

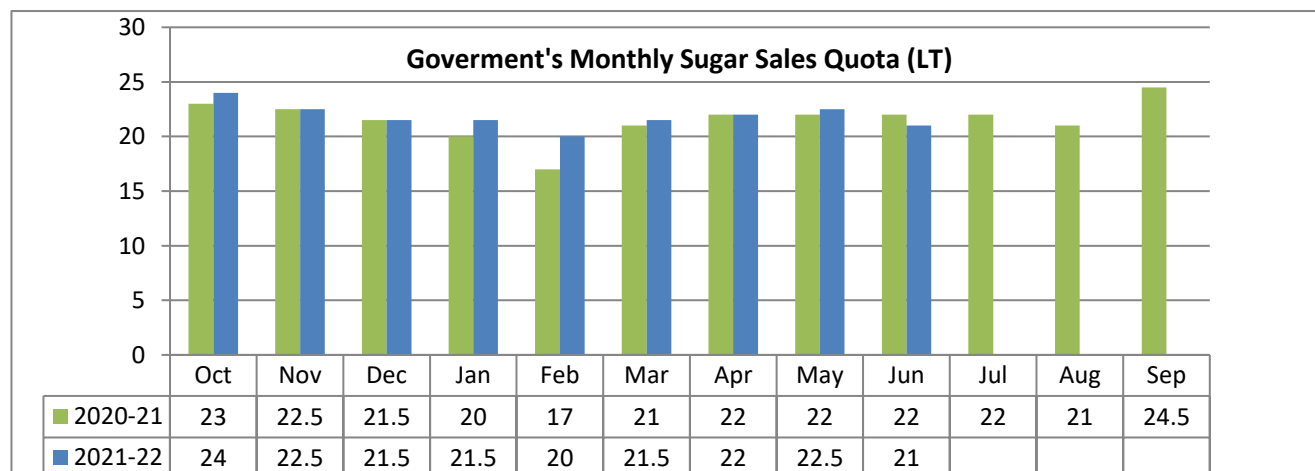
Sugar Domestic Balance Sheet

SUGAR BALANCE SHEET 2021-22(MMT)								
SUGAR BALANCE SHEET	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	8.67	15.89	11.59
Estimated sugar production	27.25	30.9	0.18	35.3	10.18	18.3	6.48	0.34
Imports	0	0	0	0	0	0	0	0
Estimated sugar availability	39.22	40.34	14.5	41.94	16.82	26.97	22.37	11.93
Exports	6	7.2	1.2	9	1.45	4.2	3	0.35
Availability for domestic consumption	33.22	33.14	13.3	32.94	15.37	22.77	19.37	11.58
Estimates sugar consumption	23.79	26.5	6.66	27	6.7	6.88	7.78	5.64
Carry out stock	9.44	6.64	6.64	5.94	8.67	15.89	11.59	5.94

AgriWatch has revised its sugar production to 35.30 lakh MMT from previous 35.00 MMT. The sugar production was 30.90 MMT in the 2020-21 season. The increase in production is expected from Maharashtra and Karnataka. Also, good rains earlier in the season has resulted in better yield. Exports for the 2021-22 season is expected to reach 9.0MMT as sugar demand has increased from the international market. Domestic Consumption is also expected to increase in 2021-22 season to 27.00 MMT from 26.50 MMT in 2020-21 season. The stock to use ratio is expected to fall to 5.94 MMT in 2021-22 as compared to 6.64 MMT in 2020-21. Despite, higher total supply, likely increase in consumption and expected higher export would keep prices supported moving ahead.

Domestic Market Highlights

Recent Updates:



Government of India has allotted the monthly sugar sale quota of 21 lakh MT for the month of June which is 1 lakh MT lower from previous year. Consideration of lower sale quota is mainly due to expectation of lower demand with the coming monsoon season.

Sugarcane Acreages (Lakh hectares)			
States	2020-21	2021-22	%Deviation
Maharashtra	11.43	12.32	7.78
Uttar Pradesh	23.98	23.95	-0.12
Karnataka	5.94	5.96	0.33
Total India	54.08	54.97	1.64

Source: Agriwatch

The National Federation of Cooperative Sugar Factories has estimated domestic sugar production to be at 35.24 million tonnes in the 2021-22 season which is around 15 percent higher as compared to the previous season. The sugar production is estimated to increase in Maharashtra at 13.68 MT against the 10.63 MT previous year and in Karnataka to increase at 5.92 MT as compared to the previous season 4.25 MT. Sugar production in Uttar Pradesh was lower in the 2021-22 season at 10.22 MT as compared to the previous season 11.01 MT.

