will require the country to further restrict sugar exports, weighing on global supply and underpinning prices at the margin,” BMI, a unit of Fitch Solutions, said in a report, ‘Outlook for sugar prices’.

On Monday at the daily



EXPORT SHORTFALL. In 2024-25, the country exported 9 lt of sugar against the 10 lt permitted by the government REUTERS

media briefing on the West Asia crisis, when asked about any plan to raise ethanol blending with petrol (EBP) beyond 20 per cent, Sujata Sharma, Joint Secretary, Petroleum Ministry, declined to comment. She just said: “As of now, it stands at 20 per cent.”

India had faced a sugar shortage in the 2022-23 season. As a result, exports were restricted and despite a bumper output in 2023-24, no shipments were permitted.

In 2024-25, the country

exported 9 lakh tonnes (lt) against the permitted 10 lt whereas in the current season (October-September), the government allowed 15.9 lt so far of which over 3.7 lt have been exported.

PENDING ARREARS
Industry sources said the government is concerned about the ₹16,918 crore of sugarcane dues (to be paid to farmers by the mills) piled up till the end of March in the current crushing season that started from October 1, 2025.

“Though 84 per cent of the ₹1.07 lakh crore dues have been cleared by the mills, the arrear in terms of the absolute number is still a concern, when there is scope for getting more ethanol from sugar factories,” an industry official said.

He said oil marketing companies (OMCs) had placed orders for only 288.51 crore litres of ethanol in cycle 1 from sugar factories, whereas they have a combined capacity to produce nearly 1,000 crore litres annually. Of the order received, 46 per cent had been supplied until March 15, sources said. In comparison, grain-based units have supplied 31 per cent of the 759.75 crore litres worth of supply orders received.

According to the BMI report, the global sugar price having averaged US cent 14.6/lb (of 0.454 kg) in the first quarter of CY2026 (January-March), there may

be a gradual recovery, with quarterly averages projected at US cent 16.2/lb in Q2 (April-June), US cent 16.6/lb in Q3 (July-September) and US cent 17.2/lb in Q4 (October-December). The annual average for CY2026 is seen at US cent 16.2/lb.

The report also expressed concern over the likely impact of El Nino comparing it with 2023 (when monsoon rainfall was 6 per cent deficient), resulting in lower sugar production in the 2024-25 season. Sugar production in the 2024-25 season dipped to 261 lt from 320 lt in 2023-24.

“The historical evidence for this transmission mechanism is well established; the 2023-24 El Niño coincided with an estimated 9 per cent decline in Indian sugarcane production and a projected 15 per cent reduction in Thai output, driving global sugar prices to their highest level since 2011,” BMI said.

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Coffee exports hit a record high of \$2.13 b in FY26

Vishwanath Kulkarni

Bengaluru

Coffee exports registered 17 per cent growth to a record \$2.136 billion for FY26 on higher prices and a modest increase in volume. In the previous year, shipments were to the tune of \$1.82 billion.

As per the latest data released by the Coffee Board, export volumes increased by 4.65 per cent to cross 4.07 lakh tonnes (lt) during FY26; the figure was over 3.88 lt in 2024-25. In rupee terms, exports grew 22.47 per cent to ₹18,887 crore over ₹15,421

crore. The per unit value realised by exporters was up 17 per cent at ₹4,64,041 per tonne against ₹3,96,525.

Ramesh Rajah, President, Coffee Exporters Association, said shipments witnessed a record high in value and volume during 2025-26, breaking earlier records. "A 5 per cent growth in volumes is a commendable performance on a higher base," Rajah said, adding that the growth in shipments was possible due to a higher crop.

WAR IMPACT

Coffee output during 2024-25 (October-September crop year) was 3.63 lt, comprising

Brewing gains

Financial year	Volume (tonnes)	Value (\$ million)
2025-26	4,07,014	2,136
2024-25	3,89,967	1,820
2023-24	3,83,965	1,286
2022-23	3,96,346	1,146

Source: Coffee Board

1.05 lt of arabica and 2.57 lt of robusta.

Shipments to West Asia have slowed down and are stranded at various safe ports due to disruption in logistics on account of the war in the region. "It is too early to quantify or predict the impact on exports to West Asia

in the current financial year," he said.

However, shipments to Europe, the main market for Indian coffees, are going through the Cape of Good Hope. "We expect the shipments to Europe to pick up," Rajah said.

