Price Outlook:

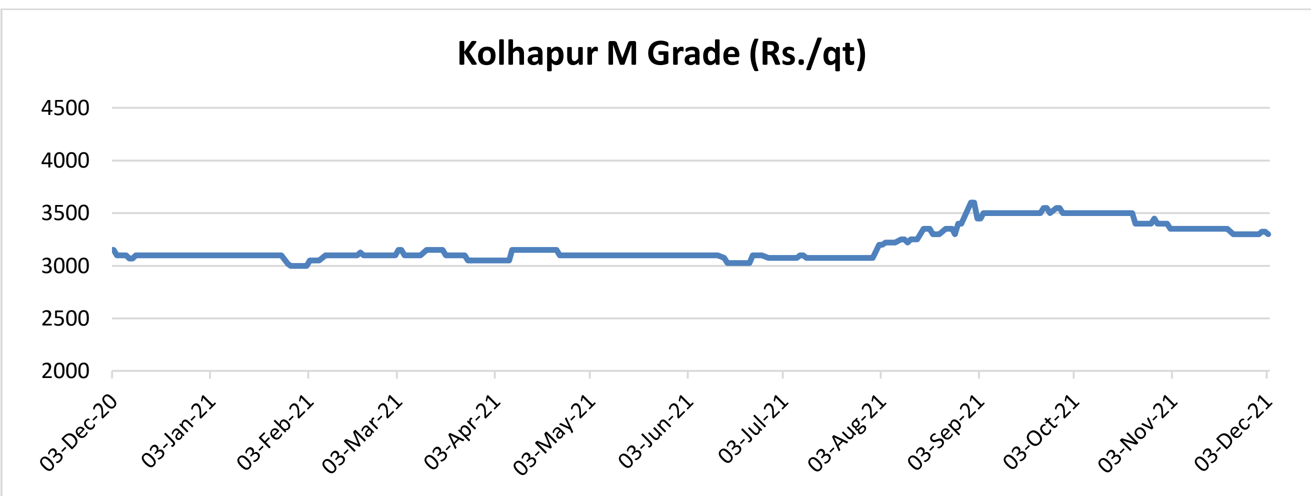
The food ministry has allocated 21.5 LMT monthly sugar quota for December 2021. Sugar mills have produced around 47.21 lakh tonnes of sugar till 30th November '2021 as against 43.02 lakh tonnes produced same period last year. The average sugar prices were lower at Rs. 3555/q from the previous month at Rs.3658/q in Delhi market. The prices in Maharashtra also stood lower at Rs.3235/q in November'21.

Price Projection for the Next Month:

As per the Agriwatch estimate, spot sugar prices (M grade) in benchmark Kolhapur market is likely to remain range bound next month between Rs.3,200 -3,450 per quintal.

Domestic Sugar Market Summary:

The average price for sugar 'M' grade in key Kolhapur market stood firm at Rs. 3335/q lower from the previous month price Rs.3472 per quintal in October month.



Domestic Market Highlights

Recent Updates:

Government has fixed 21.5 LMT of monthly sugar sales quota for December 2021. The food ministry has allocated 21.5 LMT monthly sugar quota for December 2021 to 558 sugar mills which is same as the quota released during the previous season for December 2020. In the previous month the government has fixed 22.5 LMT monthly sugar quota for domestic scale in November 2021 with extension for unsold quota of October 2021.

According to the Maharashtra sugar commissioner, Sugar mills in Maharashtra have produced 203.43 lakh quintals of sugar till 30th November 2021 by crushing 222.4 lakh tonnes of sugarcane. Around 172 sugar mills are currently participating in the cane crushing operation in Maharashtra out of which 85 are cooperative and 87 are private sugar mills. While the Solapur division is leading in the state with highest 41 sugar mills engaged in cane crushing operation this season. Sugar recovery rate for Solapur is currently at 8.26 percent.

Uttarakhand government has increased the sugarcane purchase price for 2021-22 season. The government has increased the sugarcane purchase price by Rs. 29.50 per quintal. The government would purchase the early variety of sugarcane at Rs. 355 per quintal while common variety would be purchased at Rs. 345 per quintal.

