

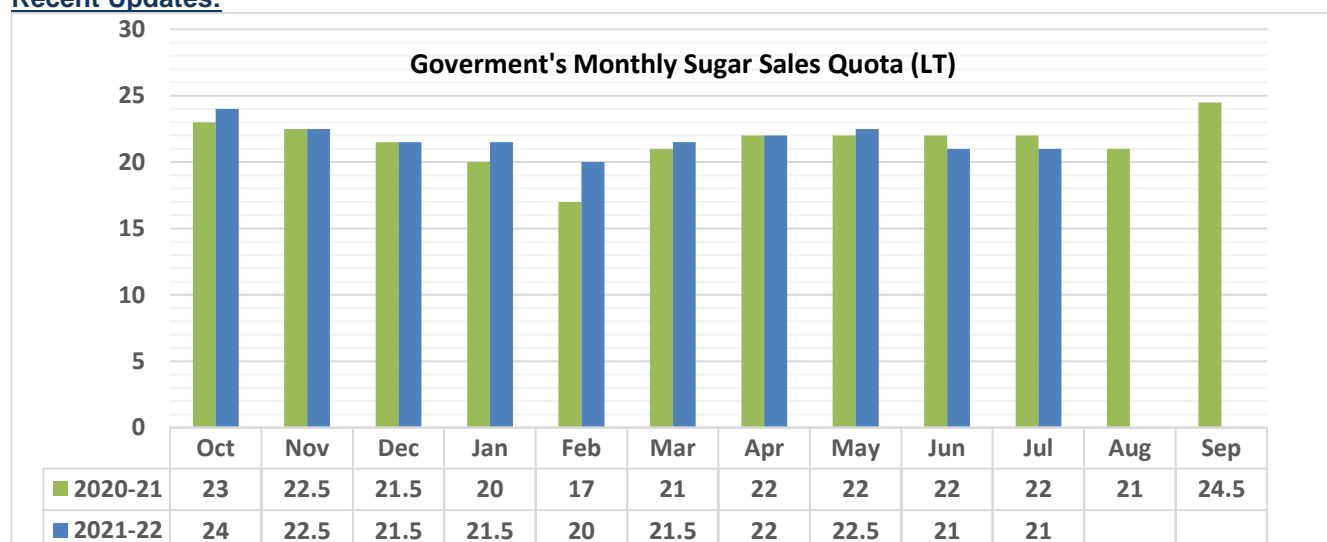
Sugar Domestic Balance Sheet

SUGAR BALANCE SHEET 2021-22(MMT)								
SUGAR BALANCE SHEET 2021-22(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	8.67	15.89	10.89
Estimated sugar production	27.25	30.9	0.18	35.4	10.18	18.3	6.58	0.34
Imports	0	0	0	0	0	0	0	0
Estimated sugar availability	39.22	40.34	14.5	42.04	16.82	26.97	22.47	11.23
Exports	6	7.2	1.2	9.8	1.45	4.2	3.8	0.35
Availability for domestic consumption	33.22	33.14	13.3	32.24	15.37	22.77	18.67	10.88
Estimates sugar consumption	23.79	26.5	6.66	27	6.7	6.88	7.78	5.64
Carry out stock (F - G)	9.44	6.64	6.64	5.24	8.67	15.89	10.89	5.24

AgriWatch has revised its sugar production to 35.40 lakh MMT from previous 35.30 MMT. The sugar production was 30.90 MMT in the 2020-21 season. The increase in sugar production is 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 9.8MMT 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 5.24 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 July 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. In the previous month (June) government allotted 21 lakh MT of monthly sugar sales quota.

Indian Sugar Mills Association has estimated sugar production during the 2021-22 season at 360 lakh tonnes after considering a diversion of 34 lakh tonnes of sugar equivalent into ethanol. During the previous 2020-21 season overall sugar production was estimated at 311.92 lakh tonnes of sugar after diversion of about 20 lakh tonnes of sugar for production of ethanol. Considering an opening stock of about 82 lakh tonnes as on 01st October 2021, domestic consumption is estimated at 275 lakh tonnes, and export at 100 lakh tonnes. The Closing stock as on 30th September 2022 is expected to be 67 lakh tonnes which would be sufficient for 3 months of domestic consumption.

