

Recent Update:

Sugar physical market showed a stable trend today in India. Sugar prices in the Delhi market traded stable at Rs. 3400/qtl as compared to yesterday evening, Kolhapur market too remained stable at Rs. 3250 per quintal.

According to National Federation of Cooperative Sugar Factories, Till 28th February 2023, Around 2653 lakh tonnes of sugarcane has been crushed which is 102 lakh tonnes more than last year. The sugar production was 260 lakhs tonnes, which is 7 lakh tonnes more than the production on this date last year. However, average sugar recovery was recorded at 9.78 percent.

Sugar production is expected to pick up in the coming 2023-24 season. Although the United States Meteorological Department has hinted at the threat of El Nino by the end of July, the dams, water reservoirs and soil moisture due to the excess rainfall last year have been filled, and before the outbreak of El Nino, general rainfall is expected in the months of June-July. Also, there is little possibility of adverse effects of El Nino on sugar production and the crushing season of 2023-24.

Around 528 sugar mills started their operations in the 2022-23 season as against 516 mills that operated last season. Till 15th February'2023, about 61 sugar mills have closed their crushing operations for the 2022-23 season, while 467 sugar mills are still operating in the country.

During the previous 2021-22 season, around 32 sugar mills had closed their crushing operation and 484 mills were functioning on the corresponding date.

Sugar Production as on 28th February 2023

S.No.	State	No. of Working Factories		Net estimated Sugar Production (without Diversion)		Estimated Sugar Diversion into ethanol		Actual Sugar Production (after Diversion)	
		2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22
1	Uttar Pradesh	113	112	79.7	76.3	9.7	7.7	70.0	68.6
2	Maharashtra	180	197	104.2	104.4	9.0	7.2	95.2	97.2
3	Karnataka	52	60	60.0	57.1	8.8	6.3	51.2	50.8
4	Others*	122	115	42.2	37.1	1.0	0.7	41.2	36.4
Total		467	484	286.1	274.9	28.5	21.9	257.6	253.0
Difference		-17		11.2		6.6		4.6	

*Others include -Tamil Nādu, Gujarat, A.P., Telangana, Bihar, Punjab, Haryana, Rajasthan, M.P., Chhattisgarh, Uttarakhand & Odisha

Source- ISMA: unit-Lakh tonne

International Market

The National Board of Revenue (NBR), Bangladesh has withdrawn import duty on both raw and refined sugar. NBR has issued a notification to withdraw a 3,000 taka (about \$28) specific duty on the import of raw sugar and a 6000 taka duty on refined sugar per tonne with immediate effect. The regulatory duty on the import of sugar was also reduced to 25% from 30%. This government decision will help in maintaining the prices in the domestic 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.

Thunderstorms accompanied with lightening at isolated places over Madhya Pradesh, Vidarbha, Marathwada and Madhya Maharashtra.

Jaggery:

As per AgriWatch sources, overall jaggery stock is around 1.25 lakh quintal higher than the previous season in the Muzzafarnagar market.

Muzaffarnagar Stock Update Jaggery		
	28-02-22	27-02-23
Chaku	390569	430171
Papdi	47292	104922
Rascut	14652	34890
Shakar	96	99
Ladoo	411	812
Khurpa	11101	15548
Chausa	36919	44242
Robotin	162463	158296
Total	663503	788980
Surplus	125477	

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.

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.

International Sugar Futures ICE (US Cent/lb)

Daily Futures Price Listing Friday, Feb 03rd, 2023									
Most Recent Information							Previous Day		
Month	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
Sugar #11(ICE)									
23-May	230303	20.35	21.04	20.32	20.92	0.61	63,125	402,799	855
23-Jul	230303	19.83	20.29	19.77	20.25	0.5	35,817	207,488	2,860
23-Oct	230303	19.61	19.97	19.59	19.92	0.36	21,024	118,825	2251
24-Mar	230303	19.68	20.03	19.68	19.96	0.29	13,395	94,308	1594
24-May	230303	18.72	18.96	18.72	18.89	0.25	6,488	26,214	504
24-Jul	230303	18	18.21	17.99	18.12	0.19	3044	21,323	789
24-Oct	230303	17.61	17.77	17.56	17.68	0.15	1748	17,876	344
25-Mar	230303	17.59	17.73	17.52	17.63	0.11	352	12,172	80
Total Volume and Open Interest							145,170	910,461	9,342