Sugarcane farmers have witnessed lower yield in Punjab. The farmers from Tanda, Dasuya and parts of Gurdaspur have noticed the lower yield after harvesting cane for the ongoing crushing season. It is mainly because the crop was earlier attacked by red rot at initial growth stage.

Despite of the threat of the newly reported Omicron variant of Covid-19 virus, Indian sugar industry is hopeful for good export during 2021-22 season. During the 2019 season india has exported 59.50 lakh tonnes of sugar while in 2020-21 season exports were around 71 lakh tonnes. For the 2021-22 season too india is expected to export around 60 lakh tonnes of sugar. According to Indian Sugar Mills Association, the last two waves of Covid 19 infection have not affected the sugar exports much. For the 2021-22 season sugar exports are expected to be good despite the emergence of the new variant.

According to the USDA World sugar Market and Trade Outlook report, Indian sugar production has estimated at 34.7 MT around 3 percent higher from the last season of 33.76 MT. Sugar production is estimated to be higher due to increase in area. Further, domestic consumption has been pegged at 28.5 MT, unchanged from the initial projection but 0.5 MT higher than last season. However, USDA has raised exports to 7 MT from the previous 6 MT but, it would still be 0.2 MT lower than last season 7.2 MT export. Ending stocks are estimated lower at 14.37 MT against earlier projection of 16.57 MT but higher than last season's 14.17 MT.

The cabinet committee on economic affairs has also revised the ethanol prices derived from different sugarcane based raw material under the Ethanol Blending Program (EBP) for the forthcoming sugar season 2021-22. The prices of ethanol from C heavy molasses route has increased from Rs. 45.69 per litre to Rs. 46.66 per litre, from B heavy molasses prices have revised from Rs. 57.61 to Rs. 59.08 per litre and from sugarcane juice the prices have revised from Rs. 62.65 to Rs. 63.45 per litre.

Haryana government has increased compensation amount to farmers for crop failure. The Haryana government has increased the compensation amount given to farmers in case of crop failure. The amount has been increased from Rs. 12,000 per acre to Rs. 15,000 per acre in case the damage is more than 75 percent. Also, in the slabs were compensation amount is Rs. 10,000 it has increased to Rs. 12,500 and for slabs below this an increase of 25 percent in compensation amount is made.

The Union government has approved ethanol projects worth Rs. 3400 crore for Bihar. The ethanol production units in Bihar has increased from 6 to 17 by the center, increasing the ethanol production capacity of 36 crore litres. These 17 units will be set up in 10 different districts across Bihar that are known for production of sugarcane, rice and maize.

The Director General of Foreign Trade has allocated an additional quantity of 303 MT of raw sugar for export to USA under Tariff Rate Quota (TRQ) for the fiscal year 2021. Earlier the Indian government has permitted the export of 8,424 tonnes of sugar to the US under TRQ.

Around 416 sugar mills are currently participating in the cane crushing operation as compared to 409 sugar mills in the previous season. Sugar mills have produced around 47.21 lakh tonnes of sugar till 30th November '2021 as against 43.02 lakh tonnes produced same period last year. The Indian Sugar Mills Association has attributed the higher production to an early start of crushing season in western region of the country this season and higher availability of cane. The adjoining table shows the state-wise breakup of sugar production till 15th November 2021 and its comparison with the previous year. The remaining states of Bihar, Uttarakhand, Haryana, Madhya Pradesh, Tamil Nadu and Telangana have collectively produced 74,000 tons of sugar till 15th November 2021.

State	Sugar Production (as of 30th Nov) (lakh tonnes)		Mills in Operation (as of 30th Nov)	
	2020	2021	2020	2021
Maharashtra	15.79	20.34	158	172
Uttar Pradesh	12.65	10.39	111	101
Karnataka	11.11	12.76	63	66
Gujarat	1.65	1.66	15	15
Others	1.82	2.06	NA	62

With an annual requirement of 459 crore litres of ethanol by the Oil Marketing companies for the 2021-22 ethanol supply year. About 414 crore litres of bids have been submitted in the first EOI invited by Oil Marketing Companies. The bids are under examination and agreement would be signed soon.