The sugarcane crushing season in Maharashtra has entered its last stage. Around 10 lakh tonnes of cane are still remaining to be crushed in the state. Sugar mills in Maharashtra had crushed 1,312 lakh tonnes of cane. Districts of Jalna, Osmanabad, and Solapur had reported the most acres of unharvested cane. During the 2021-22 season sugarcane production in Maharashtra has increased because of increased yield and area. Reportedly, yield in Maharashtra has improved from 80 to 120 tonnes per hectares. As per the market sources, sugar production is expected to be 138 lakh tonnes in 2021-22 season in Maharashtra.

Around 116 sugar mills are currently operating in India. Sugar mills have produced around 348.83 lakh tonne of sugar till 15th May'2022 as against 304.77 lakh tonne produced same period last year. However, in the last season 2020-21, 461 mills had closed their crushing operations and only 45 mills were operating on the corresponding date. Most of the operating sugar mills are expected to close by the end of May 2022. However, few sugar mills in Maharashtra will be operating till June 2022.

State	Sugar Production (as of 15th May.) (in Lakh Tonne)		Mills in Operation (as of 15th May.)	
	2020	2021	2020	2021
Maharashtra	106.16	135.43	5	69
Uttar Pradesh	108.70	101.45	21	20
Karnataka	42.48	58.52	0	0
Gujarat	10.17	11.95	2	7

Tamil Nadu	6.45	8.80	11	15
Others	30.81	32.68	5	6

*Others include Andhra Pradesh, Telangana, Bihar, Punjab, Haryana, Rajasthan, Madhya Pradesh, Chhattisgarh, Uttarakhand, Odisha.

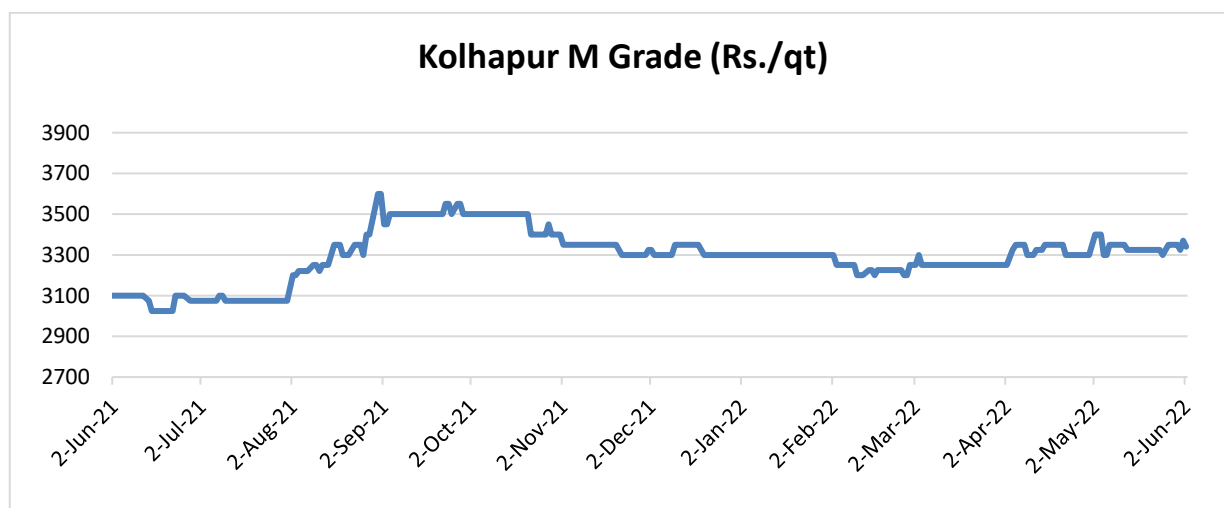
AgriWatch expects sugar exports to reach 90 lakh tonne during the 2021-22 season. According to Indian Sugar Mills Association, around 85 lakh tonne of sugar exports contracts have already been signed till 15th May'2022. Out of which, about 72 lakh tonnes of sugar is estimated to have been physically exported from India up to 15th May 2022 as compared to about 43.19 lakh tonnes exported last year during the corresponding period.

