

Recent Update:

Sugar physical market showed a stable trend today in India. Sugar prices in the Delhi market traded higher at Rs. 3405/qtl as compared to yesterday evening whereas Kolhapur market remained stable at Rs. 3275 per quintal.

With the lower sugar production expectation government is not likely to allow sugar exports further. Sugar production for the 2022-23 season is likely to be lower by 7% at 335 lakh tonne against previous season 359 lakh tonne. The lower sugarcane yield from Maharashtra and Karnataka along with Uttar Pradesh has resulted in lower production and poor recovery.

Also, as per National Sugar Federation, the lower sugar output will not lead to a spike in domestic prices this year as the demand for sugar is around 27 MT per year.

According to the UP Sugar Mills Association, the sugar mills across the state have cleared around 45% of the cane dues for the ongoing 2022-23 crushing season. Out of the Rs. 1740.28 lakh of cane dues the sugar mills have cleared about Rs. 789.39 lakh of cane dues.

However, the government has not increased the Sate Advised Price for the 2022-23 season as the mills are already burdened with the pressure of less revenue recovery due to the low cost of sugar in the open market. The government is currently focusing on timely cane payments to farmers rather than hiking SAP.

Maharashtra sugar production is expected to decline in the 2022-23 season. The adverse climatic conditions have impacted sugarcane production in Maharashtra during the ongoing season. The early flowering during the season has largely impacted the sugar yield which may result in decline in production. Sugar production is estimated at 124 lakh tonnes in the 2022-23 season for Maharashtra lower from the previous estimate of 137.28 lakh tonne during the 2021-22 season.

Also, as per the state sugar commissioner, the crushing season is expected to get over by March end in Sangli, Satara and Kolhapur districts whereas in Marathwada by April end.

In the current season, 522 mills started their operations so far against 516 mills which operated last season, as on 15th February'2023. About 17 sugar mills have closed their crushing operations for the 2022-23 season.

Sugar Production as on 15th February 2023

S.No.	State	No. of Working Factories	Net estimated Sugar Production (without	Estimated Sugar Diversion into ethanol	Actual Sugar Production (after Diversion)
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				Diversion)		upto 15 th February			
		2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22
1	Uttar Pradesh	116	117	69.8	66.4	8.6	6.5	61.2	59.9
2	Maharashtra	198	197	94.1	92.3	8.2	6.1	85.9	86.2
3	Karnataka	66	71	54.1	50.8	8.0	5.4	46.1	45.4
4	Others*	125	119	36.2	31.4	1.0	0.7	35.2	30.7
Total		505	504	254.2	240.9	25.8	18.7	228.4	222.2
Difference		1		13.3		7.1		6.2	

SOURCE- ISMA

International Market

International Sugar Organization has revised the sugar production estimated to rise from 172.52 million tonne to 180.43 million tonne for the 2022-23 season. Meanwhile, consumption is projected to rise to 176.280 million tonne, up from 174.773 million tonnes last season. The projected trade balance has a surplus of 0.404 million tonne in 2022-23 season and 0.765 million tonnes in 2021-22 season.

ISO's fundamental view has changed from neutral-to-bearish to neutral for the next three months. In mid-January, raw sugar prices rose sharply supported by speculators re-establishing long positions. Meanwhile, the market continues to face a futures board in backwardation.

World Sugar Balance Sheet				
Details	Season		Difference	
	2022-23	2021-22	In Million Tonne	Percentage Change
Production	180.431	172.526	7.905	4.58
Consumption	176.280	174.773	1.507	0.86
Surplus/Deficit	4.151	-2.247		
Import	63.863	63.968	-0.105	-0.16
Export	64.548	64.372	0.176	0.27
Ending Stock	103.386	99.920	3.466	3.47
Stock/Consumption ratio (%)	58.65	57.17		

Source: ISO; Unit: Million Tonne

Sugar production in Philippines is likely to be lower for 2023 as per the Sugar Regulatory Administration (SRA). As per the board, the raw sugar production is likely to be 1.831 million metric tons (MT) in the crop year 2022-23.