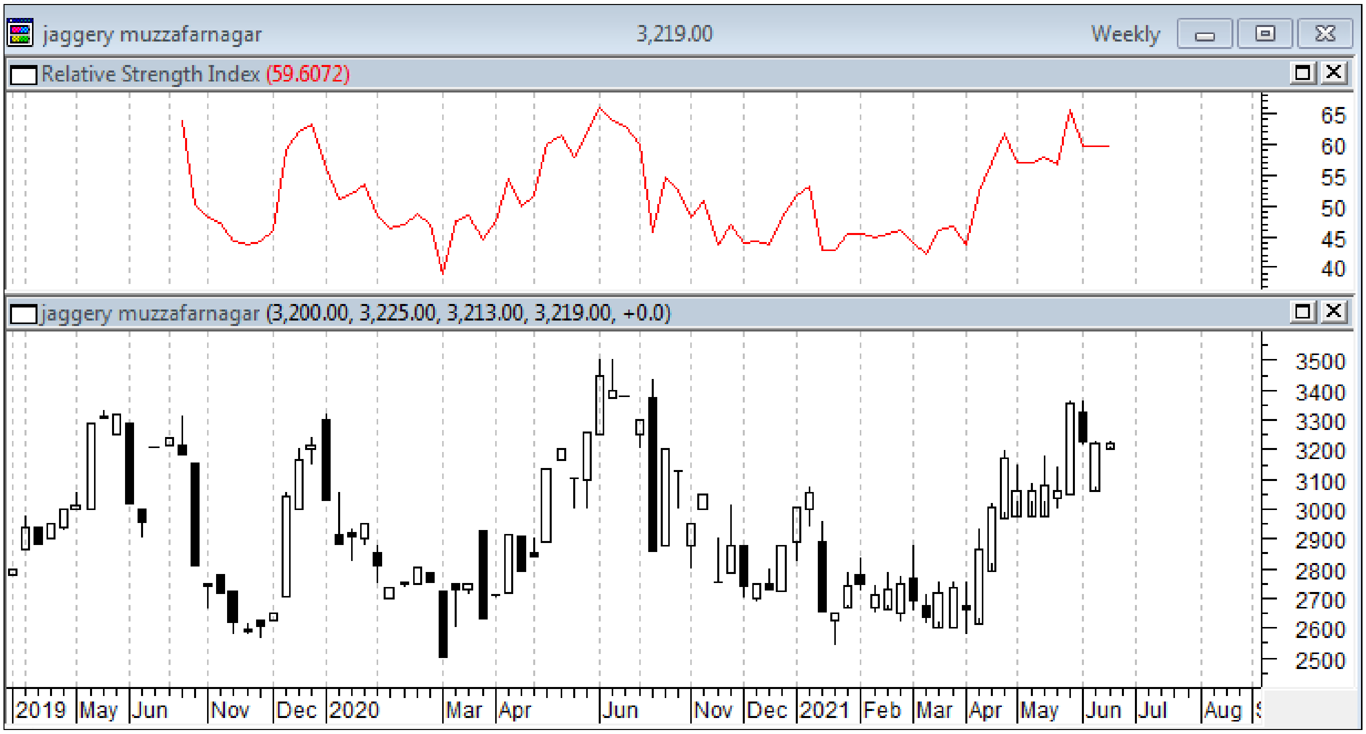
The Krishak Bharti Cooperative Limited (KRIBHCO) has proposed to set up an ethanol plant in the Karimnagar district. The government will provide all the assistance to the KRIBHCO team to set up the ethanol plant in the district.

Technical Analysis - Sugar (M grade) Spot Market at Kolhapur market

- Sugar average prices at benchmark Kolhapur market closed at Rs.3300/quintal during November 2021.
- Next resistance and support level for the next month is expected at Rs.3350 and Rs.3200 per quintal respectively.
- RSI is in the neutral region.

Technical Analysis - ChakuSukha-gur(fresh) at Spot (Muzaffarnagar)market.
Gur Market Scenario

- The arrivals in Muzzafarnagar market have closed down.
- RSI stood in the neutral region.



