

Price Outlook:

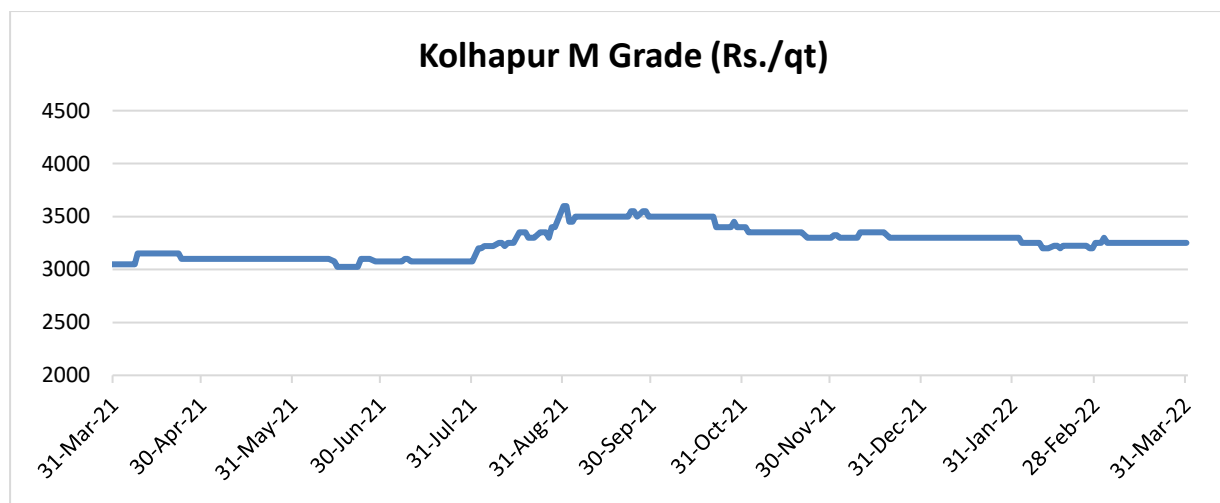
Sugar prices had slightly fallen in the major markets across India last month. The average sugar prices were lower at Rs. 3414/q from the previous month at Rs.3418/q in Delhi market. The prices in Maharashtra also stood slightly higher at Rs.3252/q in March'22 as compared to the previous month. Agriwatch expects prices to remain stable in the coming month. Demand for sugar is expected to increase with the coming of the summer season, which may be supportive to the prices.

Price Projection for the Next Month:

As per Agriwatch estimates, spot sugar prices (M grade) in benchmark Kolhapur market are likely to remain between Rs.3,250 -3,350 per quintal in April 2022.

Domestic Sugar Market Summary:

Out of 516 sugar mills which had started crushing in 2021-22 Sugar Season, 152 sugar mills had stopped their crushing operations till 31st March 2022 in India. Last year, 503 sugar mills had operated, out of which 221 had stopped crushing on the corresponding date last year. Maharashtra is leading in sugar production in India with around 184 sugar mills in operation in the State. Average prices for Sugar 'M' grade in key Kolhapur market was steady at Rs.3250 per quintal last month.



Sugar Domestic Balance Sheet

- As per the Agriwatch's latest estimates, India's sugar production was 30.9 MMT during 2020-21 Sugar Season and sugar production in 2021-22 is likely to increase at 32.50 MMT as area under sugarcane has increased in 2021-22 season to 53.86 lakh hectares compared to previous season area of 52.94 lakh hectares.
- Sugar domestic consumption is estimated at 26.5 MMT in 2020-21 and consumption is expected to slight increase at 27.00 MMT in 2021-22.
- The 2020-21 Sugar Season is expected to have ended with 6.64 MMT carry over stock and it is projected that in 2021-22 SS, the ending stock may decrease to 4.14.