Earlier the estimates of sugar production were 1.834 million MT. The total raw sugar withdrawal would be 2.03 million MT this year.

The price of refined sugar in the retail market is expected to go down to P85 per kilo. As per the Department of Agriculture (DA), the retail price of refined sugar was P110 per kilo.

Weather Forecast

Thunderstorm accompanied with lightening at isolated places over Sub-Himalayan West Bengal and Sikkim.

Jaggery:

The Jaggery arrivals in Anakapalle have declined by around 30-40% in the 2022-23 season as compared to the previous season. About 6,000-8,000 jaggery lumps are arriving per day against the previous season of 10,000-14,000. The major reason behind the lower arrivals is lower production as farmers have switched to other crops from Anakapalle and Vizianagaram districts.

GST Council has reduced tax on liquid jaggery, GST rate has been reduced to 5%, the kind of liquid jaggery between nil to 5 per cent. If it's sold loose, it will be nil and if it's pre-packaged and labelled, it will be 5 percent.

As per AgriWatch sources, Jaggery-making units in Uttar Pradesh are working on a lower scale as winter season will end in coming 1 months, along with it there is enough stock available in the market.

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.

Ethanol:

World ethanol production in 2022 is estimated to have reached 109.4 billion liters, up from 104.6 billion liters in 2021. For 2023, ethanol output is expected to recover further, reaching 111.8 billion liters. Meanwhile ethanol consumption is expected to be at 104.2 billion liters in 2022, revised lower from 104.5 billion liters. Consumption in 2023 is expected to rise to 106.9 billion liters, driven by increases in India.

In 2023 India's ambitious Ethanol Blended Petrol Program is set to achieve a 12% blending, up from 10% in 2022. Meanwhile, the end of the federal tax exemption on fuels in Brazil may help additional hydrous ethanol offtake from March onwards, despite the coming season likely to continue to focus on sugar.

International Sugar Futures ICE (US Cent/lb)

Daily Futures Price Listing Thursday, Feb 23rd, 2023									
Most Recent Information							Previous Day		
Month	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
Sugar #11(ICE)									
22-Mar	230223	21.34	21.7	21.28	21.58	0.29	40,554	61,225	-13,471
23-May	230223	20	20.4	19.88	20.34	0.44	72,014	392,422	3,826
23-Jul	230223	19.53	19.89	19.44	19.81	0.36	22,494	192,146	3755
23-Oct	230223	19.36	19.71	19.35	19.64	0.28	10,011	110,237	1265
24-Mar	230223	19.57	19.81	19.49	19.73	0.23	5,161	88,457	698
24-May	230223	18.51	18.75	18.48	18.7	0.2	1780	25,140	376
24-Jul	230223	17.82	18	17.76	17.94	0.17	1037	19,359	317
24-Oct	230223	17.44	17.6	17.39	17.55	0.16	530	16,841	267
Total Volume and Open Interest							153,891	926,553	-2,745

Source: MRCI

International Sugar Futures LIFFE (US \$/MT)

Daily Futures Price Listing Thursday, Feb 23rd 2023									
Most Recent Information							Previous Day		
Month	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
London Sugar (LCE)									
23-Mar	230223	567.5	578.3	566.1	574.7	7.7	4,732	49,273	326
23-May	230223	551.6	560.9	550.7	558.7	7.6	2,311	16,306	77
23-Aug	230223	539.7	547	538.7	545.2	6.4	1465	11,448	261
23-Oct	230223	529.5	536.9	529.4	535.7	6.1	589	6,225	265
23-Dec	230223	524.4	531.3	524.4	530.6	6.1	312	4,025	177
Total Volume and Open Interest							9,409	88,425	1106