Sugar Domestic Balance Sheet

- As per the Agriwatch's latest estimate, India's sugar production was 30.9 MMT during 2020-21 SS and sugar production in 2021-22 is likely to remain stable at 30.80 MMT. Lower sugar production is expected in 2021-22 due to more cane diversion to ethanol.
- Sugar domestic consumption was at 26.5 MMT in 2020-21.Consumption is expected to remain maintained at 26.50 MMT in 2021-22.
- 2020-21 sugar seasons is expected to end with 6.64 MMT carry over stock and it is projected that in 2020-21 SS, the ending stock may decrease to 4.94.

SUGAR BALNCE SHEET 2021-22(MMT)

SUGAR BALNCE SHEET 2020-21(MMT)	2019-20*	2020-21*	Jul-Sep	2021-22*	Oct-Dec	Jan-Mar	Apr-Jun	Jul-Sep
Carry in stock	11.97	9.44	14.32	6.64	6.64	8.54	17.01	11.79
Estimated sugar production	27.25	30.90	0.18	30.80	10.05	17.10	3.50	0.15
Imports	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Estimated sugar availability (A + B + C)	39.22	40.34	14.50	37.44	16.69	25.64	20.51	11.94
Exports	6.00	7.20	1.20	6.00	1.45	2.18	2.02	0.35
Availability for domestic consumption (D - E)	33.22	33.14	13.30	31.44	15.24	23.46	18.49	11.59
Estimates sugar consumption	23.79	26.50	6.66	26.50	6.70	6.45	6.70	6.65
Carry out stock (F - G)	9.44	6.64	6.64	4.94	8.54	17.01	11.79	4.94

Domestic Sugar* (M- grade) Price Projection for next 3 months

Pariculars	Month	(Rs/Qtl)
Current month Average Price	**Dec'21**	**3300-3450**
Previous month's Average Prices	**Nov'21**	**3335**
	Oct'21	3471
	Sep'21	3508
	Aug'21	3298
	July'21	3076
	June'21	3076
	May'21	3104
	April'21	3112
	Mar'21	3104
	Feb'21	3084
	Jan'21	3084
Projected Price Range	**Jan'22**	**3300-3500**

*** Kolhapur benchmarket**

International Sugar Market Summary:

The average global raw sugar prices have increased significantly by around 0.2% to 19.44 cents/lbs in November from 19.24 cents/lbs in October. The average prices of refined sugar were higher by around 86% to $591.86/tonne in October from $505.08/tonne during October'21.

International Market Highlights:

The Government trading corporation of Iran has announced that the sugar import by Iran is down by 12 percent this year. Due to increase in the domestic sugar production the country has imported 758,000 tonnes of sugar in the first eight months (March 2021 – November 2021) of the year which was lower compared to the previous year.

The USDA World sugar Market and Trade Outlook report has projected lower sugar production in Brazil due to dry weather conditions and frosts. Brazil sugar production is expected to fall by 6.1 MT to 36 MT against 42.05 MT during the previous season. As overall prices are likely to remain firm and relatively more attractive than ethanol prices, at least 46 percent of sugarcane crop is expected to be processed for sugar and 54 percent for ethanol. Further consumption iss expected to be down slightly, with stocks unchanged. Exports are estimated to drop to 26 MT against 32.15 MT last season. Further, Thailand sugar production is expected to rebound this season to 10 MT from 7.58 MT last season but still be lower than the initial projections of 10.6 MT.

According to the Quarterly market outlook report by International Sugar Organization, the global deficit in 2021-22 is reduced to 2.552 million tonnes from 3.582 million tonnes in August, with production at 170.473 million tonnes lower by 0.165 million tonnes since august but higher by 1.476 million tonnes in 2020-21. Consumption was revised down at 1.442 million tonnes from August to 173.025 million tonnes but was higher by 2.007 million tonnes as compared to previous season. Exports were estimated at 60.266 million tonnes, higher compared to 59.285 million tonnes in august. Imports demand has been lowered by 1.076 million tonnes to 59.327 million tonnes as the higher freight rates reduce buying interest from Russia, India and South Africa. The stock to use ratio is forecasted at 53.90 percent down by 2.67 percent as compared to last season.

According to International Sugar Organization, global ethanol production for the 2021-2022 season has been projected to reach 109.0 billion litres, consumption has been projected to reach 104.2 billion litres. Further recovery in production and consumption is expected in the US with higher corn ethanol production in recent weeks pointing to improved profitability of processor.