SUGAR BALANCE SHEET 2021-22(MMT)								
SUGAR BALANCE 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	8.69	15.82	11.5
Estimated sugar production	27.25	30.9	0.18	32.5	10.2	17.46	4.56	0.28
Imports	0	0	0	0	0	0	0	0
Estimated sugar availability	39.22	40.34	14.5	39.14	16.84	26.15	20.38	11.78
Exports	6	7.2	1.2	8	1.45	3.45	2.1	1
Availability for domestic consumption	33.22	33.14	13.3	31.14	15.39	22.7	18.28	10.78
Estimates sugar consumption	23.79	26.5	6.66	27	6.7	6.88	6.78	6.64
Carry out stock	9.44	6.64	6.64	4.14	8.69	15.82	11.5	4.14

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

Pariculars	Month	(Rs/Qtl)
Projected Average Price	May'22	3300-3450
	Apr'22	3250-3300
Previous month's Average Prices	Mar'22	3250
	Feb'22	3232
	Jan'22	3300
	Dec'21	3317
	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
Projected Price Range	Apr'22	3250-3350

Domestic Market Highlights

Recent Updates:

The Food Ministry has allocated 22 LMT monthly sugar quota for April 2022 which is same as the quota released during the previous season for April 2021. In March 2022, the government has fixed 21.5 LMT monthly sugar quota for domestic sales.

Around 366 sugar mills are currently in the cane crushing operation in India. Sugar mills have produced around 309.87 lakh tonne of sugar till 31st March'2022 as against 278.71 lakh tonne produced same period last year. The States of Andhra Pradesh & Telangana, Bihar, Uttarakhand, Punjab, Haryana and Madhya Pradesh & Chhattisgarh, Rajasthan, Odisha have collectively produced 29.04 lakh tonne of sugar till 31st March, 2022. The adjoining table shows the state-wise breakup of sugar production for major states till 31st March 2022 and the comparison with the previous year.

State	Sugar Production (as of 31st Mar.) (in Lakh Tonne)		Mills in Operation (as of 31st Mar.)	
	2020	2021	2020	2021
Maharashtra	100.47	118.81	76	167
Uttar Pradesh	93.71	87.50	81	88
Karnataka	42.38	57.65	1	21
Gujarat	9.15	10.00	10	15
Tamil Nadu	5.08	6.87	20	28

Indian Sugar Mills Association has revised up its sugar production estimate for 2021-22 Sugar Season for Maharashtra at 126 lakh tonne (after diversion into ethanol), against 117 lakh tonnes estimated in its 2nd advance estimates. Similarly, Karnataka is now expected to produce 55 lakh tonnes (after diversion into ethanol), as against 45.21 lakh tonnes estimated earlier. However, not much change is expected in other States including U.P., and they are expected to produce 152 lakh tonnes of sugar (after diversion into ethanol). All India sugar production in 2021-22 season is therefore expected as 333 lakh tonnes, considering diversion of 34 lakh tonnes of sugar equivalent into ethanol. AgriWatch has estimated 325 lakh tonnes of sugar production for the 2021-22 season higher from the previous season production of 309 lakh tonne.

Agriwatch expects sugar exports to reach 80 lakh tonnes during the 2021-22 season. With crude prices seeing a sharp increase in recent weeks due to the Ukraine-Russia conflict, the freight costs have increased. As a result, importers in the Middle East, East Africa and South-East Asia are preferring the Indian sugar over Brazilian supplies. As per Agriwatch market sources, around 72 lakh tonnes of sugar exports contracts have been signed so far in the 2021-22 season.

According to the Sugar Commissionerate Maharashtra, total of 197 sugar mills were in operation including 98 cooperative mills and 99 private mills. Out of that, till 27th March, 2022, a total of 25 sugar mills have stopped operations including 19 from the Kolhapur division, one each from Aurangabad and Nagpur, and 4 from Solapur division. Sugar mills in Maharashtra have produced 11.62 lakh tonnes sugar by crushing 1120.04 lakh tonnes

sugarcane with a recovery of 10.38 percent slightly higher from the previous week of 10.36 percent till 27th March, 2022.

