

Recent Update:

Sugar physical market continued to show a stable trend today in India. Sugar prices reported up by Rs 40/Qtl in the Delhi market to Rs. 3520/qtl and in Kolhapur prices remained steady at Rs. 3225 per quintal.

As per market sources, around 45-50 lakh tonnes of sugar exports contract have already been signed for the 2022-23 season. Out of which, 6 lakh tonne has been physically exported up to 30th November' 2022. Also, about 8-9 lakh tonne of sugar is in pipeline to be exported in the month of December'22. AgriWatch estimates sugar exports of around 75 lakh tonnes during the 2022-23 season, mainly due to the expectation of increased production in 2022-23 season along with comparatively lower domestic prices.

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 15 th 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

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 conditions likely in isolated pockets over Punjab, Haryana and Uttar Pradesh in next two days.

Scattered to light rainfall over Karnataka in the coming days.

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 Friday, Dec 23rd, 2022									
Most Recent Information							Previous Day		
Month	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
Sugar #11(ICE)									
23-Mar	221223	20.95	21.18	20.81	20.98	0.09	47,679	3,98,049	2,109
23-May	221223	19.5	19.64	19.35	19.5	0.06	18,334	2,08,211	1,354
23-Jul	221223	18.5	18.55	18.37	18.5	0.06	13,756	1,28,029	2329
23-Oct	221223	18.18	18.23	18.06	18.21	0.06	6,103	80,710	811
24-Mar	221223	18.24	18.26	18.11	18.26	0.04	2,094	51,118	179
24-May	221223	17.39	17.39	17.22	17.36	-0.02	538	15,677	232
24-Jul	221223	16.84	16.84	16.7	16.79	-0.05	373	14,909	55
24-Oct	221223	16.54	16.57	16.42	16.53	-0.08	219	14,111	75
Total Volume and Open Interest							89,213	9,29,517	7,217

Source: MRCI

International Sugar Futures LIFFE (US \$/MT)

Daily Futures Price Listing Friday, Dec 23rd, 2022									
Most Recent Information							Previous Day		
Month	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
London Sugar (LCE)									
22-Dec	221223	575	579.6	571	572.1	0.8	3,964	46,819	-142
23-Mar	221223	550.5	553.2	548	549	0.7	1,652	19,498	-124
23-May	221223	527.3	528.1	524.5	526.1	0.4	943	9,169	261
23-Aug	221223	506	507.7	505.5	506.1	0.3	498	7,773	80
23-Oct	221223	497.3	497.3	497.3	497.3	0.1	244	2,862	-69
Total Volume and Open Interest							7,391	88,196	19

Source: MRCI

DOMESTIC (SUGAR/ JAGGERY) PRICES AND ARRIVAL

Sugar Prices at Key Spot Markets:					
Commodity	Centre	Variety	Prices (Rs/Qtl)		Change
Sugar			24-Dec-22	23-Dec-22	
Delhi	Delhi	M-Grade	3520	3480	40
	Delhi	S-Grade	3500	3460	40
Uttar Pradesh	Khatauli	M-Grade	3665	3665	Unch
	Ramala	M-Grade	3420	3420	Unch
	Dhampur	M-Grade Ex-Mill	3500	3500	Unch
	Dhampur	S-Grade Ex-Mill	3480	3480	Unch
	Dhampur	L-Grade Ex-Mill	3550	3550	Unch
Maharashtra	Mumbai	M-Grade	3590	3600	-10
	Mumbai	S-Grade	3526	3530	-4
	Nagpur	M-Grade	3375	3375	Unch
	Nagpur	S-Grade	3275	3275	Unch
	Kolhapur	M-Grade	3250	3250	Unch
	Kolhapur	S-Grade	3150	3150	Unch
Assam	Guhawati	S-Grade	3461	3461	Unch
Meghalaya	Shillong	S-Grade	3470	3470	Unch
Andhra Pradesh	Vijayawada	M-Grade (With Duty)	3800	3800	Unch
	Vijayawada	S-Grade (With Duty)	3760	3760	Unch

West Bengal	Kolkata	M-Grade	3870	3870	Unch
Tamil Nadu	Chennai	S-Grade (With GST)	3400	3400	Unch
	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
			24-Dec-22	23-Dec-22	
Jaggery(Gur)					
Uttar Pradesh	Muzaffarnagar	Chaku Fresh	3170	3163	8
	Muzaffarnagar	Chaku(Arrival)(40kg Bag)	4000	5000	-1000
	Muzaffarnagar	Khurpa (Fresh)	2813	2800	13
	Muzaffarnagar	Laddoo (Fresh)	3103	3103	Unch
	Muzaffarnagar	Rascut (Fresh)	2438	2500	-63
	Hapur	Chaurasa	NA	2620	-
	Hapur	Balti	NA	2700	-
Andhra Pradesh	Chittur	Gold	NR	NR	-
		White	NR	NR	-
		Black	NR	NR	-
Maharashtra	Latur	Lal Variety	NA	NA	-
Karnataka	Bangalore	Mudde (Average)	NA	4400	-
	Belgaum	Mudde (Average)	NA	NA	-
	Belthangadi	Yellow (Average)	NA	NA	-
	Bijapur/Vijayapura	Achhu	NA	NA	-
	Gulbarga/Kalaburgi	Other (Average)	NA	NA	-
	Mahalingapura	Penti (Average)	NA	NA	-
	Mandya	Achhu (Medium)	NA	3100	-
	Mandya	Kurikatu (Medium)	NA	3100	-
	Mandya	Other (Medium)	NA	2950	-
	Mandya	Yellow (Medium)	NA	3150	-
	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	
		23-Dec-22	16-Dec-22	23-Nov-22	23-Dec-21	22-Dec-22	
Oct-22	8.46	3380	3296	3231	3116	82.66	
Mar-23	20.09	3894	3727	3583	3243		
May-23	13.80	3619	3491	3387	3180		

International Sugar Futures LIFFE					(Rs/Qtl)	
Futures month	% Change over previous year	Today	Week ago	Month Ago	Year Ago	RBI Dollar
		23-Dec-22	16-Dec-22	23-Nov-22	23-Dec-21	22-Dec-22
Oct-22	16.95	4346	4251	4170	3716	82.66
Dec-22	13.20	4121	4063	3974	3640	
Mar-23	21.01	4541	4402	4302	3752	

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