Due to supply chain issue in Turkey, supermarkets in turkey have taken a decision to limit the purchase of sugar. The Turkish Sugar Refineries Corporation (Turkseker) has maintained the prices of sugar at an optimum level but the private companies have hiked the sugar prices by 40 percent and they are further forced to limit supply to markets leading to shortage. Turkseker has also raised the prices by 25 percent but still the demand supply gap continues in the market.

Sugar output in Germany is likely to increase to 4.48 million tonnes as compared to 4.10 million tonnes during the previous season. The area under the sugar beet plantation in the country has ncreased from 350,000 hectares in last season to 354,00 hectares this season. Also, the rainfall received during the summer season will boost the sugar beet production, yield is expected to increase to 81.8 tonnes per hectares from 73.3 tonnes during the previous season.

According to the Ukrtsukor National Association of Sugar Producer of Ukraine, 29 out of 33 factories processing sugar beets in the current season (September-August). The Ukrainian agrarians have harvested 8.82 million tonnes of sugar beet. Sugar production in Ukraine has reached 562,300 tonnes till 9th November 2021. The mills in the country had processed 6.24 million tonnes of sugar beet.

The Algiers government will impose 9 percent value-added tax on white and raw sugar from early next year in order to lower the import of sugar. Algeria is one of the top importers of sugar as the country imports around 2 million tonnes of sugar annually.

Pakistan government has decided to put up entire sugar stock for sale in the market amid the sugar price crisis in the country. Despite the government's assurance of working to curb the prices, the sugar is being sold as high as Rs. 150 per kg in different cities. The government has blamed the country's Sindh province for shutting down three sugar mills all of a sudden that had contributed to the record hike in sugar price.

Sugar importers from Sri Lanka has urged the government to release an adequate amount of dollars to the banks to import sugar. This will further help to regularize the sugar import and control the sugar price. Earlier, The Consumer Affairs Authority has fixed the prices for white sugar at Rs. 122 per kg and for brown sugar at Rs. 125 per kg. Despite this, sugar is been sold at a higher rate in the market.

Kenyan Parliament is planning to make changes in the law to penalize the sugar mills if they delay cane payment to farmers. The Parliament has approved changes to the Sugar Bill 2019, according to which the millers will be given a time limit to pay farmers their dues else they would have to pay a fine. The bill now awaits the President's assent to become a law that will protect the sugarcane farmers.

According to the Department of Agriculture Philippines, the projected shortfall of the sugar output in the country has led the Philippines to decide not to export raw sugar to the United States. The domestic production would be used to meet local needs. Earlier in the previous month, USDA had revised the export forecast from 140,000 metric tons to zero for the 2021-22 season.