Sugarcane crushing season in Uttar Pradesh has entered the final phase as several mills are closing their operations. As on 26th March, 2022, sugar mills have produced 84.06 lakh tonnes of sugar by crushing 833.60 lakh tonnes of sugarcane and they have so far cleared Rs 18,647.83 crore cane payment which is around 71.28 per cent. Earlier, the mills have made almost 100 percent of the payment for the previous seasons. The amount cleared for the 2020-21 season is around Rs 32,872.28 crore which is 99.57% of the total dues. For the 2021-22 season, the state government is taking steps to ensure that the sugar mills will make 100 per cent cane payment.

Uttar Pradesh is likely to witness low sugar production in the current 2021-22 season as compared to the previous season. The diversion of sugar to ethanol production and the rising disease and pest infestation are the major reasons for the declined sugar output. Indian Sugar Mills Association has earlier estimated sugar production in UP to be 102 lakh tonne as against 110.59 lakh tonne in last year.

During the 2021-22 ethanol supply year, about 131.69 crore litres of ethanol have been blended with petrol in India till 27th March 2022, thereby achieving 9.60 percent blending across. The government is confident for achieving 10 percent blending rate in the 2021-22 season. Earlier the government has fixed 20 percent blending target till 2025. During the 2021-22 season, Telangana leads in Ethanol Blending with Petrol program with 10.57 percent blending rate, followed by Karnataka with 10.37 percent.

International Sugar Market Summary:

The average global raw sugar prices have slightly increased by around 1% to 19.22 cents/lbs in March 2022 from 18.22 cents/lbs in February 2022. The average prices of refined sugar were slightly higher by around 20% to \$513/tonne in March'22 from \$493.46/tonne during February'22.

International Market Highlights:

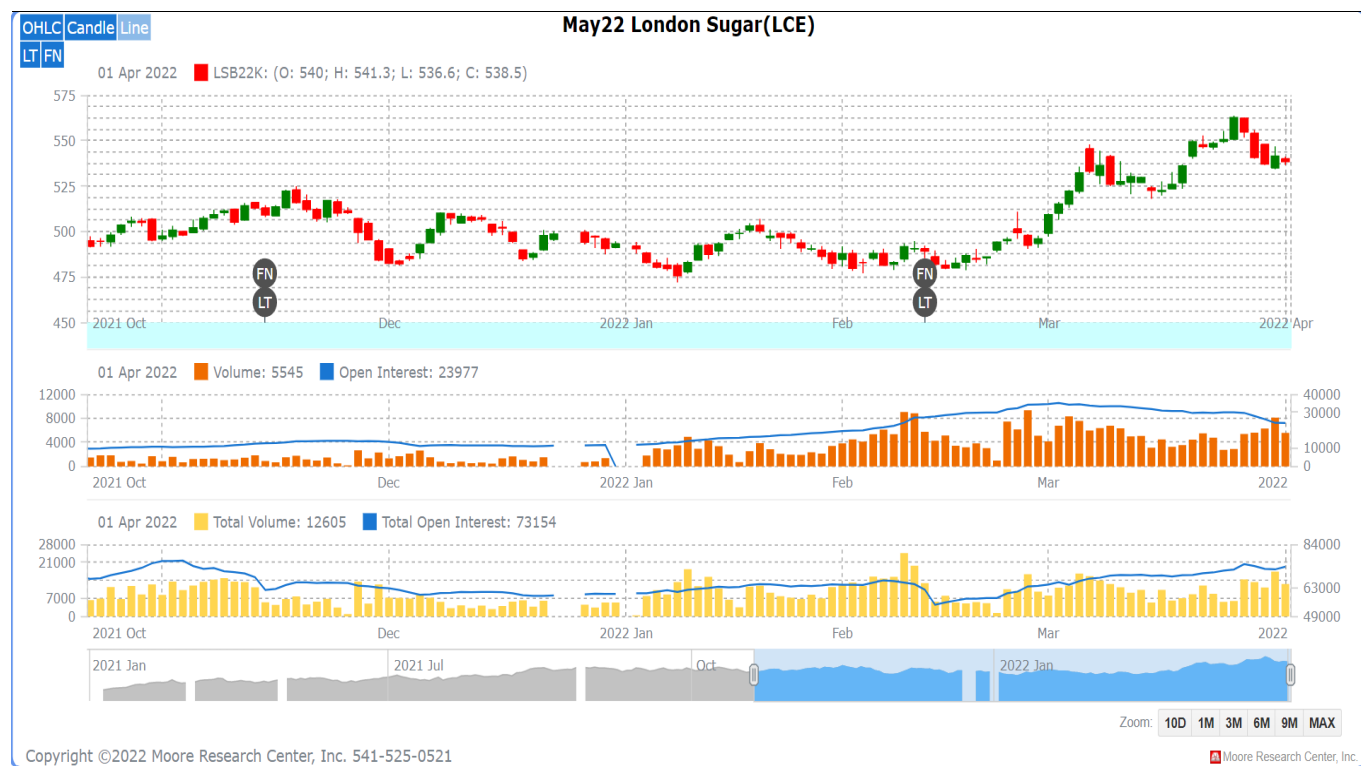
According to the Thai Sugar Millers Corporation, the sugar output in Thailand is likely to reach 10 million tonne by 31st March 22. After two years of low output, sugar production in Thailand is likely to increase in the current season over good yield following favorable weather. The sugar mills have produced 9.6 million tonne of sugar by crushing 87.75 million tonne of cane so far. The sugar output in the last season was 6.7 million tonne and, in this season, it is expected to rise by 35% to 10 million tonnes.