Price Outlook:

Sugar prices had slightly increased in the major markets across India last month because of the good demand in the market. The average sugar prices were higher at Rs. 3489 per quintal from the previous month at Rs.3443 per quintal in Delhi market. The prices in Maharashtra also stood slightly higher at Rs.3338/q in May'22 as compared to the previous month. Agriwatch expects prices to remain in the range of Rs. 3,300- Rs. 3,450 per quintal in the coming month.

Price Projection for the Next Month:

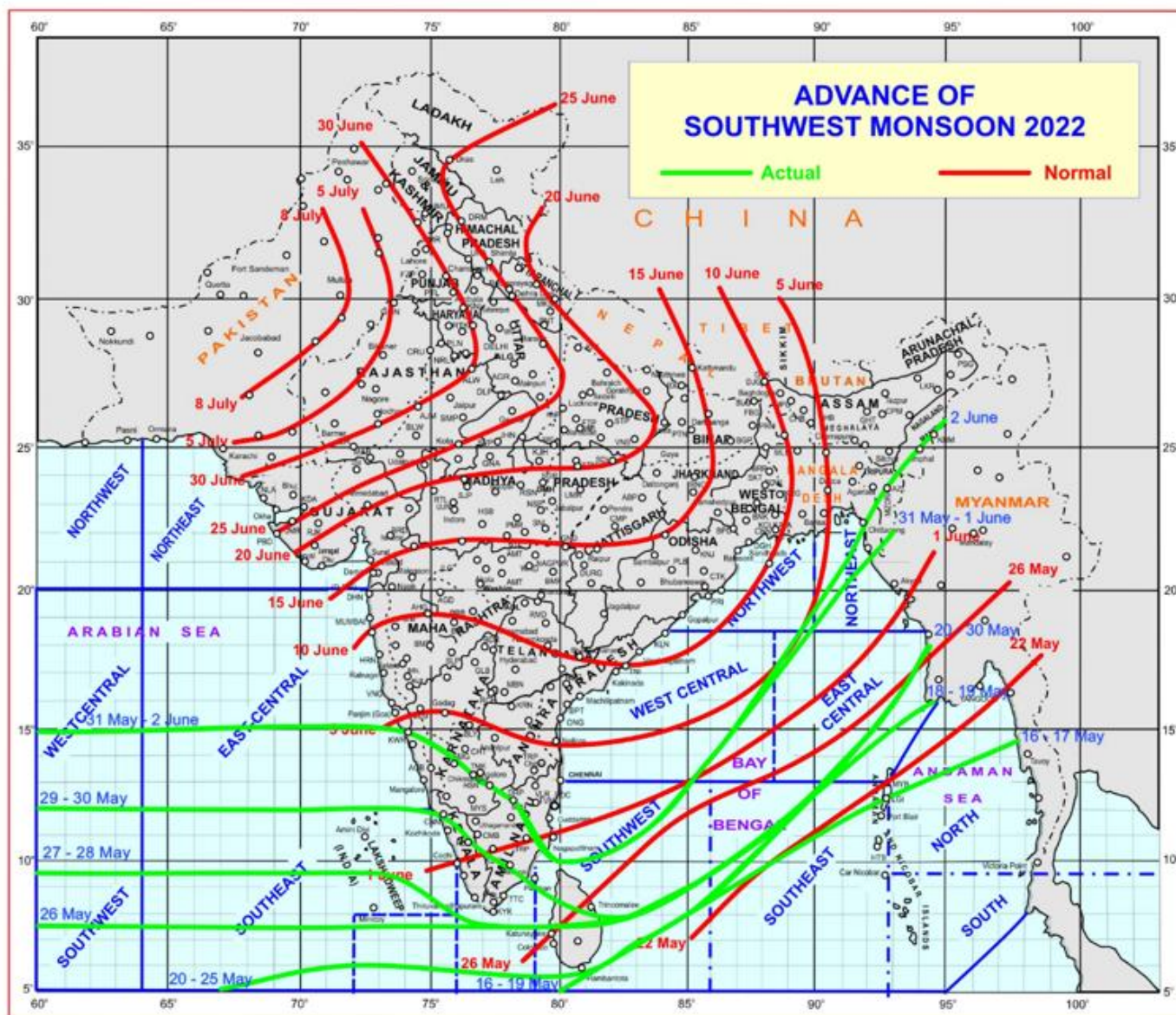
As per Agriwatch estimates, spot sugar prices (M grade) in benchmark Kolhapur market are likely to remain between Rs.3,320 -3,450 per quintal in May 2022.