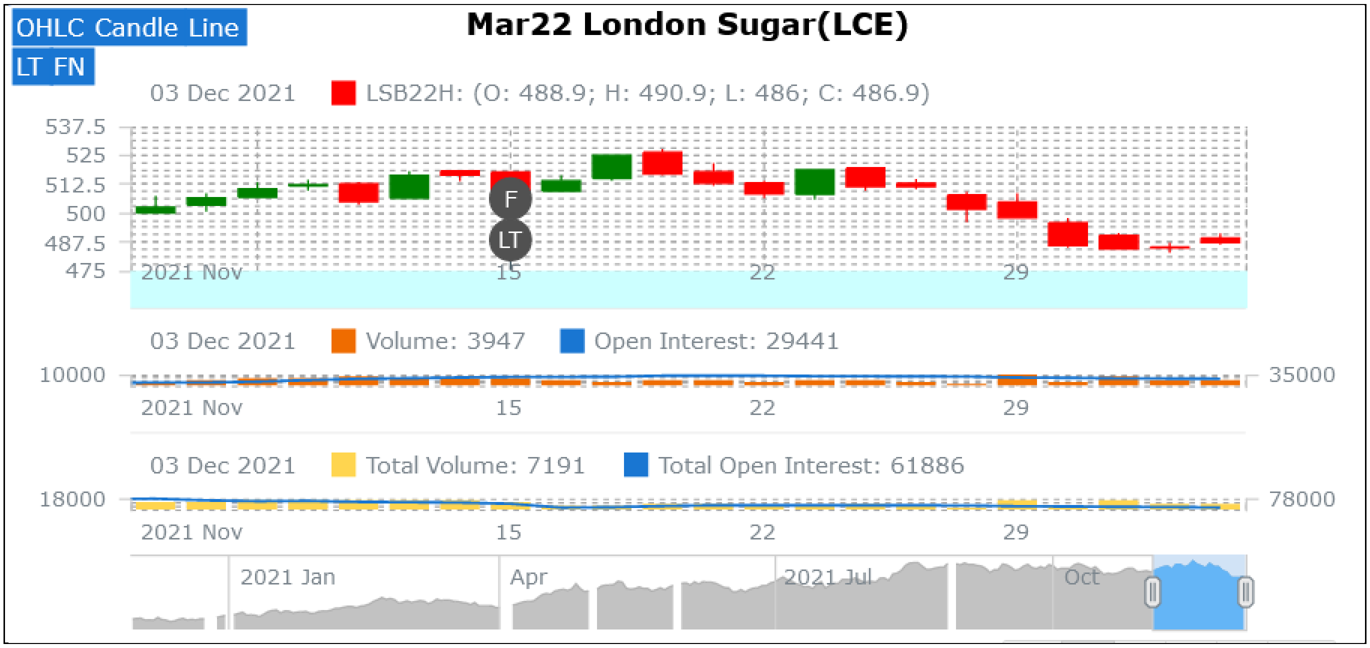
International Sugar Futures Price Projection

LIFFE (White Sugar Exchange) Future Market Sugar Scenario (Dec'21 Contract)

Technical Commentary

- LIFFE future market remained steady to weak during the week.
- Total volume increased &open interest increased over a month.
- Strategy: Buy at level 490,T1 498

International Sugar Futures Price Projection			
	Contract Month	Present Quote	Expected Price level for next Month
LIFFE Sugar (US $/MT)	**Mar'22**	486	485-500

