

Recent Update:

Sugar physical market showed a mixed trend today in India. Sugar prices were higher in the Delhi market at Rs. 3580/qtl and in Kolhapur prices were stable at Rs. 3300 per quintal.

As per the market sources, sugar production in India is likely to fall due to erratic weather. Poor yield has been reported from key sugar-growing belts. Around 15% drop in cane yields has been reported from Maharashtra. As per market sources, sugar production in Maharashtra is likely to fall from the expected 13.8 million tonnes to 11.7 million tonnes. In Karnataka too the erratic weather had affected the cane yields. Karnataka's sugar production is expected to fall to 5.5 million tonne from 6 million tonne last year. As a result, overall sugar production is expected to fall to 33.3 million tonne from the previous season 35.8 million tonnes.

Agriwatch estimates a lower sugar recovery from Uttar Pradesh also, due to poor weather during the sowing period. We estimate overall sugar production in India to be 34.8 million tonne.

As of 05th December 2022, Gujarat sugarcane sowing has reached 1,28,588 hectares for the 2022-23 season which is slightly higher compared to the previous season's sowing of 1,22,460 hectares. The normal area (past three years average) was around 2,09,854 hectares. The good rainfall during the past month has resulted in an increase in acreages under the sugarcane crop.

The Sugarcane crushing operations are going in full swing across the key producing states of Maharashtra, Uttar Pradesh, and Karnataka. About 90% of the sugar mills are operating currently. As per AgriWatch sources, sugar production is expected to improve in the 2022-23 season mainly due to improved acreages. As per the Indian sugar mills association, Sugar production in India has reached 47.9 lakh tonnes as against 47.2 lakh tonnes till 30th November 2022. The crushing operations were delayed this year because of rains during late October and early November. The state-wise sugar production is mentioned below:

State	Sugar Production		Mills in Operation	
	(as of 30 th Nov'22)		(as of 30 th Nov'21.)	
	No. of Operating Mills	Sugar Production	No. of Operating Mills	Sugar Production
Uttar Pradesh	104	11.2	101	10.4
Maharashtra	173	20.0	172	20.3
Karnataka	70	12.1	66	12.8
Gujarat	15	1.5	15	1.6
Tamil Nadu	5	1.1	3	0.5
Others	67	2.0	59	1.6
All India	434	47.9	416	47.20

Source: ISMA; Unit: Lakh Tonne

In a notification issued on 30th November 2022, the food ministry has allocated higher monthly sales quota of 22 Lakh MT (LMT), which is comparatively to 0.5 LMT higher than the quota allocated during December 2021. During the previous month government allocated 22 LMT quota. Sugar prices are likely to remain range-bound in the domestic market.

Weather Forecast

Heavy rainfall at isolated places over Coastal Andhra Pradesh, north coastal Tamil Nadu, Pondicherry & Karaikal. Thunderstorm accompanied with lightening at isolated places over Coastal Andhra Pradesh, Tamil Nadu, Pondicherry, Karaikal and Kerala & Mahe.

International Market Updates:

Higher crude prices benefit ethanol and may prompt Brazil's sugar mills to divert more cane crushing toward ethanol production rather than sugar, thus curbing sugar supplies.

Sugarcane crushing in the Center-South region of Brazil has increased in the first half of November 2022 as compared to the previous season around the same time. Sugar Mills in the region have crushed 26.34 million tonnes which is around 109.3% higher as compared to the previous season. The sugar production was around 162.2% higher to 1.67 million tonnes in November 2022.

Sugar supply get affected in Bangladesh. Due to energy crisis and disruption in the production (around 50% due to shortage of gas and electricity supply), sugar supply has been affected in Bangladesh. Around 4,000 tonne of sugar per day is supplied in the market against the minimum supply of 8,000 tonne. Due to supply shortage, sugar prices have increased to Bangladeshi Taka (Tk) 110-120 per kg from Tk 85-95 per kg during the previous month. The sugar refineries have urged the government to lower the higher import duties on sugar to resolve the issue.

Jaggery:

AgriWatch estimates, Jaggery prices to trade weak in the domestic market despite improved winter demand in December month. The increase in supply activities have resulted in prices being weak.

Kolhapur: Jaggery auction has stopped in Kolhapur Agriculture Produce Market Committee (APMC) during the week under review as prices had again dropped sharply. The jaggery-making farmers had refused to sell their produce unless the trader agreed to pay at least Rs. 3,700 per quintal for jaggery. However, as per sources the jaggery auction will resume in the coming week. The larger quantity of supply and the low demand across the country has led to a drop in jaggery prices. Further, prices in the coming week are expected to rise as with the decreasing temperature jaggery demand is expected to improve.