Indian Sugar Mills Association Sugar Balance Sheet (Lakh Tonnes)	
Opening stock	82
Production	360
Exports	100
Domestic Consumption	275
Closing Stock	67

Sugarcane crushing is almost over in the country for the 2021-22 season. The 2021-22 season is also the year of longest crushing season, as the mills operated for 240 days. Maharashtra has again led the country in terms of sugar production with 138 lakh tonnes of sugar produced during 2021-22 season. Maharashtra has surpassed countries like China, Russia, Thailand, Australia in terms of major sugar producing region.

Despite of the record sugar production in India, Uttar Pradesh in the 2021-22 season has registered a dip in its sugar production. Sugar mills in Uttar Pradesh has produced 99.22 lakh tonnes of sugar by crushing 979.61 lakh tonnes of sugarcane. In the previous 2020-21 season sugar mills had produced 110.59 lakh tonnes of sugar by crushing 1027.50 lakh tonnes of sugarcane in the last season.

The Ministry of Commerce and Industry, Gol vide notification no. 10/2015-20 dated 24th May 2022 has restricted export of sugar (Raw, Refined and White sugar) from 01st June 2022 onwards (except fixed quantity of sugar being exported under CXL and TRQ quota to EU and USA). Export after 01.06.2022 will be allowed on production of specific permission (as per the procedure to be notified separately by DFPD) from Directorate of Sugar, Department of Food and Public Distribution (DFPD), Ministry of Consumer affairs, Food and Public Distribution.

According to Indian Sugar Mills Association, around 94-95 lakh tonne of sugar exports contracts have already been signed till 30th May'2022. Out of which, about 86 lakh tonnes of sugar is estimated to have been physically exported from India up to 30th May 2022 as compared to about 43.19 lakh tonnes exported last year during the corresponding period.

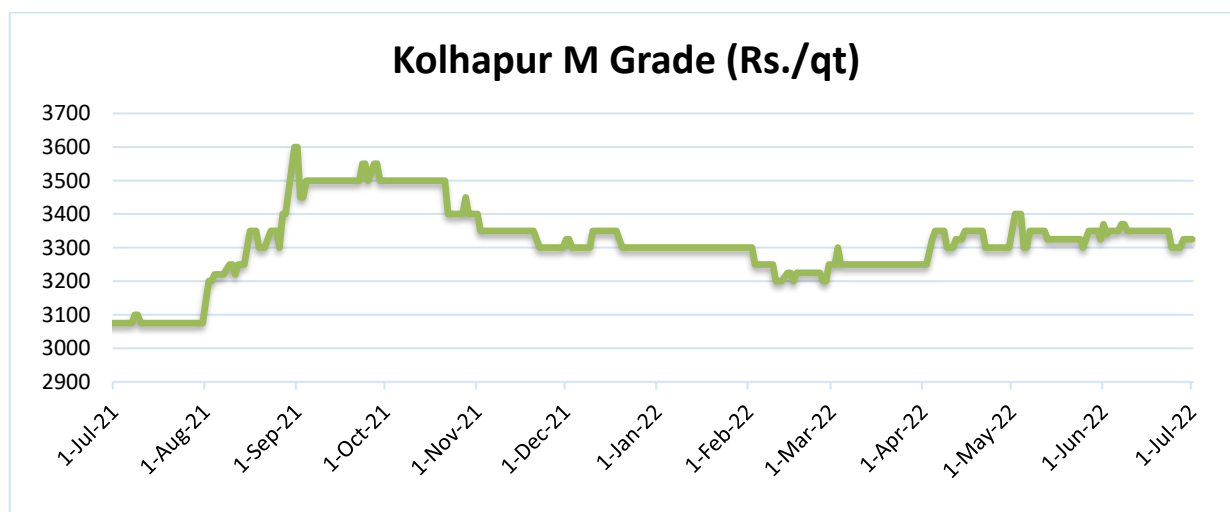
Sugar consumption in India is likely to increase in the 2021-22 season amid higher summer demand besides revival of demand from the Covid-19 pandemic crisis. According to the Department of Food & Public Distribution, the estimated domestic consumption for the 2021-22 sugar season is 278 Lakh MT (LMT) which has been growing year-on-year. In the previous year the sugar consumption was recorded at 265 LMT. AgriWatch has estimated sugar consumption to be 274 LMT for the 2021-22 season.

