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Daily PIB summary**Sugar Price Stabilization and Grain-Based Ethanol Transition**

UPSC Civil Services · 22 August 2026 · Prelims and Mains

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WHY IN NEWS

- The Centre issued a market update addressing domestic sugar price surges and clarifying ethanol feedstock diversion figures ahead of the festive season.

SUGAR PRODUCTION DYNAMICS AND PEST PRESSURES

- Estimated domestic sugar production for 2025-26 dropped from 343 LMT to 306 LMT due to waterlogging, Red Rot, and **Top Borer** disease.
- International sugar prices rose by over 16% due to a projected global sugar deficit of 33 LMT for 2026-27.
- Domestic availability remains sufficient until the new crushing season commences in October.

STRUCTURAL SHIFT IN ETHANOL FEEDSTOCK

- Sugar diversion to ethanol declined from 12% in 2022-23 to 9% in 2025-26, debunking claims that ethanol blending caused sugar price hikes.
- Grain-based feedstocks, primarily maize, now account for nearly 75% of total domestic ethanol production.

KEY TERMS

- **Red Rot Disease:** A destructive fungal disease affecting sugarcane plants, caused by the fungus *Colletotrichum falcatum*.
- **Top Borer:** A major lepidopteran insect pest of sugarcane that destroys the growing tip and causes 'dead hearts'.

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PRELIMS FACTS

- Maize has become the dominant feedstock under the Ethanol Blended Petrol (EBP) program.

MAINS DISCUSSION

- Balancing food security and sugarcane pricing with renewable bio-energy targets.

KEY DATA

- **Ethanol Feedstock Share:** ~75% Grain-Based - Crucial for understanding India's Ethanol Blended Petrol (EBP) program structural transition away from direct sugar diversion.

[Official source](#)

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