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

Particulars	Month	(Rs/Qtl)
Projected Average Price	July'22	3320-3450
	June'22	3300-3450
Previous month's Average Prices	May'22	3338
	Apr'22	3319
	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
Projected Price Range	June'22	3300-3450

Weather Forecast



The conditions are favorable for the further advance of southwest monsoon into some more parts of central & North Bay of Bengal, remaining parts of northeastern states and some parts of sub- Himalayan West Bengal. India Meteorological Department has predicted the long-range forecast for the monsoon season, it indicates that from June to September 2022, the countrywide precipitation is likely to be 103 percent of the long period average (LPA) with a model error of 4 percent. The country may record seasonal precipitation up to 89.6 cm this year. Also, India is likely to receive more rainfall in this season.

Sugarcane sowing 2022-23 season

For the coming 2022-23 season sugarcane sowing is being progressing in Andhra Pradesh. Around 0.015 lakh hectares of area has been sown under sugarcane as of 01st June 2022 which was 0.34 lakh hectares as on the corresponding date last year. Targeted area under sugarcane in Andhra Pradesh is around 0.66 lakh hectares.

International Market

Major Market Highlights:

According to the International Sugar Organization, the global sugar production in the 2022-23 season is estimated at 177.372 million tonnes, while consumption is projected to reach 174.604 million tonnes. This indicates a surplus of 2.768 million tonnes of sugar from October 2022. Global ethanol production in 2022 has been projected to reach 110.3 billion liters (+5.1 billion from 2021), consumption has been projected to reach 106.3 billion liters (+4.5 billion from 2021). Increased sugar production and consumption are expected in the US, Brazil and India in the 2022-23 season.

According to Unica, the Brazil sugarcane crushing in May'22 has reached 34.37 million tonnes for the 2022-23 season, which is down by 17 percent as compared to previous season. Sugar production has reached 1.67 million tonnes. The sugarcane crushing season although has picked up pace but still remains delayed from previous year.

With the rise in global sugar prices, Thailand government is taking steps to ensure adequate supply of sugar in the country. The Thailand government is more focused on domestic sugar demand. As per the Office of the Cane and Sugar Board Thailand, sugar exports will not greatly increase even if the global prices increase. The global sugar prices are likely to increase to 19-10 cents per pound.

The Cabinet Minister of Kyrgyzstan had banned sugar export both for raw and refined sugar for the coming six months. The government has taken the decision to maintain the availability of sugar in the domestic market. As per the market sources, sugar prices have risen primarily due to increase in the wholesale price, overall, around 30,000 tonnes of sugar stock are already available in Kyrgyzstan.

International Sugar Prices

International Sugar Futures ICE					(Rs/Qtl)	
Futures month	% Change over previous year	Today	Week ago	Month Ago	Year Ago	RBI Dollar
		1-Jun-22	25-May-22	2-May-22	1-Jun-21	1-Jun-22
22-May	44.57	3381	3443	3187	1874	77.60
22-Jul	42.24	3435	3485	3224	1984	
22-Oct	40.94	3329	3363	3248	1966	
(Source: mrci)						

International Sugar Futures LIFFE					(Rs/Qtl)	
Futures month	% Change over previous year	Today	Week ago	Month Ago	Year Ago	RBI Dollar
		1-Jun-22	25-May-22	2-May-22	1-Jun-21	1-Jun-22
22-May	38.56	4484	4369	3923	2755	77.60
22-Aug	38.45	4281	4247	3867	2635	
22-Oct	38.06	4159	4178	4042	2576	

(Source: mrci)