Price Outlook:

Sugar prices had slightly decreased in the major markets across India last month as with the coming of monsoon season sugar demand has comparatively fallen in the market. The average sugar prices were lower at Rs. 3463 per quintal from the previous month at Rs.3489 per quintal in Delhi market. The prices in Maharashtra also stood slightly higher at Rs.3343/q in June'22 as compared to the previous month. Agriwatch expects prices to remain in the range of Rs. 3,200- Rs. 3,350 per quintal in the coming month.

Price Projection for the Next Month:

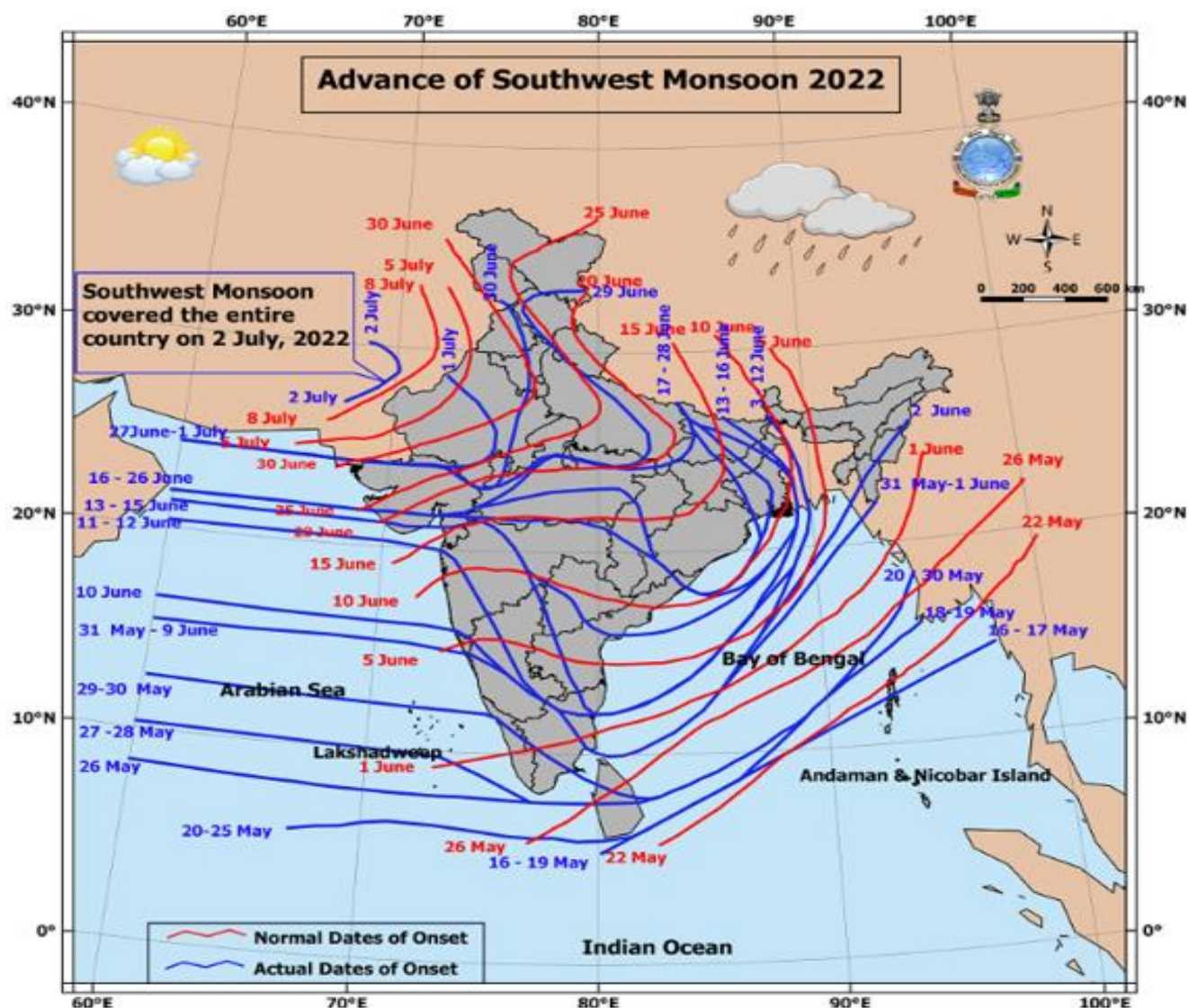
As per Agriwatch estimates, spot sugar prices (M grade) in benchmark Kolhapur market are likely to remain between Rs.3,200 -3,300 per quintal in July 2022.