Kurma Rao M, CEO and Secretary, Coffee Board, said the initiatives taken by the government towards ease of doing business had helped boost the shipments. Besides, the demand for value-added coffees also contributed to the growth, he said.

Italy, Germany, the Russian Federation, Belgium and Turkey continue to be

among the top five buyers of Indian coffees.

India, the seventh largest producer of coffees, is the fifth largest exporter of the commodity. In fact, Indian coffee shipments have almost nearly doubled over the past four years although the volumes have remained steady.

The surge in shipments was largely on account of a strong uptrend in global prices and improved realisations. Firm demand from key markets, supply constraints in major producing countries and a shift toward higher-value varieties have driven the gains.

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War hits activated carbon exports as costs surge amid shipping woes

V Sajeew Kumar

Kochi

Activated carbon exports have been impacted by the ongoing West Asia crisis due to the unavailability of shipping services to certain sectors, higher ocean freight and war risk surcharge.

Joshy Joseph, Director of IndCarb, the Palakkad-based manufacturer and exporter of activated carbon, told *businessline* that the current crisis in the Gulf region is more severe than the US tariff issue; it has entirely blocked cargo movement to countries, such as Sudan and Egypt, where activated carbon is in high demand, thanks to the presence of gold mines.

Activated carbon is used in gold extraction, and purification of water and air. Sudan is reported to be the second highest gold producer in the African region after Ghana.



However, the blockade of the Red Sea has disrupted cargo movement to the country, hitting activated carbon manufacturers badly, he said. The other option of diverting cargo via the Cape of Good Hope is time-consuming and costly, he said.

LACK OF VESSELS

Besides, the war risk premium of \$3,000 per 40 ft container, imposed by shipping lines for new cargo as well as already shipped consignments, has not gone

down well with manufacturers, who have opposed the war risk surcharge on consignments that are already onboard, on which they have paid the freight charge up to their respective destinations.

The non-availability of vessels to Russia is also posing a problem, forcing exporters to take containers to Nhava Sheva Port for shipment. This forced them to incur an additional cost of ₹1.5 lakh for dispatching containers to the Nhava Sheva port, he said.

The high price of coconut shells is also a concern for the sector.

The raw material price has risen to more than ₹90,000 per tonne, compared to ₹45,000 in FY25.

The US is a major importer of activated carbon, with exports from India reported to be around ₹4,000 crore in FY26 against ₹2,800 crore in FY25, he said.

India Floats Tender to Import 2.5 mt Urea

Move to bolster reserves ahead of planting season

Shambhavi Anand

New Delhi: India has issued a global tender for the import of 2.5 million tonnes of urea to bolster the reserves of the most-used soil nutrient ahead of the main planting season that begins in June.

Indian Potash Ltd (IPL) issued the tender for the bulk import of granular and prilled urea. It must be loaded onto a ship that must depart the export location before June 14, according to the tender issued on April 4.

Urea imports in India are handled through a structured electronic bidding process run by Government-backed trading firms IPL, Rashtriya Chemicals & Fertilizers Ltd and National Fertilizers Ltd.

They act as the main purchasing entities on behalf of the government. Global bids are submitted on a government portal. After evaluation, purchase takes place based on several metrics such as prices and date of arrival.

Urea is the most-used soil



nutrient, accounting for 45% of fertiliser consumption and applied right after planting, around the end of June. The key raw material for urea is natural gas, around 80% of which is largely imported from the Middle East.

Disruptions in supplies of liquefied natural gas amid the Iran war have forced several factories to either shut down completely and advance their annual maintenance or run below capacity, reducing monthly production to 1.8 million tonnes in March from a monthly average of 2.4 million tonnes.

As the kharif sowing season nears, the government

intends to increase supply of LNG to urea plants to 90% of their average capacity to ramp up production. The kharif season accounts for more than half of India's food-grain production.

Several staple crops such as oilseeds, pulses, rice, cotton, maize and sugarcane are sown during the season, making it vital for keeping food inflation under check.

India's fertiliser subsidy bill could climb by Rs 20,000-25,000 crore even as annual domestic production of both complex fertilisers and urea could dip 10-15% if the Middle East crisis persists, according to a report by Crisil Ratings.

Black mass recyclers warn against sudden export curbs

SURYA SARATHI RAY
New Delhi, April 6

RECYCLING STANDOFF

BLACK MASS RECYCLERS want the government to adopt a calibrated, phased approach for imposing strategic export restrictions, suggesting that an abrupt halt might strain a sector that is still building domestic linkages.