The sugar production in Pakistan likely to increase by 2 million tonnes from last year to 7.5 million tonnes. As a result, Pakistan is back to sugar surplus country from deficit. Ex-mill sugar prices are now around Rs 81/kg substantially lower from last year.

According to the Unica, Sugarcane crushing in Brazil is down by 91 per cent in early March as compared to the same period last year. The mills in the first half of March have crushed only 142,000 tonnes of sugarcane as the companies are waiting for the crop to fully develop and they have enough stocks of sugar and ethanol. The mills are primarily focused on ethanol production in the first half of March. Traditionally mills start crushing in March though the official crushing season starts in April. The recent frost and severe drought last year have hampered the development of the crop for the 2022 season, and they are waiting for the growth of the crop to start harvesting.

The Russian government has informed that it has sufficient sugar to meet the domestic demand and warned consumers against panic-buying after the country was hit with sanctions from the West due to its military invasion in Ukraine. Some regions in the country had reported a shortage of sugar due to panic-buying and the government has already banned the export of sugar until 31st August 2022 and set a duty-free quota for imports of 300,000 tonnes of sugar and raw sugar, hoping to ease domestic food inflation.

Bangladesh government has decided to continue the importation of raw sugar with lower import duty for two and half months. At present, there is a 20% tariff benefit on the import of sugar and it would be extended till May 15 to maintain stable rates in the domestic market ahead of the holy month of Ramadan. As per the order, the reduced tariff facility will be effective from March. Earlier the government had reduced import duty from 30% to 20% which ended on February 28.

International Sugar Futures Price Projection

LIFFE (White Sugar Exchange) Future Market Sugar Scenario (May'22 Contract)
Technical Commentary

- LIFFE futures market was strong during the last month.
- Further, LIFFE future market is expected to remain range bound in the coming April month as in the March month market has already corrected downwards.
- Currently trading above 538 US \$/ MT
- Total volume increased & open interest slightly decreased over a month.
- Strategy: Sell at level 535, T1 545

International Sugar Futures Price Projection			
	Contract Month	Present Quote	Expected Price level for next Month
LIFFE Sugar (US \$/MT)	May'22	538	540-565

