

Recent Update:

Sugar physical market continued to show mostly stable trend today in India. Sugar prices reported down by Rs. 5/qtl in the Delhi market to Rs. 3525/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 Thursday Dec 29th, 2022									
Most Recent Information							Previous Day		
Month	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
Sugar #11(ICE)									
23-Mar	221229	20.23	20.44	20.13	20.29	0.13	44,670	4,00,710	-4,603
23-May	221229	18.93	19.08	18.81	18.92	0.09	16,368	2,12,247	614
23-Jul	221229	18.17	18.3	18.02	18.13	0.1	10,919	1,32,530	386
23-Oct	221229	17.9	18.1	17.83	17.93	0.08	4,074	82,890	562
24-Mar	221229	18.02	18.16	17.96	18	0.06	978	51,454	-386
24-May	221229	17.22	17.32	17.14	17.19	0.02	269	15,936	78
24-Jul	221229	16.72	16.8	16.63	16.69	0.01	198	14,946	95
24-Oct	221229	16.51	16.59	16.49	16.49	0.02	96	14,301	44
Total Volume and Open Interest							77,602	9,43,801	-3,218

Source: MRCI

International Sugar Futures LIFFE (US \$/MT)

Daily Futures Price Listing Thursday Dec 29th, 2022									
Most Recent Information							Previous Day		
Month	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
London Sugar (LCE)									
23-Mar	221229	556.7	565	556	561.8	6.10	1,658	47,126	-136
23-May	221229	536.3	542.3	535	538.1	3.20	746	19,587	67
23-Aug	221229	518.1	521.8	516	517.4	0.90	381	9,420	81
23-Oct	221229	501.3	504	498.7	499.9	0.10	53	7,841	-20
23-Dec	221229	494.5	497	492.1	493.2	0.90	1	2863	0
Total Volume and Open Interest							23,187	2,00,011	1,097

Source: MRCI

DOMESTIC (SUGAR/ JAGGERY) PRICES AND ARRIVAL

Sugar Prices at Key Spot Markets:					
Commodity	Centre	Variety	Prices (Rs/Qtl)		Change
Sugar			30-Dec-22	29-Dec-22	
Delhi	Delhi	M-Grade	3525	3530	-5
	Delhi	S-Grade	3505	3510	-5
Uttar Pradesh	Khatauli	M-Grade	3645	3650	-5
	Ramala	M-Grade	3410	3410	Unch
	Dhampur	M-Grade Ex-Mill	3470	3500	-30
	Dhampur	S-Grade Ex-Mill	3450	3480	-30
	Dhampur	L-Grade Ex-Mill	3520	3550	-30
Maharashtra	Mumbai	M-Grade	3590	3590	Unch
	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
			30-Dec-22	29-Dec-22	
Jaggery(Gur)					
Uttar Pradesh	Muzaffarnagar	Chaku Fresh	3125	3125	Unch
	Muzaffarnagar	Chaku(Arrival)(40kg Bag)	6000	6000	Unch
	Muzaffarnagar	Khurpa (Fresh)	2863	2825	38
	Muzaffarnagar	Laddoo (Fresh)	3238	3125	113
	Muzaffarnagar	Rascut (Fresh)	2438	2425	13
	Hapur	Chaurasa	2600	NA	-
	Hapur	Balti	2730	NA	-
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	4000	-
	Belthangadi	Yellow (Average)	NA	NA	-
	Bijapur/Vijayapura	Achhu	NA	NA	-
	Gulbarga/Kalaburgi	Other (Average)	2800	2850	-50
	Mahalingapura	Penti (Average)	NA	NA	-
	Mandya	Achhu (Medium)	3100	3100	Unch
	Mandya	Kurikatu (Medium)	3000	3020	-20
	Mandya	Other (Medium)	2950	2920	30
	Mandya	Yellow (Medium)	3000	3080	-80
	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
		29-Dec-22	22-Dec-22	29-Nov-22	29-Dec-21	30-Dec-22
Oct-22	7.53	3327	3361	3229	3094	82.78
Mar-23	17.79	3765	3868	3575	3196	
May-23	11.53	3510	3599	3379	3147	

International Sugar Futures LIFFE					(Rs/Qtl)	
Futures month	% Change over previous year	Today	Week ago	Month Ago	Year Ago	RBI Dollar
		29-Dec-22	22-Dec-22	29-Nov-22	29-Dec-21	30-Dec-22
Oct-22	16.40	4286	4345	4153	3682	82.78
Dec-22	12.99	4085	4110	3963	3615	
Mar-23	20.03	4457	4532	4273	3713	

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