

Recent Update:

Sugar physical market continued to show a bearish trend today in India. Sugar prices reported lower by Rs. 10 in the Delhi market at Rs. 3500/qtl and in Kolhapur prices remained stable at Rs. 3300 per quintal.

Uttar Pradesh farmers await the hike in SAP. Around two months have passed since starting of the 2022-23 sugarcane crushing season but the Uttar Pradesh government has not yet announced a hike in state-advised price (SAP) for the 2022-23 season. Earlier, farmers have been demanding a hike in sugarcane SAP. Currently, Sugar mills are paying cane bills based on the SAP fixed during the previous season.

As per the Indian sugar mills association, Sugar production in India has reached 120.70 lakh tonne as against 116.40 lakh tonne till 31st December 2022. The sugar production is higher by around 4 lakh tonne. The sugarcane crushing season is in full swing and around 509 sugar mills are currently operating in the country.

State	Sugar Production		Mills in Operation	
	(as of 31st Dec'22)		(as of 31st Dec'21.)	
	No. of Operating Mills	Sugar Production	No. of Operating Mills	Sugar Production
Uttar Pradesh	117	30.9	119	30.9
Maharashtra	196	46.8	189	45.8
Karnataka	73	26.7	70	26.1
Gujarat	16	3.8	15	3.5
Tamil Nadu	24	2.6	22	1.3
Others	83	9.9	85	8.8
All India	509	120.7	500	116.4

Source: ISMA, Unit: Lakh Tonne

The Sugarcane farmers from Perambalur are worried over delays in the transportation of harvested cane from their fields to the Eraiyur sugar mill. The Eraiyur sugar mill is planning to crush around 3.60 lakh metric tonne of sugarcane grown on 12,000 acres of land in Perambalur, Ariyalur, Kallakurichi, and Cuddalore districts. The mill is expecting to produce 3.52 lakh quintals of sugar during the ongoing crushing season. Also, the delay in the transportation of cane is resulting in farmers sending their cane to Thanjavur sugar mill.

Weather Forecast

Dense to very dense fog very likely in isolated pockets over Punjab, Haryana, Chandigarh, Delhi and Uttar Pradesh. Dense fog at isolated places over Rajasthan, north Madhya Pradesh, Bihar, Assam & Meghalaya, Tripura.

International Market Updates:

According to the market sources, the Pakistan government has increased the prices of wheat flour, sugar and ghee by around 25 to 62 per cent for sale through the Utility Stores Corporation (USC) with immediate effect to reduce the impact of untargeted subsidies. The price of sugar under the new rates has increased to Rs.89 per kg from Rs.70 per kg previously.

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 tonnes while ethanol production was 887.26 million litres higher by around 148%.

Jaggery:

The Karnataka government is planning to provide an industry tag on jaggery. Consumption of jaggery is likely to increase as the focus on sustainable lifestyle increased. India is the biggest exporter of jaggery and Karnataka is the third largest cane producer which can give an advantage to the state to increase jaggery production.

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.

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

Ethanol:

Chhattisgarh's first ethanol plant is likely to start its operations in April this year. The plant is located at Kawardha, near Bhoramdev Sugar mill. As per the market sources, the capacity of the plant will be around 80 kilolitres per day at the initial level. The plant will produce ethanol from sugarcane juice during the season and molasses during the off-season. An agreement has been signed between Bhoramdev Cooperative Sugar Mill and NKJ Biofuel after the global tender. Earlier, The Chhattisgarh government had signed two MoU (Memorandum of Understandings) at the Chhattisgarh Business Summit 2022. The MoU were signed for setting up an ethanol production plant and drone and UAV manufacturing unit.

International Sugar Futures ICE (US Cent/lb)

Daily Futures Price Listing Wednesday, Jan 04th, 2023									
Most Recent Information							Previous Day		
Month	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
Sugar #11(ICE)									
22-Mar	230104	19.7	19.71	19.51	19.54	-0.16	27,361	394,732	-404
23-May	230104	18.43	18.45	18.3	18.35	-0.09	11,831	215,974	685
23-Jul	230104	17.77	17.78	17.64	17.72	-0.05	7,033	135,888	531
23-Oct	230104	17.65	17.65	17.51	17.63	-0.02	3,218	82,797	0
24-Mar	230104	17.78	17.78	17.65	17.78	-0.01	1,215	51,842	306
24-May	230104	17.01	17.05	16.86	16.98	-0.04	257	16,075	88
24-Jul	230104	16.55	16.61	16.38	16.5	-0.06	250	15,137	69
24-Oct	230104	16.38	16.45	16.2	16.29	-0.09	145	14,434	94
Total Volume and Open Interest							51,356	945,663	1,365