Source: MRCI

International Sugar Futures LIFFE (US \$/MT)

Daily Futures Price Listing Friday, Mar 03rd 2023									
Most Recent Information							Previous Day		
Month	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
London Sugar (LCE)									
23-May	230303	576	589.8	575.1	588.4	15.6	4,774	46,653	-532
23-Aug	230303	562.5	573.2	561.8	572.7	13.2	1,642	17,500	-8
23-Oct	230303	548.5	556	547.6	555.8	10.2	773	11,633	-38
23-Dec	230303	539.5	546.2	539.5	544.8	8.1	375	6,823	100
24-Mar	230303	538.8	540.6	537.2	538.1	6.6	77	4,063	-11
Total Volume and Open Interest							7,641	87,796	-489

Source: MRCI

DOMESTIC (SUGAR/ JAGGERY) PRICES AND ARRIVAL

Sugar Prices at Key Spot Markets:					
Commodity	Centre	Variety	Prices (Rs/Qtl)		Change
Sugar			4-Mar-23	3-Mar-23	
Delhi	Delhi	M-Grade	3400	3400	Unch
	Delhi	S-Grade	3380	3380	Unch
Uttar Pradesh	Khatauli	M-Grade	3510	3510	Unch
	Ramala	M-Grade	3420	3420	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	3616	3616	Unch
	Mumbai	S-Grade	3396	3396	Unch
	Nagpur	M-Grade	3375	3375	Unch
	Nagpur	S-Grade	3325	3325	Unch
	Kolhapur	M-Grade	3250	3250	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	3900	3900	Unch
Tamil Nadu	Chennai	S-Grade (With GST)	3400	3400	Unch
	Dindigul	M-Grade (DCA)	3750	3750	Unch
	Coimbatore	M-Grade (DCA)	3840	3840	Unch
Chattisgarh	Ambikapur	M-Grade (Without Duty)	3850	3850	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)			4-Mar-23	3-Mar-23	
Uttar Pradesh	Muzaffarnagar	Chaku Fresh	3125	3125	Unch
	Muzaffarnagar	Chaku(Arrival)(40kg Bag)	12000	15000	-3000

	Muzaffarnagar	Khurpa (Fresh)	2775	2975	-200
	Muzaffarnagar	Laddoo (Fresh)	3100	3125	-25
	Muzaffarnagar	Rascut (Fresh)	2375	2525	-150
	Hapur	Chaurasa	NA	2900	-
	Hapur	Balti	NA	3040	-
Karnataka	Bangalore	Mudde (Average)	NA	4750	-
	Gulbarga/Kalaburgi	Other (Average)	3000	3050	-50
	Mahalingapura	Penti (Average)	NA	0	-
	Mandya	Achhu (Medium)	3650	3650	Unch
	Mandya	Kurikatu (Medium)	3350	3400	-50
	Mandya	Other (Medium)	3500	3450	50
	Mandya	Yellow (Medium)	3400	3550	-150
	Shimoga/Shivamogga	Achhu (Average)	3700	3700	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
		3-Mar-23	24-Feb-23	1-Feb-23	4-Mar-22	3-Mar-23
Mar-23	18.21	3855	3945	3918	3261	82.26
May-23	13.24	3731	3646	3688	3295	
Jul-23	12.91	3671	3565	3536	3251	

International Sugar Futures LIFFE					(Rs/Qtl)	
Futures month	% Change over	Today	Week ago	Month Ago	Year Ago	RBI Dollar
		3-Mar-23	24-Feb-23	1-Feb-23	4-Mar-22	3-Mar-23

	previous year					
Mar-23	16.42	4711	4651	4581	4047	82.26
May-23	27.42	4840	4317	4605	3799	
Aug-23	16.42	4711	4651	4581	4047	

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