

Recent Update:

Sugar physical market showed a stable trend today in India. Sugar prices were slightly higher in the Delhi market at Rs. 3520/qtl whereas prices were stable in Kolhapur at Rs. 3500 per quintal.

The Indian Sugar Mills Association has urged the government to reconsider the monthly sugar sales quota for September month. Earlier, In a notification issued on 31st August 2022, the food ministry allocated higher monthly sales quota of 23.5 Lakh MT (LMT) for monthly September 2022, compared to 22 LMT allocated during August 2022.

As per the Association, the increased sugar sales quota might lead to a drop in ex-mill price of sugar. Currently, ex-mill price of sugar is at Rs. 3,400 -Rs. 3, 500 per quintal. In the previous month government has extended the monthly sugar sales quota of July month till 31st August 2022 due to lower monthly sales.

However, as per AgriWatch, the sugar prices are higher despite the higher sales quota released during the September month. The spot Sugar prices (M grade) in the benchmark Kolhapur market is likely to range in between Rs.3480 -3580 per quintal. Average prices for Sugar 'M' grade in key Kolhapur market remained stable at Rs.3500 per quintal, due to smooth demand in the domestic market during the last week.

Weather Forecast

Heavy rainfall at isolated places over Madhya Maharashtra, Coastal Andhra Pradesh & Yanam, Telangana, Karnataka, Kerala & Mahe, Odisha, Konkan & Goa, Andaman & Nicobar Islands, Coastal and south interior Karnataka, Chhattisgarh, Nagaland, Manipur, Mizoram, Tripura, Gujarat region, Marathwada, South Interior Karnataka, Tamil Nadu, Arunachal Pradesh, Marathwada, Rayalaseema. Thunderstorms accompanied by lightning at isolated places over Andaman & Nicobar Islands, Telangana, Uttarakhand, Uttar Pradesh, Madhya Pradesh, Vidarbha, Chhattisgarh, Jharkhand, West Bengal, Sikkim, Nagaland, Manipur, Mizoram, Tripura, Gujarat region, Madhya Maharashtra, Marathwada, Konkan & Goa, Coastal Andhra Pradesh & Yanam, Rayalaseema, Karnataka, Tamil Nadu, Pondicherry, Karaikal, Kerala & Mahe, Lakshadweep.

Previous Domestic Market Updates:

Sugar millers in Maharashtra have urged the Centre to announce an export policy for the 2022-23 sugar season. The government in the 2022-23 season is planning to allow sugar exports in two tranches from October 2022. The sugar exports of around 4-5 million tonnes will be allowed in first tranche and rest in the second. Currently, sugar exports are under restriction till 31st October 2022.

According to the Ministry of Agriculture and Farmer's Welfare data, till 02nd September 2022, the area under sugarcane cultivation has reached 55.65 lakh hectares as compared to 54.70 lakh hectares during the previous season.

According to the market sources, sugar exports in India are likely to fall at around 8 million tonnes in the upcoming 2022-23 season as compared to 10.5 million tonnes in the 2021-22 due to expected lower opening stock and an increase in diversion of sugar for ethanol production. Around 45 lakh tonnes of sugar is expected to be diverted for ethanol in the next season against 34 lakh tonnes in the 2021-22 season.

Sugarcane Sowing (Lakh Hectares) As of 02 nd Sep 2022		
State-wise	2022-23	2021-22
Andhra Pradesh	0.47	0.84
Assam	0.28	0.28
Bihar	2.35	2.64
Chhattisgarh	0.32	0.12
Gujarat	2.32	2.31
Haryana	1.06	1.1
Karnataka	6.6	5.69
Madhya Pradesh	0.86	1.06
Maharashtra	13.4	12.32
Odisha	0.19	0.17
Punjab	0.97	0.98
Tamil Nadu	1.51	1.5
Telangana	0.32	0.29
Uttar Pradesh	23.6	23.95
Uttarakhand	0.92	0.93
West Bengal	0.16	0.17
Others	0.26	0.35
All-India	55.65	54.70

International Market Updates:

Brazil Sugar production is expected to fall in the coming 2022-23 season. The major reason behind the fall in production is bad weather which is likely to affect the crop, along with it the expected shift in acreages as farmers have switched to more profitable crops like soya and corn. Brazil's Center-South region sugar production was down by around -12.8% year on year basis to 18.625 MMT in the 2022-23 season. Also, CONAB, Brazil has reduced its sugar production estimate to 33.9 MMT from its previous forecast of 40.3 MMT in anticipation of reduced acreages under the crop.

Also, the hot and dry weather conditions in France and Germany threaten to lower sugar beet yields in the European Union. However, the outlook for larger sugarcane crop in India and Thailand is bearish for sugar prices.