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

Particulars	Month	(Rs/Qtl)
Projected Average Price	July'22	3220-3350
	Aug'22	3200-3300
Previous month's Average Prices	June'22	3343
	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
Projected Price Range	July'22	3200-3300

Weather Forecast



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. There is 70 percent chance of normal rainfall in the coming July month, 20 percent chance of above normal rainfall and 10 percent chance of below normal rainfall. Also, India is likely to receive more rainfall in this season.

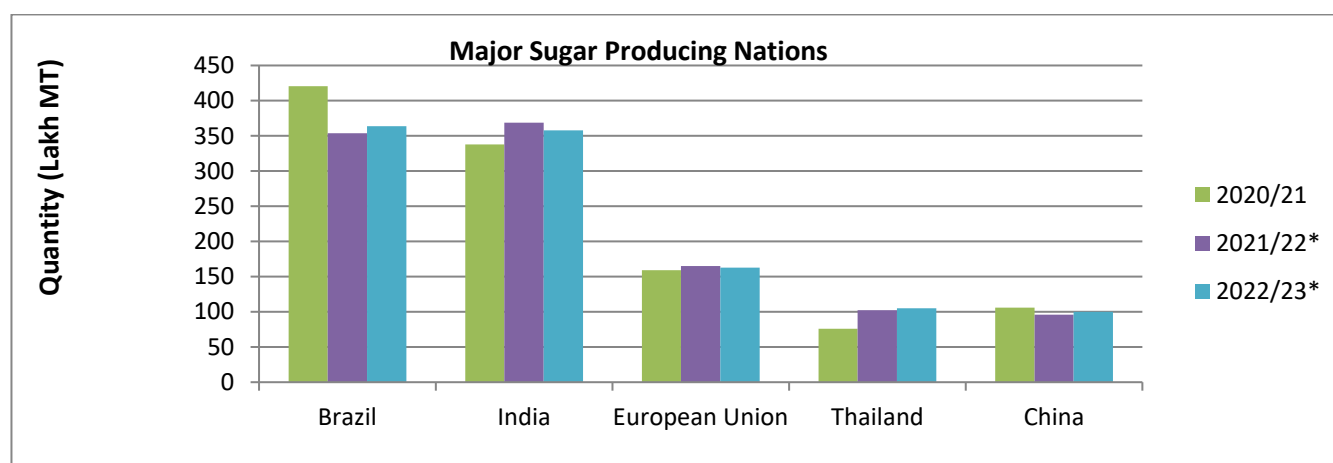
Sugarcane sowing 2022-23 season

For the coming 2022-23 season sugarcane sowing is progressing across the country.

Sugarcane Acreage as on 01 st July 2022		
States	2021-22	2022-23
Andhra Pradesh	0.18	0.19
Karnataka	4.415	5.24

Area: Lakh Hectares ; State Government Data

International Market



Source: USDA

Major Market Highlights:

According to the International Sugar Organization, the global sugar production in the 2022-23 season is estimated at 177.372 million tonne, while consumption is projected to reach 174.604 million tonne. This indicates a surplus of 2.768 million tonne 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.