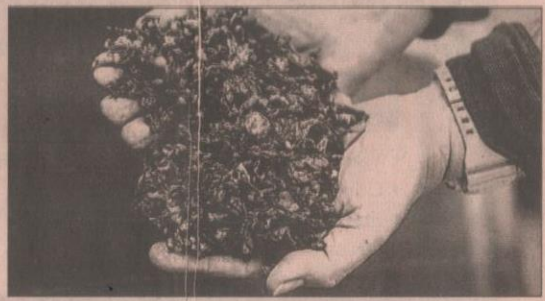
Black mass, the shredded intermediate material derived from recycling lithium-ion batteries, contains critical minerals such as lithium, cobalt, nickel, manganese, tin, graphite and silicon. These materials are essential for advanced battery manufacturing, used in electric vehicles (EVs), renewable energy storage systems and other clean technology applications.

Last November, the government deferred all export-permission applications for black mass, effectively signalling a near-term halt, in a move aimed at building a resilient

■ Recyclers urge phased export curbs on black mass, warning abrupt bans could disrupt a nascent domestic ecosystem

■ Government's November move to defer export permissions signals a near-term halt to overseas shipments

■ Black mass—rich in lithium, cobalt, nickel and other minerals—is key to EVs and clean energy storage



■ India's black mass recycling market is set to grow from **\$1.6bn** in 2024 to **\$6.5bn** by 2033

■ Industry flags inadequate domestic refining capacity to absorb current volumes despite policy push

domestic ecosystem for battery recycling and refining. India's black mass recycling market was valued at \$1,565 million in 2024 and is projected to grow at a 17.4% CAGR to \$6,451 million by 2033, said market research firm Grand View Research.

While industry participants acknowledge the government's intent to preserve strategic feedstock within the country, they argue that the domestic ecosystem is not yet equipped to absorb the full volume generated.

"Though the intent to retain

strategic feedstock domestically is well-placed, the transition will require calibrated sequencing across refining capacity, pricing parity and the formalisation of black mass standards," said Gaurav Dolwani, CEO, LICO Materials. Although capacities are being developed under govern-

ment initiatives such as the Production Linked Incentive (PLI) scheme for Advanced Chemistry Cell (ACC) manufacturing, most facilities are not yet operational.

As a result, processors say recovered materials such as lithium, cobalt, nickel, and manganese remain underutilised, locking up working capital and straining recycling operations.

Anupam Kumar, CEO, Min-iMines Cleantech Solutions, said, "India's National Critical Mineral Policy 2025 provides the right framework to enable this transition by supporting efficiency improvements and the development of more advanced refining technologies". As this shift progresses, he expects significant capital to begin flowing into the domestic battery-recycling and critical-minerals sectors.

Another key concern flagged by industry stakeholders is the lack of standardization and classification of black mass. Since its composition

varies depending on the chemistry of batteries being recycled, recyclers say a clear regulatory framework and defined assay standards are essential to enable transparency, pricing alignment and trade compliance.

"India's battery recycling sector is ready to contribute to a strong domestic value chain, but policy transitions must reflect the realities of current infrastructure. A phased and coordinated approach will ensure recyclers remain sustainable while the broader ecosystem for refining, materials processing and cell manufacturing continues to develop," said Akhilesh Bagaria, NavPrakriti Green Energies.

Stakeholders have also called for black mass to be recognised as a secondary resource rather than classified as waste, given its role in recovering critical minerals central to India's energy transition and net-zero ambitions.

Business Line Dt: 08/04/26.

Egg exports develop crack on spike in freight costs

Vishwanath Kulkarni
Bengaluru

Egg exporters are battling shipping disruptions and a near five-fold surge in freight costs due to the West Asia war, even as export demand stays strong and domestic demand weakens.

The fallout has stranded shipments, flooded the local market and pushed prices below cost.

Of 125 delayed containers, 90-95 have now reached destinations, offering partial relief. But 5-10 remain stuck at JNPT and about 30 are still on a vessel near Dammam, likely to clear in a few days, said Valsan Parameswaran, Secretary, All India Poultry Exporters Association.

With eggs' 90-day shelf life already half spent for many consignments, time is of the essence. The bigger hit, how-

Exporters seek more sailing frequency, subsidies to offset hike in freight costs

ever, is freight; container rates have jumped from nearly \$1,800 to \$9,500-\$10,500, eroding margins.

Limited support from the Export Credit Guarantee Corporation of India (ECGC) has helped, but exporters want more support, especially from Kochi, and freight subsidies.

