

Recent Update:

Sugar physical market showed a stable trend today in India. Sugar prices were higher in the Delhi market at Rs. 3490/qrtl and in Kolhapur prices went down at Rs. 3250 per quintal.

As per the Indian sugar mills association, Sugar production in India has reached 82.10 lakh tonne as against 77.90 lakh tonne till 15th December 2022. The crushing operations were delayed this year because of rains during late October month and early November. The sugarcane crushing season is in full swing and around 497 sugar mills are currently operating in the country.

State	Sugar Production		Mills in Operation	
	(As of 15 th Dec,'22)		(As of 15th Dec,'21.)	
	No. of Operating Mills	Sugar Production	No. of Operating Mills	Sugar Production
Uttar Pradesh	116	20.3	117	19.8
Maharashtra	193	33.0	186	31.9
Karnataka	73	18.9	69	18.4
Gujarat	16	2.6	15	2.3
Tamil Nadu	17	1.7	11	0.6
Others	82	5.6	81	4.9
All India	497	82.1	479	77.9

Source: ISMA, Unit: Lakh Tonne

About 45-50 lakh tonne of contracts for export of sugar have already been entered into so far. Out of that, about 6 lakh tonne of sugar have been physically exported out of the country upto 30th November'22. Also, about 8-9 lakh tonne of sugar is in pipeline to be exported in the month of December'22.

The government may allow additional sugar exports in January 2023 after reviewing the local production. In anticipation of higher prices, Indian sugar mills are holding sugar exports contract supplies. Export prices have come down by about 3-4% from their peak, after India allowed shipments starting 5th November 22 following a fall in global sugar futures prices.

Weather Forecast

Cold wave to severe cold wave conditions in isolated places over Punjab, Himachal Pradesh, Haryana, north Rajasthan.

International Market Updates:

The Pakistan government has granted permission to the Pakistan Sugar Mills Association (PSMA) to export half a million tonnes of sugar. The export would bring in \$250 million and the government has stated that the domestic prices will not be affected due to sugar exports. As per the Ministry of Production, Pakistan in the first phase, about one lakh tonnes of sugar will be exported. After taking review, an additional five lakh tonnes of sugar will be exported in the next fortnight.

Sugarcane crushing in the Center-South region of Brazil has increased in the second half of November 2022 as compared to the previous season around the same time. The sugarcane crushing was around 318.75% higher at 16.23 million tonnes in November 2022. Sugar production has increased by 532.3% to 1.03 million tonne while ethanol production was 887.26 million litres higher by around 148%.

Jaggery:

Jaggery demand in Erode district remained weak despite a month left for the Pongal festival. Around 100 jaggery production units are operating in Mullamparappu, Arachalur, Kavundapadi and Ammapettai areas. The poor demand for jaggery apart from an increase in the labour cost and low price had affected the jaggery producer in Mullamparappu.

As per market sources, sugarcane farmers are demanding the government to make a policy for jaggery units so that farmers would not get exploited as few jaggery makers are procuring cane at lesser rates than State Advised Price in Haryana. The Haryana government has fixed the SAP of sugarcane at Rs. 362 per quintal and is yet to fix the SAP for the current season.

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.

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

Ethanol:

Government is encouraging sugar mills to divert excess sugarcane & sugar to ethanol production. The government has allowed production of ethanol from B-Heavy molasses, sugarcane juice, sugar syrup and sugar and has also been fixing the remunerative ex-mill price of ethanol derived from various feed stocks.

In current sugar season 2022-23, about 45-50 LMT of excess sugar is targeted to be diverted to ethanol. By 2025, it is targeted to divert 60 LMT of excess sugar to ethanol, which would solve the problem of high inventories of sugar, improve liquidity of mills thereby help in timely payment of cane dues of farmers. In sugar seasons 2019-20, 2020-21 & 2021-22 about 59.60 LMT, 70 LMT & 109 LMT of sugar was exported respectively. As a result of these measures, financial conditions of sugar mills has improved and more than 99% of cane dues upto sugar seasons 2020-21 and 97.40% of cane dues for sugar season 2021-22 have been cleared.