The sugar output in Egypt is expected to be lower from 3 million tonnes in 2021 to 2.8 million tonnes in 2022 season. As per the sources, there is sufficient sugar stock in the country that can cater to the domestic need for six months.

The unfavorable weather in the Philippines is likely to affect the sugar production. According to the Sugar Regulatory Administration, the sugar production was 1.8 million metric tonnes till mid-June. Earlier, the super typhoon has impacted in December and now the La Nina weather condition have affected the sugar production in the country.

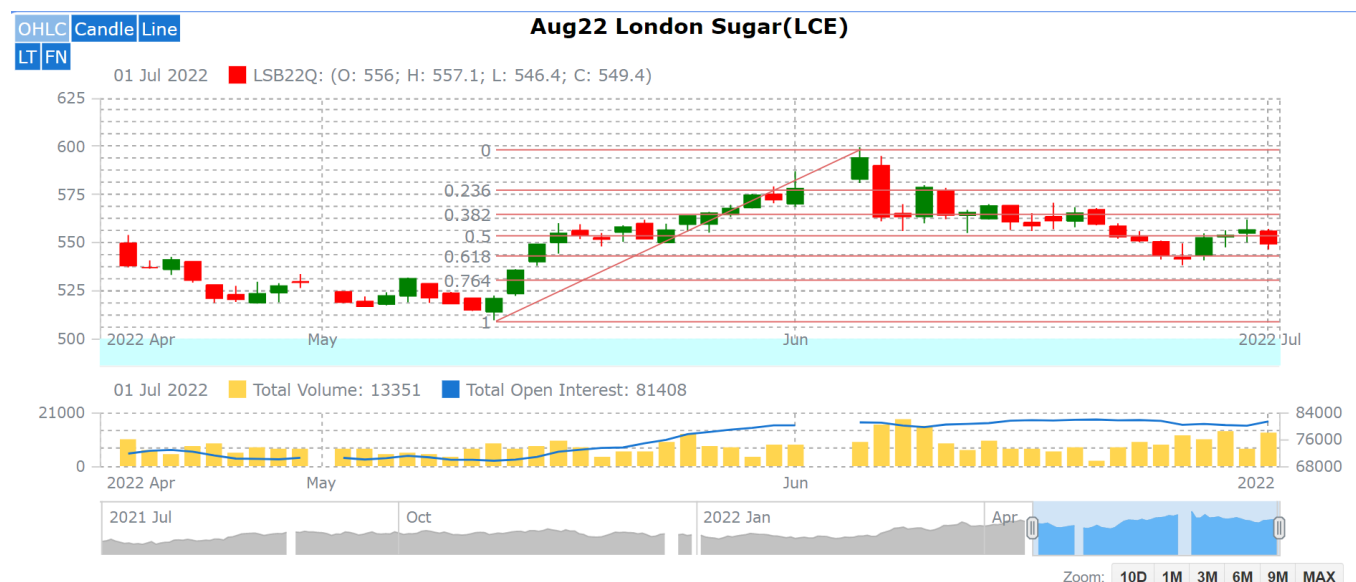
According to Unica, Brazil's Center South region sugarcane crushing in first half of June'22 has reached 38.6 million tonnes, higher by 5.76 percent as compared to the previous season. Sugar production has reached 2.14 million tonnes so far. However, Sugarcane crushing was bit affected in Brazil due to adverse weather conditions in June 2022.

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)						

