

Recent Update:

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

All India Sugar Trade Association, has revised its sugar production estimate downwards to 33.5 million tonne against 34.5 million tonne estimated earlier for the 2022-23 season. The decline in sugar production is due to the expectation of lower sugar recovery and yield from the key growing states. Domestic Consumption is estimated at 27.5 million tonne and exports of around 6 million tonne.

Sugar Production Estimate:

States	Season	
	2022-23	2021-22
Maharashtra	11.3	13.7
Uttar Pradesh	10.8	10.2
Karnataka	5.5	6.2
All India	34.5	35.8

Source: AISTA; Unit- Million Tonne

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 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 Diversion)		Estimated Sugar Diversion into ethanol upto 15 th 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
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

Weather Forecast

Indian Metrological Department has released its seasonal outlook for hot weather for the coming months, as per that, during the upcoming hot weather season (March to May), above normal maximum temperatures are likely over most parts of northeast India, east and central India and some parts of northwest India. Normal to below normal maximum temperatures are most likely over the remaining parts of the country.

Heavy rainfall very likely at isolated places over Jammu & Kashmir, Ladakh, Gilgit, Baltistan, Muzaffarabad and Himachal Pradesh. Thunderstorm accompanied with lightening at isolated places over Uttarakhand and Himachal Pradesh with lightening and gusty winds at isolated places over Punjab, Haryana and Chandigarh, and with lightening at isolated places over Jammu & Kashmir, Ladakh, Gilgit, Baltistan, Muzaffarabad and Himachal Pradesh.

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 Rab, 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.

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			28-Feb-23	27-Feb-23	
Delhi	Delhi	M-Grade	3405	3410	-5
	Delhi	S-Grade	3385	3390	-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	3390	Unch
	Nagpur	M-Grade	3400	3400	-
	Nagpur	S-Grade	3325	3325	-
	Kolhapur	M-Grade	3275	3275	-
	Kolhapur	S-Grade	3200	3200	-
Assam	Guhawati	S-Grade	3512	3512	-
Meghalaya	Shillong	S-Grade	3520	3520	-
Andhra Pradesh	Vijayawada	M-Grade (With Duty)	3760	3760	Unch
	Vijayawada	S-Grade (With Duty)	3720	3720	Unch
West Bengal	Kolkata	M-Grade	NA	3750	-
Tamil Nadu	Chennai	S-Grade (With GST)	3400	3400	Unch
	Dindigul	M-Grade (DCA)	NA	3840	-
	Coimbatore	M-Grade (DCA)	NA	3840	-
Chattisgarh	Ambikapur	M-Grade (Without Duty)	NA	3750	-
Sugar Prices are in INR/Quintal. (1 Quintal=100 kg)					

Jaggery (Gur) Prices at Key Spot Markets:

Commodity	Centre	Variety	Prices (Rs/Qtl)	Change
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Jaggery(Gur)			28-Feb-23	27-Feb-23	
Uttar Pradesh	Muzaffarnagar	Chaku Fresh	3175	3188	-13
	Muzaffarnagar	Chaku(Arrival)(40kg Bag)	10000	10000	Unch
	Muzaffarnagar	Khurpa (Fresh)	2800	2750	50
	Muzaffarnagar	Laddoo (Fresh)	3013	3025	-13
	Muzaffarnagar	Rascut (Fresh)	2475	2428	48
	Hapur	Chaurasa	2900	2900	Unch
	Hapur	Balti	3050	3040	10
Karnataka	Bangalore	Mudde (Average)	NA	4750	-
	Gulbarga/Kalaburgi	Other (Average)	2700	3000	-300
	Mahalingapura	Penti (Average)	3515	NA	-
	Mandya	Achhu (Medium)	3450	3450	-
	Mandya	Kurikatu (Medium)	3300	3300	-
	Mandya	Other (Medium)	3400	3400	-
	Mandya	Yellow (Medium)	3780	3780	-
	Shimoga/Shivamogga	Achhu (Average)	3600	3600	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
		27-Feb-23	20-Feb-23	27-Jan-23	28-Feb-22	27-Feb-23
Oct-23	13.40	3549	3558	3388	3130	82.91
Mar-23	26.90	3952	3966	3828	3114	
May-23	18.72	3653	3667	3582	3077	

International Sugar Futures LIFFE					(Rs/Qtl)	
Futures month	% Change	Today	Week ago	Month Ago	Year Ago	RBI Dollar

	over previous year	27-Feb-23	20-Feb-23	27-Jan-23	28-Feb-22	27-Feb-23
Oct-23	22.53	4538	4435	4376	3704	82.91
Dec-23	18.60	4368	4282	4181	3683	
Mar-23	23.82	4660	4559	4513	3763	

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