International Sugar Futures ICE (US Cent/lb)

Daily Futures Price Listing Wednesday, Sept 07th 2022									
Most Recent Information							Previous Day		
Month	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
Sugar #11(ICE)									
22-Oct	220907	17.98	18.34	17.92	18.05	0.07	68,887	279,520	-1,234
22-Mar	220907	17.78	18.05	17.74	17.82	0.02	41,383	228,958	3,915
22-May	220907	17.24	17.48	17.2	17.28	0.01	12,562	97,216	-52
23-Jul	220907	17.01	17.23	16.97	17.06	unch	15,229	58,706	2839
23-Oct	220907	17.03	17.24	17	17.11	0.02	7,042	48,820	810
23-Mar	220907	17.19	17.42	17.17	17.33	0.06	3309	24,513	962
24-May	220907	16.66	16.86	16.64	16.82	0.08	369	7,447	45
24-Jul	220907	16.31	16.51	16.31	16.49	0.09	414	10,453	18
Total Volume and Open Interest							149,562	772,699	7,524

Source: MRCI

International Sugar Futures LIFFE (US \$/MT)

Daily Futures Price Listing Wednesday, Sept 07th 2022									
Most Recent Information							Previous Day		
Month	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
London Sugar (LCE)									
22-Oct	220907	572	574.2	567.6	571.2	-2	3,754	23,563	-683
22-Dec	220907	531.1	535.6	527.9	532.1	0.6	2,438	25,041	653
22-Mar	220907	504.8	510	503.1	505	-0.5	789	16,701	264
22-May	220907	491.9	496.4	490.9	492.4	-0.6	307	6,092	31
23-Aug	220907	483.7	487.2	483.3	483.9	-1.1	112	4,162	-36
Total Volume and Open Interest							7,412	81,004	223

Source: MRCI

DOMESTIC PRICES AND ARRIVAL

Sugar Prices at Key Spot Markets:					
Commodity	Centre	Variety	Prices (Rs/Qtl)		Change
Sugar			8-Sep-22	7-Sep-22	
Delhi	Delhi	M-Grade	3520	3515	5
	Delhi	S-Grade	3500	3495	5
Maharashtra	Mumbai	M-Grade	3640	3640	Unch
	Mumbai	S-Grade	3562	3562	Unch
	Nagpur	M-Grade	3625	3625	Unch
	Nagpur	S-Grade	3525	3525	Unch
	Kolhapur	M-Grade	3500	3500	Unch
	Kolhapur	S-Grade	3400	3400	Unch
Assam	Guhawati	S-Grade	3715	3715	Unch
Meghalaya	Shillong	S-Grade	3720	3720	Unch
Andhra Pradesh	Vijayawada	M-Grade (With Duty)	4000	4000	Unch
	Vijayawada	S-Grade (With Duty)	3900	3900	Unch
West Bengal	Kolkata	M-Grade	3900	3900	Unch
Tamil Nadu	Chennai	S-Grade (With GST)	3550	3550	Unch
	Dindigul	M-Grade (DCA)	3820	3820	Unch
	Coimbatore	M-Grade (DCA)	3840	3840	Unch
Chattisgarh	Ambikapur	M-Grade (Without Duty)	3850	3850	Unch
Sugar Prices are in INR/Quintal. (1 Quintal=100 kg)					

Jaggery (Gur) Prices at Key Spot Markets:					
Commodity	Centre	Variety	Prices (Rs/Qtl)		Change
Jaggery(Gur)			8-Sep-22	7-Sep-22	
Uttar Pradesh	Muzaffarnagar	Chaku Fresh	NA	NA	-
	Muzaffarnagar	Chaku(Arrival)(40kg Bag)	NA	NA	-
	Muzaffarnagar	Khurpa (Fresh)	NA	NA	-
	Muzaffarnagar	Laddoo (Fresh)	NA	NA	-
	Muzaffarnagar	Rascut (Fresh)	NA	NA	-
	Hapur	Chaurasa	2900	2900	Unch
	Hapur	Balti	3060	3040	20
Andhra Pradesh	Chittur	Gold	NR	NR	-

		White	NR	NR	-
		Black	NR	NR	-
Maharashtra	Latur	Lal Variety	NR	NR	-
Karnataka	Bangalore	Mudde (Average)	4550	4550	Unch
	Belgaum	Mudde (Average)	NA	NA	-
	Belthangadi	Yellow (Average)	NA	NA	-
	Bijapur/Vijayapura	Achhu	NA	NA	-
	Gulbarga/Kalaburgi	Other (Average)	3100	3000	100
	Mahalingapura	Penti (Average)	NA	NA	-
	Mandya	Achhu (Medium)	3580	3620	-40
	Mandya	Kurikatu (Medium)	3400	3480	-80
	Mandya	Other (Medium)	3360	3400	-40
	Mandya	Yellow (Medium)	3530	3510	20
	Shimoga/Shivamogga	Achhu (Average)	3850	3850	Unch

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