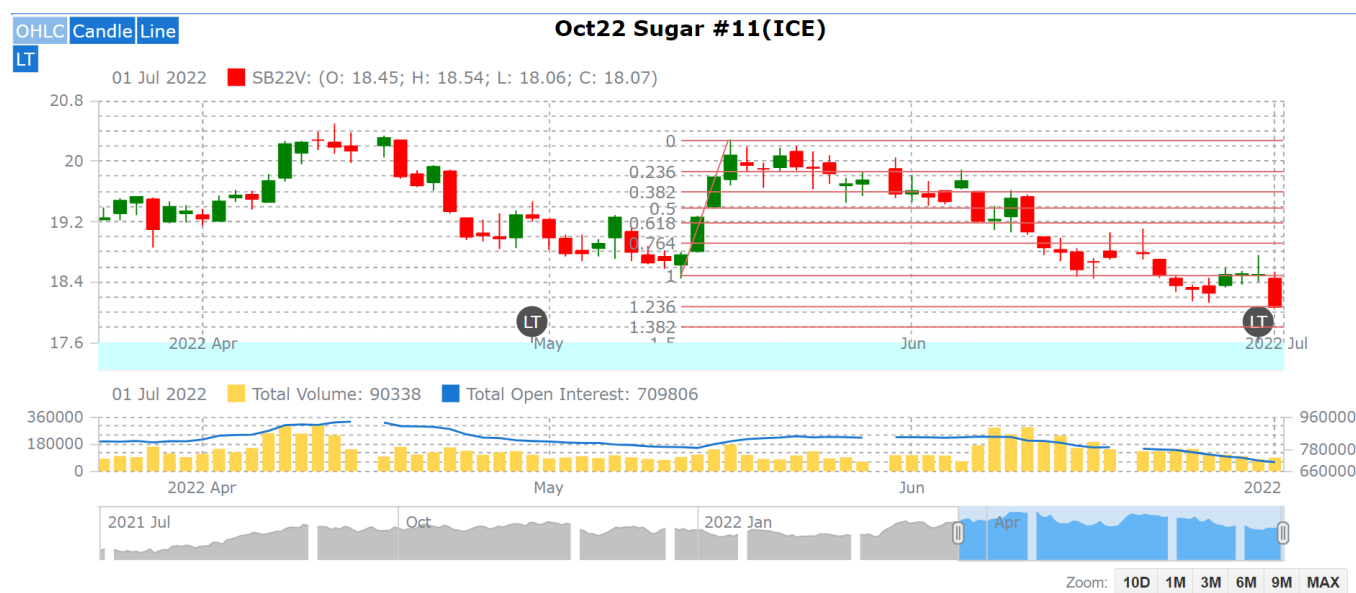
International Sugar Futures Price Projection



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 557.
- Increase in open interest along with recent rise in prices indicates fresh positions are building up.
- Overall, the prices are expected to remain elevated.

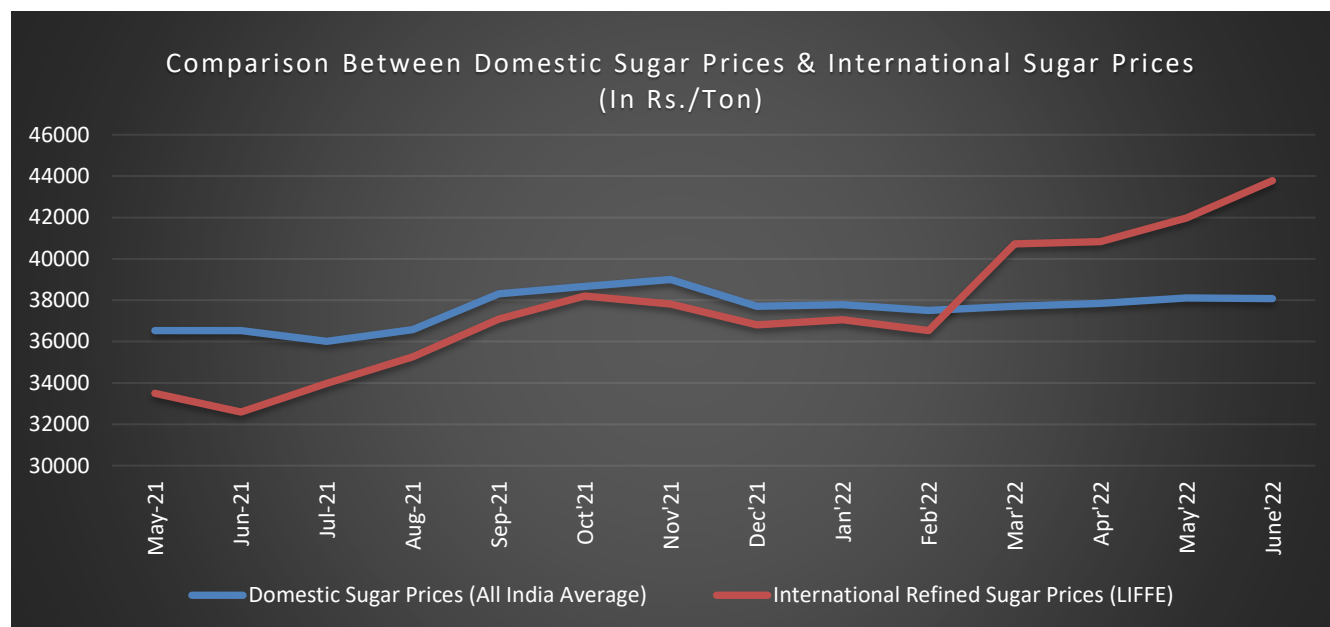
International Sugar Futures Price Projection			
	Contract Month	Present Quote	Expected Price level for next Month
LIFFE Sugar (US \$/MT)	Aug'22	548	540-560