DESPITE DEMAND

Pre-war, India shipped 80 lakh-1 crore eggs daily (about 20 containers), largely from Namakkal. Now, barely 1-2 containers move every few days, he said. This, despite strong demand in the UAE, Oman, Qatar and West

Africa, amid supply gaps from Iran and Turkiye.

Despite this, Indian exporters are struggling to service the orders due to shipping constraints and limited vessel availability.

PRICES SLIDE

The export slump has swamped the domestic market, dragging prices down from about ₹540 per 100 eggs to nearly ₹430, well below the below the production cost of ₹450 — translating into daily losses of around ₹5 crore for South Indian farmers.

Besides, seasonal factors have compounded the pressure. "Demand has softened following Ramadan and Easter, while school closures have cut mid-day meal off-take. Lower summer consumption has further weakened the market," Parameswaran said.

Business Line. Dt:- 09/04/26.

Pegged lower at 4.03 lt, coffee output may weigh on exports in current fiscal

Vishwanath Kulkarni
Bengaluru

After achieving record exports in FY26, a weaker crop in the 2025-26 coffee year (ending September) is likely to temper export momentum in the current fiscal, as tighter supplies may weigh on shipment volumes.

A higher crop and robust demand led to record export volumes of over 4.07 lakh tonnes (lt) during FY26, with shipments exceeding \$2.136 billion in value.

"The crop size this year is going to be a major factor. We expect the arabica output to be around 90,000 tonnes, about 10,000 tonnes more than last year, while the robusta production is seen 40,000-50,000 tonnes less than last year," said Ramesh Rajah, President, Coffee Ex-



PAST GLORY. A higher crop and robust demand led to record export volumes of over 4.07 lt during FY26

porters Association.

For the current coffee year 2025-26 (October-September), the Coffee Board, in its initial or post blossom estimates, pegged the output at 4.03 lt, comprising 1.18 lt of arabica and 2.84 lt of robusta, which the stakeholders felt was on the higher side. The Board is yet to release the final production figures for 2025-26.

During 2024-25, India

produced 1.057 lt of arabica and 2.578 lt of robusta, totalling 3.63 lt, as per the Board's final estimate.

Sahadev Balakrishna, Chairman, UPASI Coffee Committee, said the arabica output for 2025-26 was slightly better than last year, while robusta production had seen a decline. "Arabica output may be close to 1 lt, above previous year's 80,000-90,000 tonnes, while

robusta production may be in the range of 2.5-2.6 lt."

PREMIUM A CHALLENGE

Factors, such as poor crop setting and excess rain, impacted the output during 2025-26. Prolonged monsoon rain impacted the crop in some key growing areas such as Karnataka and Kerala. M Salman Baseer, Chairman, Karnataka Planters Association, estimated the crop size of arabica at around 80,000 tonnes and robusta at 2.75 lt.

Besides a lower crop size, the high premiums that Indian coffees are commanding could pose a challenge to exports. With premiums for Ugandan coffee rising, the African producer has emerged as a competitor to Indian robusta in the European market, especially Italy, Rajah said.

Onion prices decline on export slump

SANDIP DAS
New Delhi, April 9

WITH ROBUST CROP prospects and exports to the Gulf countries hit due to the West Asia war, onion prices in Lasalgaon, Nashik, Maharashtra, the hub of the country's wholesale trade, declined to ₹1,100 a quintal on Thursday from ₹2,000/quintal prevailed a year ago.

Traders say that with the arrival of rabi crops for the new season (2025-26) in the market, onion prices are likely to remain subdued in coming months. "Current onion prices are only covering the cost of production for the farmers, while exports have been hit due to the West Asia war, which has impacted the prices," Jaydutt Holkar, director, agricultural produce market commit-

tee (APMC), Lasalgaon, Nashik, told *FE*. Holkar said that the government should provide some export incentives to boost onion shipment.

Earlier exporters had said that exports—rice, fruits and vegetables to the Gulf region—have been severely impacted due to the West Asia war, as freight costs have risen multiple times while shipping companies are booking consignments in very limited numbers.

