

Price Outlook:

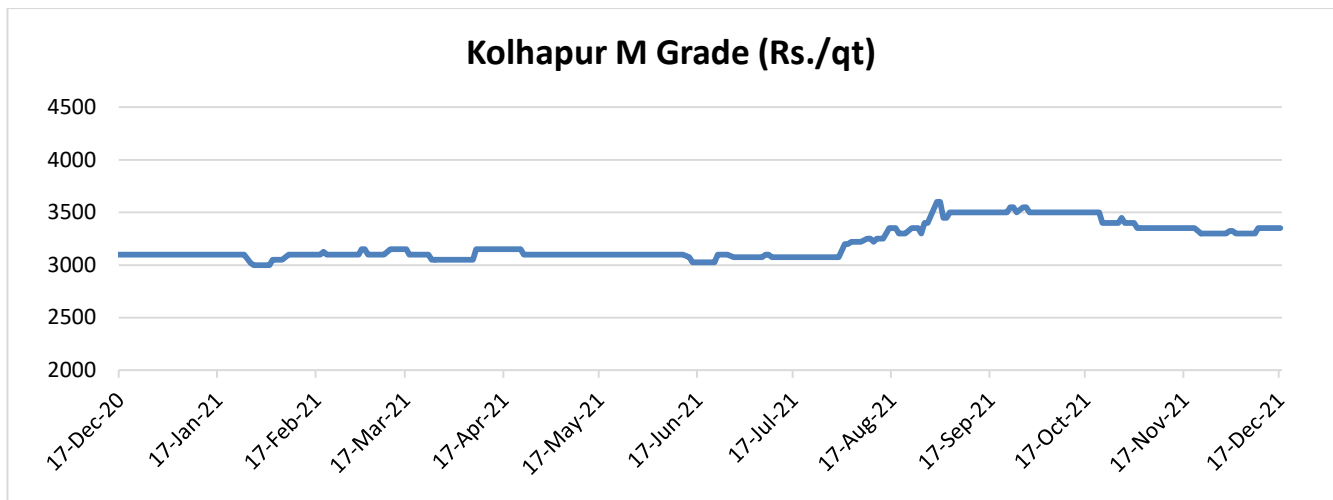
Sugar mills in Maharashtra have produced 327.1 lakh quintals of sugar till 16th December 2021 by crushing 347.62 lakh tonnes of sugarcane. Sugar mills across India have produced around 47.21 lakh tonnes of sugar till 30th November '2021 as against 43.02 lakh tonnes produced same period last year. The average sugar prices have slightly decreased at Rs. 3486/q from the previous week at Rs.3514/q in Delhi market. The prices in Maharashtra stood low at Rs.3242/q.

Price Projection for the Next week

As per the Agriwatch estimates, spot sugar prices (M grade) in the benchmark Kolhapur market are likely to remain steady and in range next week between Rs.3200 -3400 per quintal for next week.

Domestic Sugar Market Summary

Average prices for sugar 'M' grade in key Kolhapur market were range bound at Rs.3300per quintal.

**Domestic Market Highlights****Recent Updates:**

- In order to promote ethanol blending, the Government has lowered Goods and Services Tax (GST) rate to 5% from 18% on ethanol meant for blending under the Ethanol Blended Petrol (EBP) Programme. The procurement price of ethanol produced from sugarcane based feed stocks like C & B heavy molasses, sugarcane juice, sugar, sugar syrup are fixed by the Government and from food grain based feed stocks by Public Sector Oil Marketing Companies on an annual basis.

