

Recent Update:

Sugar physical market showed a stable trend today in India. Sugar prices in the Delhi market traded slightly higher at Rs. 3420/qtl as compared to yesterday evening, Kolhapur market too remained stable at Rs. 3250 per quintal.

As per the market sources, sugar mills in Uttar Pradesh are likely to complete their cane crushing operation by 30th April 2023. Bisalpur mill and Kisan cooperative sugar mill will continue till March 20. Bajaj Hindusthan sugar mill, Maksudapur would complete crushing by March 3. Another sugar mill of the same group at Barkhera will operate till March 15. Dwarikesh sugar mill, Faridpur would operate till March 31 while Dalmia sugar mill Nigohi would operate till April 10.

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 28th 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 Jharkhand and with lightening at isolated places over Gangetic West Bengal, Odisha, East Madhya Pradesh, Vidarbha, Chhattisgarh, Madhya Maharashtra, Marathwada.

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:

As per ISMA, the sugar diverted for ethanol production between October to February was highest at 28.5 lakh tonne as compared with 21.9 lakh tonnes during the same period in the preceding year.

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 Tuesday, Feb 07th, 2023									
Most Recent Information							Previous Day		
Month	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
Sugar #11(ICE)									
23-May	230307	20.87	21.25	20.81	21.02	0.15	45,550	402,516	-158
23-Jul	230307	20.25	20.57	20.2	20.44	0.21	26,948	215,241	6,559
23-Oct	230307	19.95	20.27	19.93	20.16	0.24	13,719	121,730	2634
24-Mar	230307	19.97	20.3	19.97	20.24	0.25	7,545	96,869	1924
24-May	230307	18.97	19.2	18.94	19.17	0.21	2,440	26,019	-333
24-Jul	230307	18.21	18.41	18.18	18.38	0.16	919	22,148	495
24-Oct	230307	17.77	17.91	17.71	17.88	0.1	466	18,389	398
25-Mar	230307	17.72	17.79	17.64	17.76	0.02	117	12,228	79
Total Volume and Open Interest							97,949	924,658	11,594

Source: MRCI

International Sugar Futures LIFFE (US \$/MT)

Daily Futures Price Listing Tuesday, Mar 07th 2023									
Most Recent Information							Previous Day		
Month	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
London Sugar (LCE)									
23-May	230307	581.5	591.3	580.9	588.2	7.9	5,135	47,605	573

23-Aug	230307	568.1	578.2	567.5	575	8.1	2,412	18,056	204
23-Oct	230307	554.8	563.1	554.5	559.2	5.7	1362	11,494	-221
23-Dec	230307	545	551.3	545	549.5	5.7	343	7,005	116
24-Mar	230307	541	544.7	540.9	543.2	5.6	150	3,953	2
Total Volume and Open Interest							9,461	89,334	729

Source: MRCI

DOMESTIC (SUGAR/ JAGGERY) PRICES AND ARRIVAL

Markets were closed due to Holi Festival

Sugar Prices at Key Spot Markets:					
Commodity	Centre	Variety	Prices (Rs/Qtl)		Change
Sugar			7-Mar-23	6-Mar-23	
Delhi	Delhi	M-Grade	Closed	3420	-
	Delhi	S-Grade	Closed	3400	-
Uttar Pradesh	Khatauli	M-Grade	Closed	3510	-
	Ramala	M-Grade	Closed	3420	-
	Dhampur	M-Grade Ex-Mill	Closed	3460	-
	Dhampur	S-Grade Ex-Mill	Closed	3460	-
	Dhampur	L-Grade Ex-Mill	Closed	3510	-
Maharashtra	Mumbai	M-Grade	Closed	3590	-
	Mumbai	S-Grade	Closed	3396	-
	Nagpur	M-Grade	Closed	3375	-
	Nagpur	S-Grade	Closed	3325	-
	Kolhapur	M-Grade	Closed	3250	-
	Kolhapur	S-Grade	Closed	3200	-
Assam	Guhawati	S-Grade	Closed	3512	-
Meghalaya	Shillong	S-Grade	Closed	3520	-
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)			7-Mar-23	6-Mar-23	
Uttar Pradesh	Muzaffarnagar	Chaku Fresh	closed	3125	-
	Muzaffarnagar	Chaku(Arrival)(40kg Bag)	closed	8000	-
	Muzaffarnagar	Khurpa (Fresh)	Closed	2775	-
	Muzaffarnagar	Laddoo (Fresh)	closed	3100	-
	Muzaffarnagar	Rascut (Fresh)	closed	2375	-
	Hapur	Chaurasa	Closed	2900	-
	Hapur	Balti	Closed	3050	-
Andhra Pradesh	Chittur	Gold	Closed	NR	-
		White	Closed	NR	-
		Black	Closed	NR	-
Maharashtra	Latur	Lal Variety	Closed	NA	-
Karnataka	Bangalore	Mudde (Average)	NA	4750	-
	Belgaum	Mudde (Average)	NA	NA	-
	Belthangadi	Yellow (Average)	NA	NA	-
	Bijapur/Vijayapura	Achhu	NA	NA	-
	Gulbarga/Kalaburgi	Other (Average)	NA	NA	-
	Mahalingapura	Penti (Average)	NA	NA	-
	Mandya	Achhu (Medium)	NA	NA	-
	Mandya	Kurikatu (Medium)	NA	NA	-
	Mandya	Other (Medium)	NA	NA	-
	Mandya	Yellow (Medium)	NA	NA	-
	Shimoga/Shivamogga	Achhu (Average)	NA	3700	-

INTERNATIONAL SUGAR PRICES

International Sugar Futures ICE					(Rs/Qtl)	
Futures month	% Change over previous year	Today	Week ago	Month Ago	Year Ago	RBI Dollar
		6-Mar-23	28-Feb-23	5-Feb-23	6-Mar-22	6-Mar-23
Mar-23	17.21	3822	4089	3912	3261	81.76
May-23	12.44	3705	3717	3682	3295	
Jul-23	12.23	3648	3626	3551	3251	

International Sugar Futures LIFFE					(Rs/Qtl)	
Futures month	% Change over previous year	Today	Week ago	Month Ago	Year Ago	RBI Dollar
		6-Mar-23	28-Feb-23	5-Feb-23	6-Mar-22	6-Mar-23
Mar-23	14.54	4635	4547	4566	4047	81.76
May-23	24.90	4745	4650	4533	3799	
Aug-23	14.54	4635	4547	4566	4047	

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