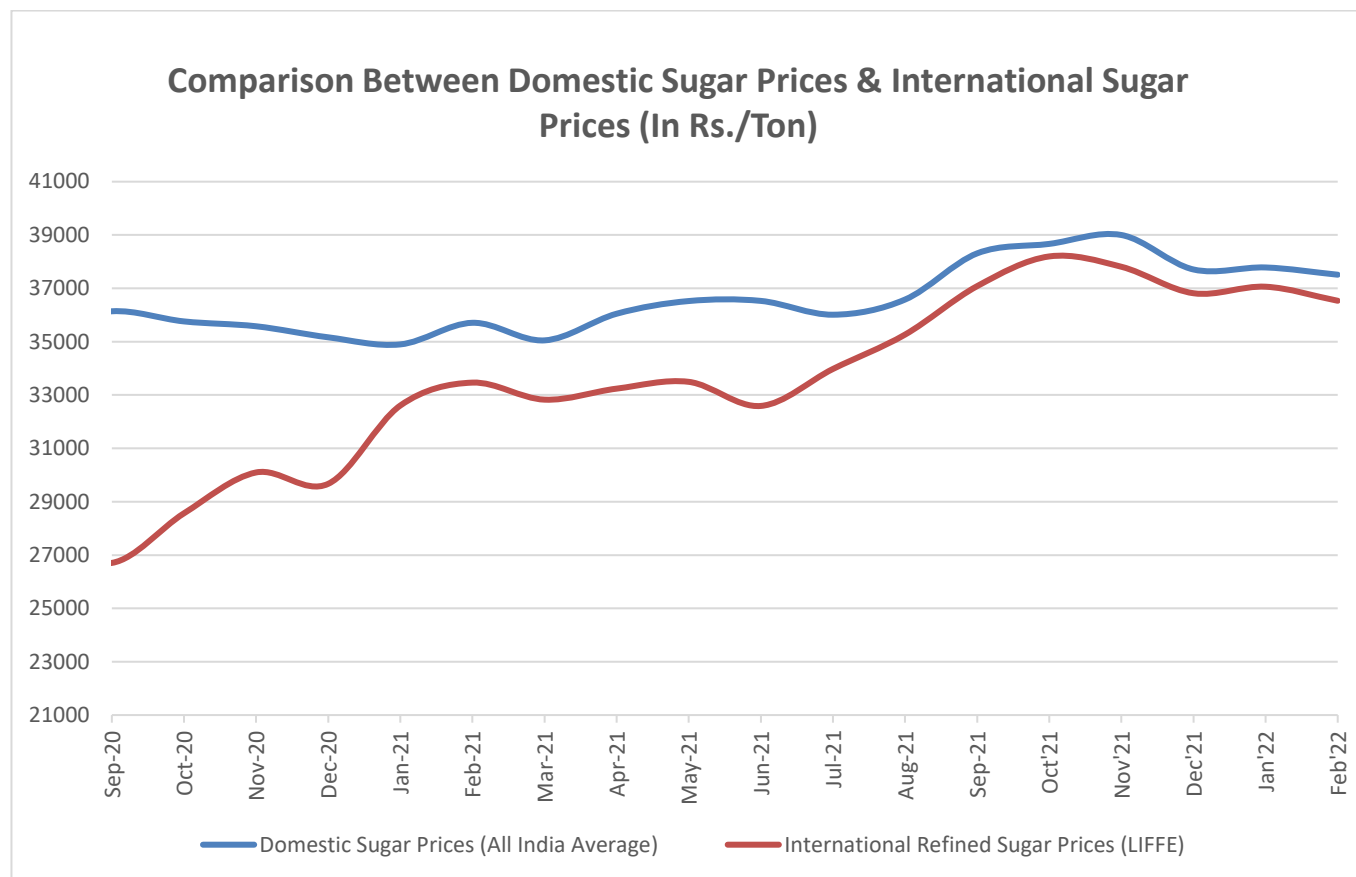


ICE (Raw Sugar Exchange) Future Market Scenario (May'22 Contract)

Technical Commentary:

- ICE raw sugar futures are expected to remain steady during the month.
- Total volume increased slightly in the last month.
- Resistance level of 18.40 has already been crossed with the starting of March month. Further upward trend is expected in the coming April month.
- Strategy: Buy at rate 19.45 Targeting 19.50.