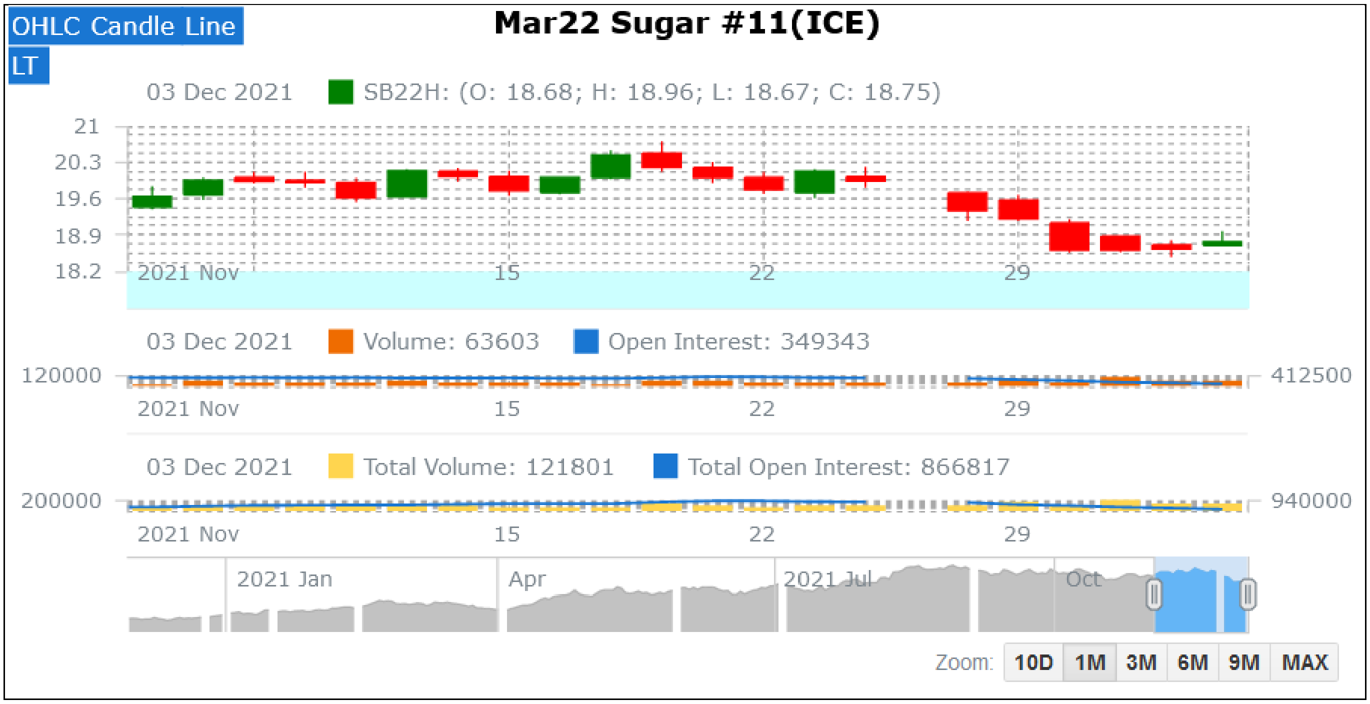


ICE (Raw Sugar Exchange) Future Market Scenario (Mar'22 Contract)

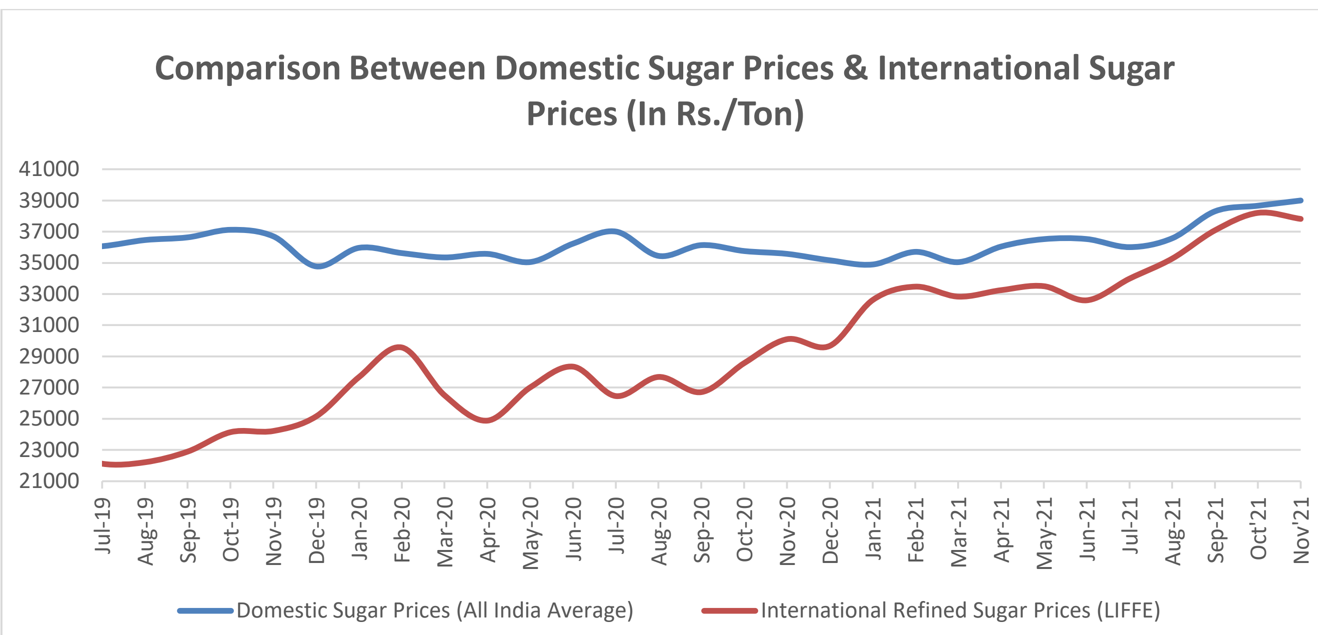
Technical Commentary:

- ICE raw sugar futures remained firm in the month.
- Both total Volume and open interest increased over a month.
- Strategy: Buy at rate 18.90 Targeting 18.75.