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

- As depicted in the above chart, market has showed a bearish movement in the last month, market has broken up to 1.23% Fibonacci retracement level.
- 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	18.07	18.10-19.20

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			June'22	May'22	
Delhi	Delhi	M-Grade	3463	3489	-27
	Delhi	S-Grade	3443	3469	-27
Maharashtra	Mumbai	M-Grade	3564	3600	-36
	Mumbai	S-Grade	3450	3490	-40
	Nagpur	M-Grade	3468	3463	5
	Nagpur	S-Grade	3369	3363	6
	Kolhapur	M-Grade	3343	3338	5
	Kolhapur	S-Grade	3244	3238	6
Assam	Guhawati	S-Grade	3504	3551	-47
Meghalaya	Shillong	S-Grade	3557	3558	-2
Andhra Pradesh	Vijayawada	M-Grade (With Duty)	3942	3868	73
	Vijayawada	S-Grade (With Duty)	3840	3828	12
West Bengal	Kolkata	M-Grade	3817	3782	35
Tamil Nadu	Chennai	S-Grade (With GST)	3550	3682	-132
	Dindigul	M-Grade (DCA)	3813	3777	37
	Coimbatore	M-Grade (DCA)	3840	3803	37
Chattisgarh	Ambikapur	M-Grade (Without Duty)	3785	3685	100

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)			June'22	May'22	
Uttar Pradesh	Muzaffarnagar	Chaku Sukha(Cold)	NA	3492	-
	Muzaffarnagar	Chaku(Arrival)(40kg Bag)	NA	19000	-
	Muzaffarnagar	Khurpa (Fresh)	NA	3064	-
	Muzaffarnagar	Laddoo (Fresh)	NA	3342	-
	Muzaffarnagar	Rascut (Fresh)	NA	2619	-
	Hapur	Chaurasa	3037	2974	63
	Hapur	Balti	3037	2974	63
Andhra Pradesh	Chittur	Gold	NA	NA	-
		White	NA	NA	-
		Black	NA	NA	-
Maharashtra	Latur	Lal Variety	NA	NA	-

Karnataka	Bangalore	Mudde (Average)	4575	4200	375
	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)	3577	2698	879
	Mandya	Kurikatu (Medium)	3401	3412	-10
	Mandya	Other (Medium)	3505	3443	62
	Mandya	Yellow (Medium)	3558	3485	73
	Shimoga	Achhu (Average)	3700	3700	Unch

International Sugar Prices (Monthly- Average)				
	Contract Month	June'22	May'22	Change
ICE Sugar #11 (US Cent/lb)	22-May	18.39	19.68	-1.29
	22-Jul	18.66	19.13	-0.47
	22-Oct	18.10	19.57	-1.47
LIFFE Sugar (US \$/MT)	22-May	526.42	533.18	-6.76
	22-Aug	509.84	536.13	-26.29
	22-Oct	502.84	529.37	-26.53

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