Source: MRCI

DOMESTIC (SUGAR/ JAGGERY) PRICES AND ARRIVAL

Sugar Prices at Key Spot Markets:					
Commodity	Centre	Variety	Prices (Rs/Qtl)		Change
Sugar			25-Feb-23	24-Feb-23	
Delhi	Delhi	M-Grade	3405	3390	15
	Delhi	S-Grade	3385	3370	15
Uttar Pradesh	Khatauli	M-Grade	3510	3510	Unch
	Ramala	M-Grade	3410	3420	-10
	Dhampur	M-Grade Ex-Mill	3460	3460	Unch
	Dhampur	S-Grade Ex-Mill	3460	3460	Unch
	Dhampur	L-Grade Ex-Mill	3510	3510	Unch
Maharashtra	Mumbai	M-Grade	3610	3610	Unch
	Mumbai	S-Grade	3396	3396	Unch
	Nagpur	M-Grade	3400	3400	Unch
	Nagpur	S-Grade	3325	3325	Unch
	Kolhapur	M-Grade	3275	3275	Unch
	Kolhapur	S-Grade	3200	3200	Unch
Assam	Guhawati	S-Grade	3512	3512	Unch
Meghalaya	Shillong	S-Grade	3520	3520	Unch
Andhra Pradesh	Vijayawada	M-Grade (With Duty)	3760	3760	Unch
	Vijayawada	S-Grade (With Duty)	3720	3720	Unch
West Bengal	Kolkata	M-Grade	3750	3750	Unch
Tamil Nadu	Chennai	S-Grade (With GST)	3400	3400	Unch
	Dindigul	M-Grade (DCA)	3840	3840	Unch
	Coimbatore	M-Grade (DCA)	3840	3840	Unch
Chattisgarh	Ambikapur	M-Grade (Without Duty)	3750	3750	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)			25-Feb-23	24-Feb-23	
Uttar Pradesh	Muzaffarnagar	Chaku Fresh	3100	3175	-75

	Muzaffarnagar	Chaku(Arrival)(40kg Bag)	12000	12000	Unch
	Muzaffarnagar	Khurpa (Fresh)	2850	2800	50
	Muzaffarnagar	Laddoo (Fresh)	3150	3000	150
	Muzaffarnagar	Rascut (Fresh)	2500	2475	25
	Hapur	Chaurasa	2900	2920	-20
	Hapur	Balti	3050	3040	10
Karnataka	Bangalore	Mudde (Average)	NA	NA	-
	Belgaum	Mudde (Average)	NA	NA	-
	Belthangadi	Yellow (Average)	NA	NA	-
	Bijapur/Vijayapura	Achhu	NA	NA	-
	Gulbarga/Kalaburgi	Other (Average)	NA	2890	-
	Mahalingapura	Penti (Average)	NA	NA	-
	Mandya	Achhu (Medium)	NA	3550	-
	Mandya	Kurikatu (Medium)	NA	3350	-
	Mandya	Other (Medium)	NA	3250	-
	Mandya	Yellow (Medium)	NA	3600	-
	Shimoga/Shivamogga	Achhu (Average)	NA	3600	-

INTERNATIONAL SUGAR PRICES

International Sugar Futures ICE					(Rs/Qtl)	
Futures month	% Change over previous year	Today	Week ago	Month Ago	Year Ago	RBI Dollar
		24-Feb-23	17-Feb-23	25-Jan-23	25-Feb-22	24-Feb-23
Oct-23	19.22	3543	3563	3296	2971	82.76
Mar-23	30.18	3945	3971	3677	3030	
May-23	23.00	3646	3672	3444	2965	

International Sugar Futures LIFFE	(Rs/Qtl)
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Futures month	% Change over previous year	Today	Week ago	Month Ago	Year Ago	RBI Dollar
		24-Feb-23	17-Feb-23	25-Jan-23	25-Feb-22	24-Feb-23
Mar-23	28.24	4651	4703	4379	3627	82.76
Oct-23	26.38	4530	4556	4248	3585	
Dec-23	20.86	4360	4358	4091	3607	

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