Ajit Shah, a leading onion exporter, said that few consignments carrying onions and vegetables have been sent to Khorfakkan and Fujairah ports, Dubai which are much smaller in terms of capacities to handle cargo compared to Jebel Ali Port, one of the busiest container ports in the region. The modal retail price of onion according to the Department

SUPPLY SURGE

■ Weak Gulf demand amid West Asia war dents exports

■ Farmers barely covering production costs at current price levels

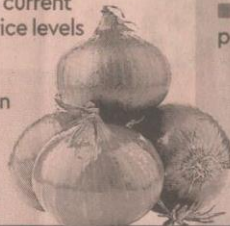
■ Rabi arrivals seen keeping prices subdued in coming months

■ Freight surge, limited vessel slots disrupt agri shipments to Gulf

■ Retail onion prices fall

18%

y-o-y; inflation remains in negative zone



of Consumer Affairs, dropped to Rs 25/kg on Thursday, an 18% decline compared to the previous year.

The retail inflation in onion had declined by 28.2% in February, 2026 on year. Inflation in onions has been in the negative zone since May 2025.

Meanwhile, the govern-

ment has given a nod for procurement of 0.2 million tonne (MT) of onion from the farmers at market prices for creating a buffer for 2026-27 under the price stabilization fund (PSF). The two agencies—Nafed and NCCF—have been directed by the department of consumer affairs to prepare for

onion procurement for the rabi season, 2026 based on weekly market price largely in Maharashtra.

These agencies purchased 0.3 MT and 0.47 MT of key vegetables in 2025 and 2024 respectively. Onions procured under the PSF are offloaded in the market in a calibrated manner when retail prices usually start rising by October.

As per the estimates of the agriculture ministry, onion production in the 2024-25 crop year (July-June) is estimated at 30.76 MT; 27% higher compared to previous crop year. In the 2025-26 crop year, onion output is expected to be higher on year. India has exported 1.5 MT of onion in 2025-26 while Bangladesh, Malaysia, United Arab Emirates, Sri Lanka and Nepal were the major export destinations.

Wheat exports to resume after 4-yr ban, quotas soon

SANDIP DAS
New Delhi, April 12

SEVERAL COUNTRIES INCLUDING Egypt, Indonesia, Myanmar and Bangladesh have shown interest in importing wheat after India lifted a nearly four-year-old export ban. The Directorate General of Foreign Trade (DGFT) is likely to allocate wheat export quotas soon, sources said.

Trade sources said that due to supply disruptions caused by geopolitical factors, wheat export prospects look promising this year. This follows the government allowing shipments of 2.5 million tonne (MT) of grain and an additional 0.5 MT of processed wheat products in February 2026, citing surplus stocks and a prospect of a record harvest.

"With Indian wheat cost and freight (CFR) rates to Bangladesh hovering around \$ 275-280 per tonne, exports appear viable and competitive. While recent unseasonal rains raise minor quality concerns, the Government approvals signal strong potential for trade, supporting farmers alike," Navneet Chitlangia, president, Roller Flour Millers' Federation of India, told FE.

India, the world's second-largest wheat producer after China, imposed the ban on wheat and wheat-product

MARKET RESET

■ Export quotas expected soon by DGFT

■ Surplus stocks: FCI holds about 22 MT vs 7.46 MT buffer norm

■ Record output projected: Around 120 MT wheat in FY26

■ Retail prices stable: ₹ 30.8 per kg, 3% y-o-y decline



exports in May 2022 due to concerns over food security, a smaller harvest, and rising inflation.

At the beginning of April, FCI held over 22 MT of wheat stock against a buffer of 7.46 MT. Trade analysts say this comfortable stock position has contributed to price stability in retail markets.

The average retail price of wheat according to the

Department of Consumer Affairs, was Rs 30.81/kg, a marginal decline of 3% year-on-year.

Chitlangia also stated that recent unseasonal rains, hailstorms, and associated winds have impacted wheat crops across 9 states and 152 districts, affecting over 4.2 million hectares. "This has caused qualitative losses of 20-30% in affected areas—primarily grain discolouration, loss of lustre, and elevated moisture content—along with a quantitative loss of 2 MT," he said.

The Agriculture Ministry has projected a record 120 MT of wheat output in the 2025-2026 crop years (July-June), trade sources said this output is definitely higher than the 117 MT from the 2024-25 crop year.

The area under wheat this season has increased to 33.41 million hectares (mha), 3% higher than last year, exceeding the normal sown area of 31.2 mha. Agriculture Minister Shivraj Singh Chouhan has stated that unseasonal rains and hailstorms have damaged standing rabi crops across 0.24 million hectares so far in several states, with the wheat crop being the most affected.

The government is aiming to buy over 30 MT of wheat from farmers in key producing states during the 2026-27.