Source: MRCI

International Sugar Futures LIFFE (US \$/MT)

Daily Futures Price Listing Wednesday, Jan 04th 2023									
Most Recent Information							Previous Day		
Month	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
London Sugar (LCE)									
23-Mar	230104	547.3	548.8	542.1	543.1	-4.4	3,008	46,024	-264
23-May	230104	527.8	527.8	522.8	523.3	-4	1,164	19,988	27
23-Aug	230104	509.5	509.5	505.6	506.3	-3.2	745	10,163	246
23-Oct	230104	494	494	491.2	492.4	-1.9	312	8,001	78
23-Dec	230104	488.3	488.7	486.6	487.8	-0.5	15	2,938	10
Total Volume and Open Interest							5,271	89,279	122

Source: MRCI

DOMESTIC (SUGAR/ JAGGERY) PRICES AND ARRIVAL

Sugar Prices at Key Spot Markets:					
Commodity	Centre	Variety	Prices (Rs/Qtl)		Change
Sugar			5-Jan-23	4-Jan-23	
Delhi	Delhi	M-Grade	3500	3510	-10
	Delhi	S-Grade	3480	3490	-10
Uttar Pradesh	Khatauli	M-Grade	3524	3524	Unch
	Ramala	M-Grade	3420	3420	Unch
	Dhampur	M-Grade Ex-Mill	3545	3545	Unch
	Dhampur	S-Grade Ex-Mill	3525	3525	Unch
	Dhampur	L-Grade Ex-Mill	3595	3595	Unch
Maharashtra	Mumbai	M-Grade	3570	3570	Unch
	Mumbai	S-Grade	3390	3390	Unch
	Nagpur	M-Grade	3375	3425	-50
	Nagpur	S-Grade	3300	3325	-25
	Kolhapur	M-Grade	3250	3300	-50
	Kolhapur	S-Grade	3175	3200	-25
Assam	Guhawati	S-Grade	3487	3512	-25
Meghalaya	Shillong	S-Grade	3495	3520	-25
Andhra Pradesh	Vijayawada	M-Grade (With Duty)	3800	3800	Unch

	Vijayawada	S-Grade (With Duty)	3780	3780	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
			5-Jan-23	4-Jan-23	
Jaggery(Gur)					
Uttar Pradesh	Muzaffarnagar	Chaku Fresh	3063	3063	Unch
	Muzaffarnagar	Chaku(Arrival)(40kg Bag)	5000	5000	Unch
	Muzaffarnagar	Khurpa (Fresh)	2875	2875	Unch
	Muzaffarnagar	Laddoo (Fresh)	3150	3150	Unch
	Muzaffarnagar	Rascut (Fresh)	2425	2425	Unch
	Hapur	Chaurasa	NA	2620	-
	Hapur	Balti	NA	2730	-
Karnataka	Bangalore	Mudde (Average)	4400	4400	Unch
	Belgaum	Mudde (Average)	NA	4000	-
	Gulbarga/Kalaburgi	Other (Average)	3000	3000	Unch
	Mahalingapura	Penti (Average)	NA	NA	-
	Mandya	Achhu (Medium)	3250	3200	50
	Mandya	Kurikatu (Medium)	3150	3100	50
	Mandya	Other (Medium)	3000	2980	20
	Mandya	Yellow (Medium)	3200	3150	50
	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
		4-Jan-23	28-Dec-22	5-Dec-22	5-Jan-22	4-Jan-23
Oct-22	8.59	3274	3315	3211	3015	82.90
Mar-23	18.59	3628	3744	3565	3060	
May-23	12.84	3408	3497	3361	3020	

International Sugar Futures LIFFE			(Rs/Qtl)			
Futures month	% Change over previous year	Today	Week ago	Month Ago	Year Ago	RBI Dollar
		4-Jan-23	28-Dec-22	5-Dec-22	5-Jan-22	4-Jan-23
Oct-22	17.31	4197	4282	4132	3578	82.90
Dec-22	13.30	4044	4082	3932	3569	
Mar-23	20.57	4338	4435	4278	3598	

Disclaimer

The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness, and correctness. The use of data and information contained in this report is at your own risk. This document is not, and should not be construed as an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed, or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors, and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at © 2023 Indian Agribusiness Systems Ltd.