Kerala: Alangadan jaggery is expected to come in market by the year 2024. Sugarcane farming will be done on 20 acres in Alangadan. The order has also been placed with Sugarcane Breeding Institute Coimbatore to raise sampling which will be planted at Alangad. The planting will start in January next year. The Alangadan Jaggery is also planned for getting the GI tag for the product. The Alangadan jaggery has been used for making Aravana Payasam (Jaggery Kheer) in Sabarimala and for Aranmula.

Jaggery Price at Kolhapur Benchmark Market (Rs./Quintal)		
Forecast Date	Past Week	Week under review
05-Dec-22	4000	4000-4250

Ethanol:

Till 30th November 2022, Ethanol production capacity in India has been increased to 947 crore litres per annum. Molasses-based distilleries have a capacity of 619 crore litres whereas Grain-based distilleries have a capacity of 328 crore litres. According to the Department of Food and Public Distribution, the capacity covers the need for ethanol blending with petrol as well as other industrial uses of ethanol in the country. Around 228 ethanol projects have sanctioned loans of more than Rs 18,500 crores from banks. Out of the loans sanctioned, more than Rs 9000 crores have been disbursed to the 196 Projects.

The Oil Marketing Companies (OMCs) have so far allocated around 460 Crore litre for supply in Ethanol Supply Year (ESY) 2022-23 (against the first 2 EOI). The OMCs have floated a third EOI for the requirement of additional 139 crore liters, for which the last date of submission was 30th November'2022. The OMC's are currently examining the bids and are expected to do the allocations shortly.

Uttar Pradesh: Mill-wise Ethanol List (01/12/2022)

S.No	Factory Name	Opening Stock	Production To Date	Stock On Date	Sale in Hand	Last Sold Rate
		(in Lac B.L.)				(in Rs./litre)
		01st December 2022				
1	ANOOPSAHAR (ANOO)	3.46	33.99	2.47	44.98	59.08
2	GHOSI (GHOS)	3.7	13	0.13	27.54	59.08
3	KAIMGANJ (KAIM)	1.62	0	1.57	9.57	46.66
4	MAJHOLA (MAJH)	0	0	0	0	0
5	NANAUTA (NANA)	2.58	15.16	0.3	29.63	46.66
6	NANAPRA (NANP)	0	0	0.5	7	46.66
7	SAMPORNANAGAR (SAMP)	4.84	9.22	0.24	61.9	46.66
8	SATHIAON (SATN)	14.44	19.16	0.04	29.74	59.08
9	SNEH ROAD (SNEH)	0.13	46.61	0.67	92	59.08
Total		30.77	137.14	5.92	302.36	

International Sugar Futures ICE (US Cent/lb)

Daily Futures Price Listing Tuesday, Dec 06th, 2022									
Most Recent Information							Previous Day		
Month	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
Sugar #11(ICE)									
22-Mar	221206	19.54	19.68	19.36	19.39	-0.16	44,754	386,773	620
23-May	221206	18.41	18.52	18.26	18.28	-0.15	21,765	191,457	776
23-Jul	221206	17.74	17.87	17.64	17.66	-0.12	15,480	123,486	1604
23-Oct	221206	17.6	17.72	17.52	17.53	-0.08	4,709	77,977	1074
24-Mar	221206	17.57	17.74	17.56	17.58	-0.03	1,475	46,530	132
24-May	221206	16.85	16.97	16.84	16.86	-0.04	431	13,647	-71
24-Jul	221206	16.41	16.52	16.38	16.41	-0.04	213	13,410	-16
24-Oct	221206	16.35	16.43	16.32	16.36	-0.04	166	13,284	29
Total Volume and Open Interest							89,433	884,761	4,231

Source: MRCI

International Sugar Futures LIFFE (US \$/MT)

Daily Futures Price Listing Tuesday, Nov 06th 2022									
Most Recent Information							Previous Day		
Month	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
London Sugar (LCE)									
22-Dec	221206	538.3	540.8	533.6	534.9	-4.2	3,451	47,404	-696
23-Mar	221206	524.9	527.5	521.4	522.6	-2.9	961	19,488	10
23-May	221206	507.1	509	504.2	505.6	-2	514	7,461	-127
23-Aug	221206	489.4	491	486.8	488.8	-0.9	169	6,767	-57
23-Oct	221206	482.3	482.8	481.4	482.5	-0.5	38	2,724	11
Total Volume and Open Interest							5,238	85,611	-773

