

Recent Update:

Sugar physical market showed a stable to weak trend today in India. Sugar prices were slightly lower in the Delhi market at Rs. 3515/qtl whereas prices were stable in Kolhapur at Rs. 3450 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. Average prices for Sugar 'M' grade in key Kolhapur market remained stable at Rs.3500 per quintal during the week under review. Sugar prices in Kolhapur market are expected to come down slightly in the coming week due to slow demand in the domestic market, prices are further likely to range between Rs. 3350- Rs. 3450 per quintal.

Weather Forecast

Heavy rainfall at isolated places over Odisha, Konkan & Goa, Madhya Maharashtra, Coastal Andhra Pradesh, Yanam, Telangana, Uttarakhand, Chhattisgarh, Gangetic West Bengal, Assam & Meghalaya, Gujarat state, Marathwada, Coastal & North Interior Karnataka, Kerala & Mahe. Thunderstorms accompanied by lightning at isolated places over Andaman & Nicobar Islands, Telangana, Jammu & Kashmir, Ladakh, Gilgit, Baltistan, Muzaffarabad, Uttarakhand, Uttar Pradesh, Madhya Pradesh, Vidarbha, Chhattisgarh, Bihar, Jharkhand, Gangetic West Bengal, Assam & Meghalaya, Nagaland, Manipur, Mizoram, Tripura, Gujarat region, Madhya Maharashtra, Marathwada, Konkan & Goa, Coastal Andhra Pradesh & Yanam, Karnataka, Tamil Nadu, Pondicherry, Karaikal, Kerala & Mahe.

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 02nd 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 Thursday, Sept 08th 2022 | | | | | | | | | |
|--|--------|-------|-------|-------|-------|--------|--------------|----------|---------|
| Most Recent Information | | | | | | | Previous Day | | |
| Month | Date | Open | High | Low | Close | Change | Volume | Open Int | Change |
| Sugar #11(ICE) | | | | | | | | | |
| 22-Oct | 220908 | 18.05 | 18.24 | 17.85 | 17.93 | -0.12 | 84,973 | 259,688 | -19,832 |
| 22-Mar | 220908 | 17.83 | 17.94 | 17.64 | 17.72 | -0.1 | 61,132 | 232,655 | 3,697 |
| 22-May | 220908 | 17.29 | 17.39 | 17.15 | 17.25 | -0.03 | 17,830 | 96,568 | -648 |
| 23-Jul | 220908 | 17.06 | 17.18 | 16.96 | 17.07 | 0.01 | 21,114 | 60,872 | 2166 |
| 23-Oct | 220908 | 17.12 | 17.22 | 17.01 | 17.12 | 0.01 | 9,265 | 48,763 | -57 |
| 23-Mar | 220908 | 17.39 | 17.43 | 17.22 | 17.34 | 0.01 | 6186 | 26,819 | 2306 |
| 24-May | 220908 | 16.85 | 16.88 | 16.77 | 16.86 | 0.04 | 510 | 7,444 | -3 |
| 24-Jul | 220908 | 16.48 | 16.57 | 16.43 | 16.56 | 0.07 | 369 | 10,419 | -34 |
| Total Volume and Open Interest | | | | | | | 201,780 | 760,601 | -12,098 |

Source: MRCI

International Sugar Futures LIFFE (US \$/MT)

| Daily Futures Price Listing Thursday, Sept 08th 2022 | | | | | | | | | |
|--|--------|-------|-------|-------|-------|--------|--------------|----------|--------|
| Most Recent Information | | | | | | | Previous Day | | |
| Month | Date | Open | High | Low | Close | Change | Volume | Open Int | Change |
| London Sugar (LCE) | | | | | | | | | |
| 22-Oct | 220908 | 572.9 | 581.2 | 567 | 580.2 | 9 | 11,244 | 20,563 | -3000 |
| 22-Dec | 220908 | 531.6 | 536.9 | 528.5 | 533.7 | 1.6 | 8,708 | 28,620 | 3579 |
| 22-Mar | 220908 | 505 | 509.1 | 502.8 | 504.9 | -0.1 | 3537 | 18,233 | 1532 |
| 22-May | 220908 | 492.4 | 495.3 | 489.5 | 491.4 | -1 | 962 | 6,205 | 113 |
| 23-Aug | 220908 | 483.9 | 485.7 | 481.4 | 482.7 | -1.2 | 432 | 4,221 | 59 |
| Total Volume and Open Interest | | | | | | | 25,500 | 83,684 | 2680 |

Source: MRCI

DOMESTIC PRICES AND ARRIVAL

| Sugar Prices at Key Spot Markets: | | | | | |
|---|------------|------------------------|-----------------|----------|--------|
| Commodity | Centre | Variety | Prices (Rs/Qtl) | | Change |
| Sugar | | | 9-Sep-22 | 8-Sep-22 | |
| Delhi | Delhi | M-Grade | 3515 | 3520 | -5 |
| | Delhi | S-Grade | 3495 | 3500 | -5 |
| Maharashtra | Mumbai | M-Grade | Closed | 3640 | - |
| | Mumbai | S-Grade | Closed | 3562 | - |
| | Nagpur | M-Grade | 3575 | 3625 | -50 |
| | Nagpur | S-Grade | 3475 | 3525 | -50 |
| | Kolhapur | M-Grade | 3450 | 3500 | -50 |
| | Kolhapur | S-Grade | 3350 | 3400 | -50 |
| Assam | Guhawati | S-Grade | 3664 | 3715 | -51 |
| Meghalaya | Shillong | S-Grade | 3670 | 3720 | -50 |
| 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) | | | 9-Sep-22 | 8-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 | 2960 | 2900 | 60 |
| | Hapur | Balti | 3080 | 3060 | 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) | NA | 3100 | - |
| | Mahalingapura | Penti (Average) | NA | NA | - |
| | Mandya | Achhu (Medium) | 3550 | 3580 | -30 |
| | Mandya | Kurikatu (Medium) | 3410 | 3400 | 10 |
| | Mandya | Other (Medium) | 3400 | 3360 | 40 |
| | Mandya | Yellow (Medium) | 3500 | 3530 | -30 |
| | Shimoga/Shivamogga | Achhu (Average) | 3850 | 3850 | Unch |

* Market was closed on account of Anant Chaturdashi.

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