International Sugar Futures ICE (US Cent/lb)

Daily Futures Price Listing Monday, Dec 19th, 2022									
Most Recent Information							Previous Day		
Month	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
Sugar #11(ICE)									
22-Mar	221219	20.1	20.43	20.03	20.14	0.05	105,852	394,338	-1,195
23-May	221219	18.82	19.08	18.8	18.93	0.11	36,283	200,564	1,209
23-Jul	221219	18	18.18	17.97	18.11	0.12	27,540	123,226	-670
23-Oct	221219	17.79	17.95	17.76	17.92	0.15	9,815	78,719	-284
24-Mar	221219	17.86	18.02	17.86	18.01	0.15	2,805	48,185	-216
24-May	221219	17.09	17.21	17.09	17.21	0.14	1043	15,235	378
24-Jul	221219	16.7	16.71	16.63	16.71	0.12	505	14,827	149
24-Oct	221219	16.55	16.55	16.46	16.55	0.1	323	13,985	64
Total Volume and Open Interest							184,296	907,621	-492

Source: MRCI

International Sugar Futures LIFFE (US \$/MT)

Daily Futures Price Listing Monday, Nov 19th 2022									
Most Recent Information							Previous Day		
Month	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
London Sugar (LCE)									
22-Dec	221219	547.3	558.9	545.9	553.2	6.4	7,473	47,124	-788
23-Mar	221219	531.8	538.5	531.8	535.7	4.1	2,149	19,633	126
23-May	221219	513.1	518.8	513.1	517	3.6	1279	8,659	172
23-Aug	221219	497.4	500.5	497.4	499.6	2.5	454	7,519	177
23-Oct	221219	491.5	493.5	490.5	492.1	1.5	42	2,930	-1
Total Volume and Open Interest							11,442	87,841	-299

Source: MRCI

DOMESTIC (SUGAR/ JAGGERY) PRICES AND ARRIVAL

Sugar Prices at Key Spot Markets:					
Commodity	Centre	Variety	Prices (Rs/Qtl)		Change
Sugar			20-Dec-22	19-Dec-22	
Delhi	Delhi	M-Grade	3490	3480	10
	Delhi	S-Grade	3470	3460	10
Uttar Pradesh	Khatauli	M-Grade	3665	3750	-85
	Ramala	M-Grade	3420	3480	-60
	Dhampur	M-Grade Ex-Mill	3500	3560	-60
	Dhampur	S-Grade Ex-Mill	3480	3540	-60
	Dhampur	L-Grade Ex-Mill	3550	3610	-60
Maharashtra	Mumbai	M-Grade	3622	3622	Unch
	Mumbai	S-Grade	3530	3530	Unch
	Nagpur	M-Grade	3375	3400	-25
	Nagpur	S-Grade	3275	3350	-75
	Kolhapur	M-Grade	3250	3275	-25
	Kolhapur	S-Grade	3150	3225	-75
Assam	Guhawati	S-Grade	3461	3537	-76
Meghalaya	Shillong	S-Grade	3470	3545	-75
Andhra Pradesh	Vijayawada	M-Grade (With Duty)	3800	3800	Unch

	Vijayawada	S-Grade (With Duty)	3760	3760	Unch
West Bengal	Kolkata	M-Grade	3870	3850	20
Tamil Nadu	Chennai	S-Grade (With GST)	3400	3450	-50
	Dindigul	M-Grade (DCA)	3800	3800	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
			20-Dec-22	19-Dec-22	
Jaggery (Gur)					
Uttar Pradesh	Muzaffarnagar	Chaku Fresh	3153	3153	Unch
	Muzaffarnagar	Chaku(Arrival)(40kg Bag)	6000	8000	-2000
	Muzaffarnagar	Khurpa (Fresh)	2750	2700	50
	Muzaffarnagar	Laddoo (Fresh)	3075	3030	45
	Muzaffarnagar	Rascut (Fresh)	2438	2400	38
	Hapur	Chaurasa	2630	2630	Unch
	Hapur	Balti	2750	2760	-10
Andhra Pradesh	Chittur	Gold	NR	NR	-
		White	NR	NR	-
		Black	NR	NR	-
Maharashtra	Latur	Lal Variety	NA	NA	-
Karnataka	Bangalore	Mudde (Average)	4400	4400	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)	NA	NA	-
	Mandya	Kurikatu (Medium)	NA	NA	-
	Mandya	Other (Medium)	NA	NA	-
	Mandya	Yellow (Medium)	NA	NA	-
	Shimoga/Shivamogga	Achhu (Average)	NA	3850	-

INTERNATIONAL SUGAR PRICES

International Sugar Futures ICE					(Rs/Qtl)	
Futures month	% Change over previous year	Today	Week ago	Month Ago	Year Ago	RBI Dollar
		16-Dec-22	9-Dec-22	18-Nov-22	17-Dec-21	19-Dec-22
Oct-22	5.71	3296	3235	3263	3118	82.68
Mar-23	14.32	3727	3607	3669	3260	
May-23	9.33	3491	3397	3447	3193	

International Sugar Futures LIFFE					(Rs/Qtl)	
Futures month	% Change over previous year	Today	Week Ago	Month Ago	Year Ago	RBI Dollar
		16-Dec-22	9-Dec-22	18-Nov-22	17-Dec-21	19-Dec-22
Oct-22	13.87	4251	4173	4205	3734	82.68
Dec-22	10.71	4063	3978	3962	3670	
Mar-23	16.83	4402	4329	4357	3768	

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