International Sugar Futures Price Projection

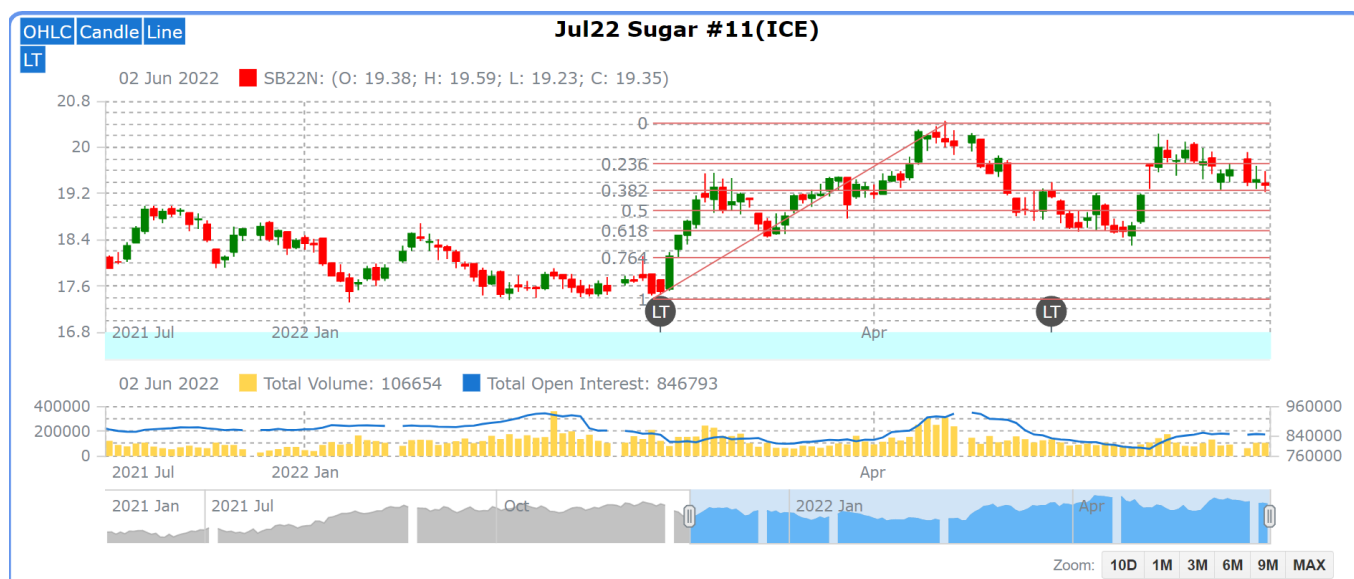


LIFFE (White Sugar Exchange) Future Market Sugar Scenario (Aug'22 Contract)

Technical Commentary

- As depicted in the above chart, prices rebounded after a recent correction. Prices are currently at new high and immediate support at the previous chart high of 570.
- Increase in open interest along with recent rise in prices indicates fresh positions are building up.
- Overall, the prices are expected to remain firm.

International Sugar Futures Price Projection			
	Contract Month	Present Quote	Expected Price level for next Month
LIFFE Sugar (US \$/MT)	Aug'22	578	570-590



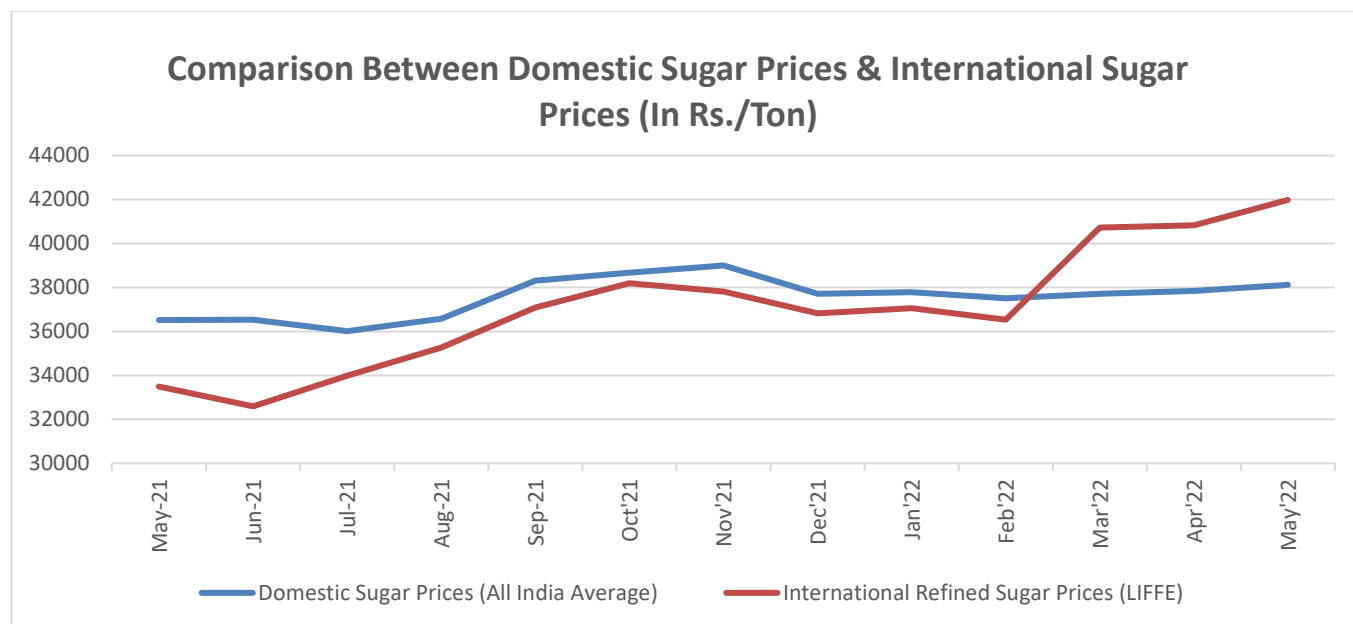
ICE (Raw Sugar Exchange) Future Market Scenario (Jul'22 Contract)