International Sugar Futures Price Projection			
	Contract Month	Present Quote	Expected Price level for next month
ICE Sugar #11 (US Cent/lb)	May'22	19.37	19.40-20.05

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			Mar'22	Feb'22	
Delhi	Delhi	M-Grade	3414	3418	-4
	Delhi	S-Grade	3394	3398	-4
Uttar Pradesh	Khatauli	M-Grade	NA	3541	-
	Ramala	M-Grade	NA	NA	-
	Dhampur	M-Grade Ex-Mill	NA	3367	-
	Dhampur	S-Grade Ex-Mill	NA	3347	-
	Dhampur	L-Grade Ex-Mill	NA	3417	-
Maharashtra	Mumbai	M-Grade	3512	3548	-36
	Mumbai	S-Grade	3366	3346	20
	Nagpur	M-Grade	3377	3357	20
	Nagpur	S-Grade	3414	3254	159
	Kolhapur	M-Grade	3252	3232	20
	Kolhapur	S-Grade	3152	3129	23
Assam	Guhawati	S-Grade	3412	3389	23
Meghalaya	Shillong	S-Grade	3472	3449	23
Andhra Pradesh	Vijayawada	M-Grade (With Duty)	3800	3800	Unch
	Vijayawada	S-Grade (With Duty)	3760	3760	Unch
West Bengal	Kolkata	M-Grade	3695	3762	-67
Tamil Nadu	Chennai	S-Grade (With GST)	3617	3685	-68
	Dindigul	M-Grade (DCA)	3874	3890	-16
	Coimbatore	M-Grade (DCA)	3636	3780	-144
Chattisgarh	Ambikapur	M-Grade (Without Duty)	3632	3546	86
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)			Mar'22	Feb'22	
Uttar Pradesh	Muzaffarnagar	Chaku Sukha(Cold)	3030	3121	-91
	Muzaffarnagar	Chaku(Arrival)(40kg Bag)	190500	226000	-35500
	Muzaffarnagar	Khurpa (Fresh)	2687	2853	-166
	Muzaffarnagar	Laddoo (Fresh)	2996	3138	-142
	Muzaffarnagar	Rascut (Fresh)	2576	2544	32

	Hapur	Chaurasa	2706	2759	-53
	Hapur	Balti	2639	2676	-37
Andhra Pradesh	Chittur	Gold	NA	NA	-
		White	NA	NA	-
		Black	NA	NA	-
Maharashtra	Latur	Lal Variety	NA	NA	-
Karnataka	Bangalore	Mudde (Average)	4452	4509	-57
	Belgaum	Mudde (Average)	NA	NA	-
	Belthangadi	Yellow (Average)	NA	NA	-
	Bijapur	Achhu	NA	NA	-
	Gulbarga	Other (Average)	NA	NA	-
	Mahalingapura	Penti (Average)	NA	3376	-
	Mandya	Achhu (Medium)	3434	3037	398
	Mandya	Kurikatu (Medium)	3160	2932	228
	Mandya	Other (Medium)	3122	2823	298
	Mandya	Yellow (Medium)	3186	2960	226
	Shimoga	Achhu (Average)	3705	3700	5

International Sugar Prices (Monthly- Average)				
	Contract Month	Mar'22	Feb'22	Change
ICE Sugar #11 (US Cent/lb)	22-Mar	19.22	18.22	1.00
	22-May	19.11	17.77	1.34
	22-Jul	19.05	17.64	1.41
LIFFE Sugar (US \$/MT)	22-Mar	513.57	493.46	20.11
	22-May	532.78	484.10	48.68
	22-Aug	520.71	477.67	43.04

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