

**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.

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 15<sup>th</sup> February'2023. About 17 sugar mills have closed their crushing operations for the 2022-23 season.

**Sugar Production as on 15<sup>th</sup> February 2023**

S.No.	State	No. of Working Factories		Net estimated Sugar Production (without Diversion)		Estimated Sugar Diversion into ethanol upto 15 <sup>th</sup> February		Actual Sugar Production (after Diversion)	
		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
<b>Total</b>		<b>505</b>	<b>504</b>	<b>254.2</b>	<b>240.9</b>	<b>25.8</b>	<b>18.7</b>	<b>228.4</b>	<b>222.2</b>

<b>Difference</b>	<b>1</b>	<b>13.3</b>	<b>7.1</b>	<b>6.2</b>
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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)									
<a href="#">22-Mar</a>	230223	21.34	21.7	21.28	21.58	0.29	40,554	61,225	-13,471
<a href="#">23-May</a>	230223	20	20.4	19.88	20.34	0.44	72,014	392,422	3,826
<a href="#">23-Jul</a>	230223	19.53	19.89	19.44	19.81	0.36	22,494	192,146	3755
<a href="#">23-Oct</a>	230223	19.36	19.71	19.35	19.64	0.28	10,011	110,237	1265
<a href="#">24-Mar</a>	230223	19.57	19.81	19.49	19.73	0.23	5,161	88,457	698
<a href="#">24-May</a>	230223	18.51	18.75	18.48	18.7	0.2	1780	25,140	376
<a href="#">24-Jul</a>	230223	17.82	18	17.76	17.94	0.17	1037	19,359	317
<a href="#">24-Oct</a>	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)									
<a href="#">23-Mar</a>	230223	567.5	578.3	566.1	574.7	7.7	4,732	49,273	326
<a href="#">23-May</a>	230223	551.6	560.9	550.7	558.7	7.6	2,311	16,306	77
<a href="#">23-Aug</a>	230223	539.7	547	538.7	545.2	6.4	1465	11,448	261
<a href="#">23-Oct</a>	230223	529.5	536.9	529.4	535.7	6.1	589	6,225	265
<a href="#">23-Dec</a>	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			27-Feb-23	25-Feb-23	
Delhi	Delhi	M-Grade	3410	3405	5
	Delhi	S-Grade	3390	3385	5
Uttar Pradesh	Khatauli	M-Grade	3510	3510	Unch
	Ramala	M-Grade	3410	3410	Unch
	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	3390	3396	-6
	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)			27-Feb-23	25-Feb-23	
Uttar Pradesh	Muzaffarnagar	Chaku Fresh	3188	3100	88
	Muzaffarnagar	Chaku(Arrival)(40kg Bag)	10000	12000	-2000
	Muzaffarnagar	Khurpa (Fresh)	2750	2850	-100

	Muzaffarnagar	Laddoo (Fresh)	3025	3150	-125
	Muzaffarnagar	Rascut (Fresh)	2428	2500	-73
	Hapur	Chaurasa	2900	2900	Unch
	Hapur	Balti	3040	3050	-10
Karnataka	Bangalore	Mudde (Average)	4750	NA	-
	Belgaum	Mudde (Average)	NA	3400	-
	Mandya	Achhu (Medium)	NA	3580	-
	Mandya	Kurikatu (Medium)	NA	3300	-
	Mandya	Other (Medium)	NA	3280	-
	Mandya	Yellow (Medium)	NA	3600	-
	Shimoga/Shivamogga	Achhu (Average)	NA	NA	-

## 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	27-Jan-23	25-Feb-22	24-Feb-23
Oct-23	19.22	3543	3563	3388	2971	82.76
Mar-23	30.18	3945	3971	3828	3030	
May-23	23.00	3646	3672	3582	2965	

International Sugar Futures LIFFE					(Rs/Qtl)	
Futures month	% Change over previous year	Today	Week ago	Month Ago	Year Ago	RBI Dollar
		24-Feb-23	17-Feb-23	27-Jan-23	25-Feb-22	24-Feb-23
Oct-23	26.38	4530	4556	4376	3585	82.76
Dec-23	20.86	4360	4358	4181	3607	
Mar-23	28.24	4651	4703	4513	3627	



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