Technical Commentary:

- As depicted in the above chart, market has showed a range bound movement last month, market has taken a support of 38% Fibonacci retracement level and had retraced back while 23.6% retracement level acting as immediate resistance.
- Market is expected to remain range bound in the coming month.

International Sugar Futures Price Projection			
	Contract Month	Present Quote	Expected Price level for next month
ICE Sugar #11 (US Cent/lb)	Jul'22	19.35	19.30-19.55

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	Prices (Rs/Qtl)		Change
Sugar			May'22	Apr'22	
Delhi	Delhi	M-Grade	3489	3443	46
	Delhi	S-Grade	3469	3423	46
Maharashtra	Mumbai	M-Grade	3600	3604	-4
	Mumbai	S-Grade	3490	3469	21
	Nagpur	M-Grade	3463	3444	19
	Nagpur	S-Grade	3363	3346	17
	Kolhapur	M-Grade	3338	3319	19
	Kolhapur	S-Grade	3238	3221	17
Assam	Guhawati	S-Grade	3551	3481	70
Meghalaya	Shillong	S-Grade	3558	3541	17
Andhra Pradesh	Vijayawada	M-Grade (With Duty)	3868	3849	19
	Vijayawada	S-Grade (With Duty)	3828	3809	19
West Bengal	Kolkata	M-Grade	3782	3736	45
Tamil Nadu	Chennai	S-Grade (With GST)	3682	3775	-93
	Dindigul	M-Grade (DCA)	3777	3772	4
	Coimbatore	M-Grade (DCA)	3803	3600	203
Chattisgarh	Ambikapur	M-Grade (Without Duty)	3685	3708	-23
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)			May'22	Apr'22	
Uttar Pradesh	Muzaffarnagar	Chaku Sukha(Cold)	3492	3150	342
	Muzaffarnagar	Chaku(Arrival)(40kg Bag)	19000	118000	-99000
	Muzaffarnagar	Khurpa (Fresh)	3064	2809	255
	Muzaffarnagar	Laddoo (Fresh)	3342	3100	241
	Muzaffarnagar	Rascut (Fresh)	2619	2590	29
	Hapur	Chaurasa	2974	2950	24
	Hapur	Balti	2974	2950	24
Andhra Pradesh	Chittur	Gold	NA	NA	-
		White	NA	NA	-
		Black	NA	NA	-
Maharashtra	Latur	Lal Variety	NA	NA	-

Karnataka	Bangalore	Mudde (Average)	4200	4583	-383
	Belgaum	Mudde (Average)	NA	NA	-
	Belthangadi	Yellow (Average)	NA	NA	-
	Bijapur	Achhu	NA	NA	-
	Gulbarga	Other (Average)	NA	NA	-
	Mahalingapura	Penti (Average)	NA	NA	-
	Mandya	Achhu (Medium)	2698	3669	-971
	Mandya	Kurikatu (Medium)	3412	3322	90
	Mandya	Other (Medium)	3443	3432	11
	Mandya	Yellow (Medium)	3485	3532	-47
	Shimoga	Achhu (Average)	3700	3700	Unch

International Sugar Prices (Monthly- Average)				
	Contract Month	May'22	Apr'22	Change
ICE Sugar #11 (US Cent/lb)	22-May	19.38	19.68	-0.30
	22-Jul	19.34	19.13	0.21
	22-Oct	19.08	19.71	0.63
LIFFE Sugar (US \$/MT)	22-May	527.11	533.18	-6.07
	22-Jul	526.80	536.13	-9.33
	22-Oct	521.53	529.37	-7.84

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