Previous Updates

- According to the Maharashtra sugar commissioner, Sugar mills in Maharashtra have produced 302.08 lakh quintals of sugar till 13th December 2021 by crushing 322.81 lakh tonnes of sugarcane. Around 185 sugar mills are currently participating in the cane crushing operation in Maharashtra. Solapur division is leading in the state with highest 43 sugar mills engaged in cane crushing operation this season. Sugar recovery rate for Solapur is currently at 8.45 percent and for the entire state (Maharashtra) is at 9.36 percent.
- The Sugar production in Gujarat is expected to increase in 2021-22 season by 10 percent. The Gujarat State Federation of Cooperative Sugar Factories (GSFCSF) has estimated that the sugar production is expected to increase in the state by more than 10 percent from 10 lakh tonnes in 2020-21 season to 11.29 lakh tonnes in 2021-22 season. The increase in sugarcane acreage in the state would help in increasing the sugar production. According to Indian Sugar Mills Association, till 30th November 2021 sugar mills in Gujarat have produced 1.66 lakh tonnes of sugar.
- According to the Union Minister of State for Consumer Affairs Food and Public Distribution, the sugar mills in India have earned revenue of over Rs. 35,000 crore from selling ethanol to the oil marketing companies in the last four seasons which has helped in clearing cane price arrears of farmers.
- The sugar mills in India have paid Rs. 88,436 crore to farmers and Rs.4,445 crore is still outstanding for the sugarcane supplied during the 2020-21 season. The total payable amount for the 2020-21 season was Rs. 92,881 crore of which Rs. 88,436 crore has been already paid. In the past seasons 2016-17, 2017-18, 2018-19, 2019-20 and 2020-21 cane price payable to sugarcane farmers on all India basis was Rs. 55,340 crore, Rs. 83,629 crore, Rs. 86,617 crore, Rs. 75,907 crore and Rs. 92,881 crore respectively. The government will be taking various steps to help sugar mills clear the cane dues.
- The Haryana state pollution control board has issued a notification stating that the industrial operations and processors in NCR, not running on PNG or cleaner fuels, shall be allowed to operate only up to 8 hours a day from Monday to Friday and shall not be allowed to operate on Saturday and Sunday. This decision might affect the sugar industry as when the sugarcane juice is in drying process, the cost of heat energy required and then the shutting the mill for 16 hours after running eight hours heating and cooling will spoil the sugar quality and also the cost will go three times higher. As per the industry people this decision needs to be reviewed.

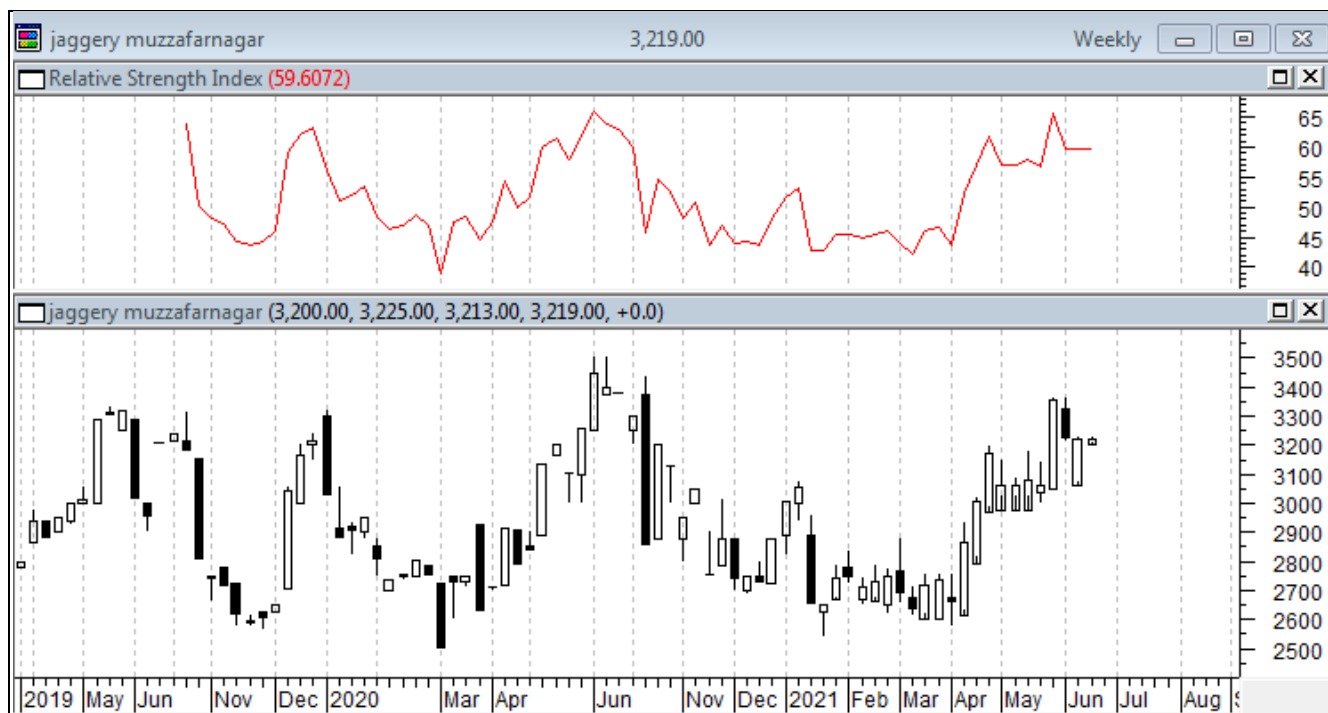
Technical Analysis - Sugar (M grade) Spot Market at Kolhapur market

- The sugar spot prices at the benchmark Kolhapur market was higher during last week and ended at Rs.3300/q.
- The next resistance and support level for the next week 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 have closed in Muzzaffarnagar.