International Sugar Futures Price Projection			
	Contract Month	Present Quote	Expected Price level for next month
ICE Sugar #11 (US Cent/lb)	**Mar'22**	18.75	18.72-19.30



Comparison of Indian Sugar Prices (All India Average) and International Refined Sugar Prices (LIFFE)



Source: USDA and Agmark.net

Domestic Sugar Spot Prices:

Spot Sugar Prices Scenario (Monthly-Average)					
Commodity	Centre	Variety	Average Prices (Rs/Qtl)		Change
Sugar			Nov'21	Oct'21	
Delhi	Delhi	M-Grade	3555	3658	-103
	Delhi	S-Grade	3535	3638	-103
Uttar Pradesh	Khatauli	M-Grade	NA	NA	-
	Ramala	M-Grade	NA	NA	-
	Dhampur	M-Grade Ex-Mill	NA	NA	-
	Dhampur	S-Grade Ex-Mill	NA	NA	-
	Dhampur	L-Grade Ex-Mill	NA	NA	-
Maharashtra	Mumbai	M-Grade	3711	3790	-79
	Mumbai	S-Grade	3482	3594	-112
	Nagpur	M-Grade	3460	3597	-137
	Nagpur	S-Grade	3360	3497	-137
	Kolhapur	M-Grade	3335	3472	-137
	Kolhapur	S-Grade	3235	3372	-137
Assam	Guhawati	S-Grade	3495	3632	-137
Meghalaya	Shillong	S-Grade	3555	3692	-137
Andhra Pradesh	Vijayawada	M-Grade (With Duty)	3964	4017	-53
	Vijayawada	S-Grade (With Duty)	3870	3917	-47
West Bengal	Kolkata	M-Grade	3950	3950	Unch
Tamil Nadu	Chennai	S-Grade (With GST)	3646	3827	-181
	Dindigul	M-Grade (DCA)	3931	3912	19
	Coimbatore	M-Grade (DCA)	3856	3890	-34
Chattisgarh	Ambikapur	M-Grade (Without Duty)	3667	3754	-87

Sugar Prices are in INR/Quintal. (1 Quintal=100 kg)

*DCA: Department of consumer affairs

Spot Jaggery(Gur) Prices Scenario (Monthly-Average)					
Commodity	Centre	Variety	Prices (Rs/Qtl)		Change
Jaggery(Gur)			Nov'21	Oct'21	
Uttar Pradesh	Muzaffarnagar	Chaku Sukha(Cold)	3115	3846	-731
	Muzaffarnagar	Chaku(Arrival)(40kg Bag)	233000	75400	157600
	Muzaffarnagar	Khurpa (Fresh)	2836	3398	-562
	Muzaffarnagar	Laddoo (Fresh)	3185	3829	-644
	Muzaffarnagar	Rascut (Fresh)	2594	2660	-66
	Hapur	Chaursa	2744	3264	-520

	Hapur	Balti	2723	3250	-527
Andhra Pradesh	Chittur	Gold	NA	NA	-
		White	NA	NA	-
		Black	NA	NA	-
Maharashtra	Latur	Lal Variety	NA	NA	-
Karnataka	Bangalore	Mudde (Average)	4900	4517	383
	Belgaum	Mudde (Average)	NA	NA	-
	Belthangadi	Yellow (Average)	NA	NA	-
	Bijapur	Achhu	NA	NA	-
	Gulbarga	Other (Average)	NA	NA	-
	Mahalingapura	Penti (Average)	3495	3558	-64
	Mandya	Achhu (Medium)	3810	3354	456
	Mandya	Kurikatu (Medium)	3320	3121	199
	Mandya	Other (Medium)	3380	3126	254
	Mandya	Yellow (Medium)	3726	3333	393
	Shimoga	Achhu (Average)	3700	3700	Unch

International Sugar Prices (Monthly- Average)				
	Contract Month	**Nov'21**	**Oct'21**	**Change**
ICE Sugar #11 (US Cent/lb)	**21-May**	19.44	19.24	0.20
	21-Jul	19.09	18.86	0.23
	21-Oct	18.84	18.58	0.26
LIFFE Sugar (US $/MT)	**21-May**	591.86	505.08	86.78
	21-Aug	586.71	502.25	84.46
	21-Oct	579.34	496.61	82.73