Source: MRCI

DOMESTIC (SUGAR/ JAGGERY) PRICES AND ARRIVAL

Sugar Prices at Key Spot Markets:					
Commodity	Centre	Variety	Prices (Rs/Qtl)		Change
Sugar			7-Dec-22	6-Dec-22	
Delhi	Delhi	M-Grade	3580	3535	45
	Delhi	S-Grade	3560	3515	45
Uttar Pradesh	Khatauli	M-Grade	3770	3750	20
	Ramala	M-Grade	3480	3480	Unch
	Dhampur	M-Grade Ex-Mill	3545	3600	-55
	Dhampur	S-Grade Ex-Mill	3525	3580	-55
	Dhampur	L-Grade Ex-Mill	3595	3650	-55
Maharashtra	Mumbai	M-Grade	3630	3570	60
	Mumbai	S-Grade	3550	3550	Unch
	Nagpur	M-Grade	3425	3425	Unch
	Nagpur	S-Grade	3375	3375	Unch
	Kolhapur	M-Grade	3300	3300	Unch
	Kolhapur	S-Grade	3250	3250	Unch
Assam	Guhawati	S-Grade	3563	3563	Unch
Meghalaya	Shillong	S-Grade	3570	3570	Unch
Andhra Pradesh	Vijayawada	M-Grade (With Duty)	3860	3860	Unch

	Vijayawada	S-Grade (With Duty)	3790	3790	Unch
West Bengal	Kolkata	M-Grade	3950	3950	Unch
Tamil Nadu	Chennai	S-Grade (With GST)	3450	3450	Unch
	Dindigul	M-Grade (DCA)	3780	3780	Unch
	Coimbatore	M-Grade (DCA)	3840	3840	Unch
Chattisgarh	Ambikapur	M-Grade (Without Duty)	3900	3900	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
			7-Dec-22	6-Dec-22	
Jaggery(Gur)					
Uttar Pradesh	Muzaffarnagar	Chaku Fresh	3000	3053	-53
	Muzaffarnagar	Chaku(Arrival)(40kg Bag)	12000	10000	2000
	Muzaffarnagar	Khurpa (Fresh)	2650	2700	-50
	Muzaffarnagar	Laddoo (Fresh)	3000	3200	-200
	Muzaffarnagar	Rascut (Fresh)	2138	2388	-250
	Hapur	Chaurasa	NA	2500	-
	Hapur	Balti	NA	2600	-
Karnataka	Bangalore	Mudde (Average)	4400	4400	Unch
	Gulbarga/Kalaburgi	Other (Average)	NA	3000	-
	Mahalingapura	Penti (Average)	NA	NA	-
	Mandya	Achhu (Medium)	3280	3260	20
	Mandya	Kurikatu (Medium)	3230	3250	-20
	Mandya	Other (Medium)	3000	3020	-20
	Mandya	Yellow (Medium)	3200	3170	30
	Shimoga/Shivamogga	Achhu (Average)	3800	3850	-50

INTERNATIONAL SUGAR PRICES

International Sugar Futures ICE				(Rs/Qtl)		
Futures month	% Change over previous year	Today	Week ago	Month Ago	Year Ago	RBI Dollar
		6-Dec-22	29-Nov-22	4-Nov-22	7-Dec-21	6-Dec-22
Oct-22	4.35	3232	3229	3187	3098	82.31
Mar-23	-8.05	3022	3575	3458	3287	
May-23	4.86	3370	3379	3285	3214	

International Sugar Futures LIFFE				(Rs/Qtl)		
Futures month	% Change over previous year	Today	Week ago	Month Ago	Year Ago	RBI Dollar
		6-Dec-22	29-Nov-22	4-Nov-22	7-Dec-21	6-Dec-22
Oct-22	11.94	4162	4153	4048	3718	82.31
Dec-22	8.76	3971	3963	4448	3652	
Mar-23	13.95	4302	4273	4161	3775	

International Sugar FOB (USD/mT)				
Date	Thailand FOB	Brazil FOB	Indian White Sugar FOB	INR
02-Dec-22	540.75	478.50	535	81.17
06-Dec-22	539.00	476.75	527	82.31

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