

Recent Update:

Sugar physical market showed a stable trend today in India. Sugar prices were slightly higher in the Delhi market at Rs. 3530/qtl whereas prices were stable in Kolhapur at Rs. 3450 per quintal.

The Indian Sugar Mills Association has demanded that the government should allow 80 lakh tonnes of exports in the coming 2022-23 season. As per the association, the sugar production in 2022-23 season is expected to be 355 lakh tonnes which is around 5 lakh tonnes lower from the 2021-22 season of 360 lakh tonnes. The exports of surplus sugar would also help in maintaining domestic sugar prices, which in turn boost the liquidity position of mills enabling them to pay (FRP) sugarcane farmers on time.

Weather Forecast

Heavy rainfall at isolated places over Uttarakhand, East Rajasthan, West Madhya Pradesh, Gujarat State, Madhya Maharashtra, Konkan & Goa, Haryana, Chandigarh, Delhi, Uttar Pradesh, East Madhya Pradesh, Bihar, Gangetic West Bengal, Odisha, Assam & Meghalaya, Nagaland, Manipur, Mizoram, Tripura, Saurashtra & Kutch, Coastal Karnataka. Thunderstorms accompanied by lightning at isolated places over Jammu & Kashmir, Ladakh, Gilgit, Baltistan, Muzaffarabad, Himachal Pradesh, Uttarakhand, Haryana, Chandigarh, Delhi, Uttar Pradesh, Rajasthan, Bihar, Jharkhand, Odisha, Assam & Meghalaya, Nagaland, Manipur, Mizoram, Tripura, Gujarat region, Tamil Nadu, Pondicherry, Karikal.

Previous Domestic Market Updates:

Maharashtra government has urged the center to reduce the interest on delayed Fair and Remunerative Price (FRP) payments to the farmers from 15 percent to 7.5 percent. Earlier, as per Sugarcane Control Order, FRP to the farmers should be paid within 14 days of the procurement of sugarcane. Also, the failure to comply with the 14-day deadline would result in interest of 15 percent per annum. The State has also demanded a rise in the Minimum Selling Price of sugar from Rs. 3,100 per quintal to Rs. 3,600 for the 2022-23 season.

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.

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 Monday, Sept 12th 2022									
Most Recent Information							Previous Day		
Month	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
Sugar #11(ICE)									
22-Oct	220909	18.01	18.26	17.93	18.22	0.29	107,483	246,882	-12,806
22-Mar	220909	17.81	17.9	17.71	17.83	0.11	78,743	239,869	7,214
22-May	220909	17.3	17.45	17.24	17.38	0.13	12,787	96,273	-295
23-Jul	220909	17.1	17.29	17.05	17.21	0.14	13,501	63,747	2875
23-Oct	220909	17.14	17.33	17.1	17.26	0.14	6,910	49,257	494
23-Mar	220909	17.37	17.53	17.32	17.48	0.14	3729	26,889	70
24-May	220909	16.88	17.03	16.85	16.99	0.13	274	7,474	30
24-Jul	220909	16.58	16.73	16.55	16.69	0.13	194	10,258	-161
Total Volume and Open Interest							223,921	758,058	-2,543

Source: MRCI

International Sugar Futures LIFFE (US \$/MT)

Daily Futures Price Listing Monday, Sept 12th 2022									
Most Recent Information							Previous Day		
Month	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
London Sugar (LCE)									
22-Oct	220909	581.4	589.7	575.1	588	7.8	9,239	16,827	-3736
22-Dec	220909	535	540.6	532	539	5.3	7,705	31,330	2710
22-Mar	220909	505.3	511.3	504.1	509.8	4.9	2001	18,913	680
22-May	220909	491.4	497.3	490.9	495.8	4.4	401	6,239	34
23-Aug	220909	482.7	486.8	482.7	486.8	4.1	169	4,239	18
Total Volume and Open Interest							19,665	83,434	-250

Source: MRCI

DOMESTIC PRICES AND ARRIVAL

Sugar Prices at Key Spot Markets:					
Commodity	Centre	Variety	Prices (Rs/Qtl)		Change
Sugar			13-Sep-22	12-Sep-22	
Delhi	Delhi	M-Grade	3520	3530	-10
	Delhi	S-Grade	3500	3510	-10
Uttar Pradesh	Khatauli	M-Grade	3565	3565	Unch
	Ramala	M-Grade	NA	NA	-
	Dhampur	M-Grade Ex-Mill	3530	3530	Unch
	Dhampur	S-Grade Ex-Mill	3510	3510	Unch
	Dhampur	L-Grade Ex-Mill	3580	3580	Unch
Maharashtra	Mumbai	M-Grade	3640	3640	Unch
	Mumbai	S-Grade	3550	3562	-12
	Nagpur	M-Grade	3575	3575	Unch
	Nagpur	S-Grade	3475	3475	Unch
	Kolhapur	M-Grade	3450	3450	Unch
	Kolhapur	S-Grade	3350	3350	Unch
Assam	Guhawati	S-Grade	3664	3664	Unch
Meghalaya	Shillong	S-Grade	3670	3670	Unch

Andhra Pradesh	Vijayawada	M-Grade (With Duty)	4000	4000	Unch
	Vijayawada	S-Grade (With Duty)	3900	3900	Unch
West Bengal	Kolkata	M-Grade	3930	3930	Unch
Tamil Nadu	Chennai	S-Grade (With GST)	3550	3550	Unch
	Dindigul	M-Grade (DCA)	3800	3800	Unch
	Coimbatore	M-Grade (DCA)	3880	3880	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
			13-Sep-22	12-Sep-22	
Jaggery(Gur)	Hapur	Chaurasa	2930	2940	-10
	Hapur	Balti	3080	3080	Unch
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)	3000	3000	Unch
	Mahalingapura	Penti (Average)	NA	NA	-
	Mandya	Achhu (Medium)	3320	3340	-20
	Mandya	Kurikatu (Medium)	3400	3400	Unch
	Mandya	Other (Medium)	3360	3370	-10
	Mandya	Yellow (Medium)	3550	3560	-10
	Shimoga/Shivamogga	Achhu (Average)	3850	3850	Unch

International Sugar Prices FOB (USD/mT)

Date	Thailand FOB	Brazil FOB	Indian White Sugar FOB	INR
09-Sep-22	504	459	564	79.63
13-Sep-22	509	468	572	79.06



Disclaimer

The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness, and correctness. The use of data and information contained in this report is at your own risk. This document is not, and should not be construed as an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed, or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors, and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at © 2022 Indian Agribusiness Systems Ltd.