

Recent Update:

Sugar physical market continued to show a stable trend today in India. Sugar prices reported steady in the Delhi market to Rs. 3530/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 day conditions likely over West Uttar Pradesh in next five days. However, no significant change in temperature over rest parts of the country in the coming days.

International Market Updates:

A survey by S&P Global Commodity Insights estimated Brazil mills have produced around 360,000 tonnes of sugar in the first half of December.

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 Wednesday, Dec 28th, 2022									
Most Recent Information							Previous Day		
Month	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
Sugar #11(ICE)									
23-Mar	221228	20.27	20.49	20.1	20.16	-0.16	33,246	4,05,313	4,695
23-May	221228	18.99	19.1	18.78	18.83	-0.16	14,420	2,11,633	845
23-Jul	221228	18.12	18.25	17.96	18.03	-0.11	8,552	1,32,144	2148
23-Oct	221228	17.9	18.03	17.77	17.85	-0.08	5,848	82,328	307
24-Mar	221228	18.03	18.11	17.87	17.94	-0.09	2,025	51,840	400
24-May	221228	17.1	17.3	17.07	17.17	-0.04	371	15,858	23
24-Jul	221228	16.66	16.68	16.61	16.68	unch	356	14,851	-167
24-Oct	221228	16.47	16.47	16.47	16.47	-0.01	222	14,257	110
Total Volume and Open Interest							65,210	9,47,019	8,407

Source: MRCI

International Sugar Futures LIFFE (US \$/MT)

Daily Futures Price Listing Wednesday, Dec 28th, 2022									
Most Recent Information							Previous Day		
Month	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
London Sugar (LCE)									
23-Mar	221228	560	560.6	552	555.7	-16.4	2,465	47,262	443
23-May	221228	538.6	539	532.2	534.9	-14.1	1,192	19,520	22
23-Aug	221228	519	520.2	514.1	516.5	-9.6	588	9,339	170
23-Oct	221228	502.1	502.2	497.6	499.8	-6.3	234	7,861	88
23-Dec	221228	497	497	490.6	492.3	-5	8	2,863	1
Total Volume and Open Interest							4,507	88,929	733

Source: MRCI

DOMESTIC (SUGAR/ JAGGERY) PRICES AND ARRIVAL

Sugar Prices at Key Spot Markets:					
Commodity	Centre	Variety	Prices (Rs/Qtl)		Change
Sugar			29-Dec-22	28-Dec-22	
Delhi	Delhi	M-Grade	3530	3530	Unch
	Delhi	S-Grade	3510	3510	Unch
Uttar Pradesh	Khatauli	M-Grade	3650	3650	Unch
	Ramala	M-Grade	3410	3410	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	3586	4
	Mumbai	S-Grade	3526	3526	Unch
	Nagpur	M-Grade	3400	3400	Unch
	Nagpur	S-Grade	3300	3300	Unch
	Kolhapur	M-Grade	3275	3275	Unch
	Kolhapur	S-Grade	3175	3175	Unch
Assam	Guhawati	S-Grade	3487	3487	Unch
Meghalaya	Shillong	S-Grade	3495	3495	Unch
Andhra Pradesh	Vijayawada	M-Grade (With Duty)	3800	3800	Unch
	Vijayawada	S-Grade (With Duty)	3760	3760	Unch

West Bengal	Kolkata	M-Grade	3810	3810	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)	3800	3800	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)			29-Dec-22	28-Dec-22	
Uttar Pradesh	Muzaffarnagar	Chaku Fresh	3125	3200	-75
	Muzaffarnagar	Chaku(Arrival)(40kg Bag)	6000	5000	1000
	Muzaffarnagar	Khurpa (Fresh)	2825	2878	-53
	Muzaffarnagar	Laddoo (Fresh)	3125	3200	-75
	Muzaffarnagar	Rascut (Fresh)	2425	2425	Unch
	Hapur	Chaurasa	NA	2600	-
	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)	4400	4400	Unch
	Belgaum	Mudde (Average)	NA	NA	-
	Belthangadi	Yellow (Average)	NA	NA	-
	Bijapur/Vijayapura	Achhu	NA	NA	-
	Gulbarga/Kalaburgi	Other (Average)	2850	2810	40
	Mahalingapura	Penti (Average)	NA	3482	-
	Mandya	Achhu (Medium)	3100	3120	-20
	Mandya	Kurikatu (Medium)	3020	3050	-30
	Mandya	Other (Medium)	2920	2900	20
	Mandya	Yellow (Medium)	3080	3090	-10
	Shimoga/Shivamogga	Achhu (Average)	3850	3850	Unch

INTERNATIONAL SUGAR PRICES

International Sugar Futures ICE					(Rs/Qtl)	
Futures month	% Change over previous year	Today	Week ago	Month Ago	Year Ago	RBI Dollar
		28-Dec-22	21-Dec-22	28-Nov-22	28-Dec-21	28-Dec-22
Oct-22	7.79	3315	3354	3217	3075	82.91
Mar-23	17.76	3744	3847	3549	3179	
May-23	11.76	3497	3582	3360	3129	

International Sugar Futures LIFFE					(Rs/Qtl)	
Futures month	% Change over previous year	Today	Week ago	Month Ago	Year Ago	RBI Dollar
		28-Dec-22	21-Dec-22	28-Nov-22	28-Dec-21	28-Dec-22
Oct-22	16.72	4282	4321	4146	3669	82.91
Dec-22	13.33	4082	4100	3956	3602	
Mar-23	19.85	4435	4504	4257	3700	

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