**International Market Highlights****Recent Updates:**

According to the United Nation's FAO forecast, the world sugar production in 2021-22 stands at 173.7 million tonnes higher by 2.2 percent from the reduced level in 2020-21 seasons. The increase in production is based on the production recoveries in the European Union, the Russian Federation and Thailand. Increase in production is also expected from India while for Brazil production is expected to decline for the second consecutive season in 2021-22. Global sugar consumption is set to rebound for a second successive season in 2021-22 growing by 1.9 percent following the covid 19 related contractions in 2019-20.

Previous Updates

- With the increase in the sugar rates in the domestic market amid the covid outbreak, the Trading Corporation of Bangladesh (TCB) will launch a nationwide programme to sell sugar, red lentil, soyabean and onion at subsidized rates. TCB has issued a press release on 04th December 2021 stating that the sugar will be sold at subsidized rates in Dhaka and other metropolitan cities, districts and upazila towns. The sugar in the domestic market is being sold at Bangladeshi Taka (TK) 75-80 per kg and TCB will sell it at TK 55 per kg.
- 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 is 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.

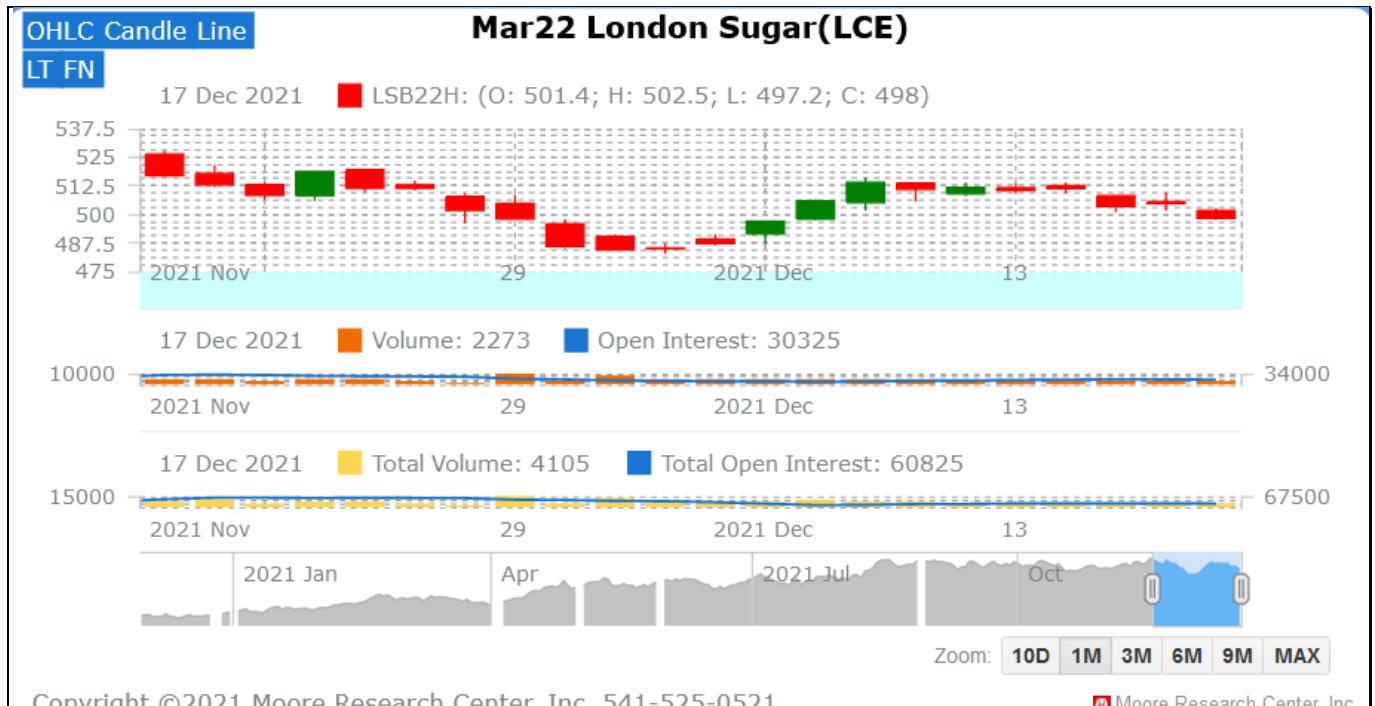
International Sugar Futures Price Projection

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

Technical Commentary

- LIFFE futures market remained steady to weak during the week.
- Total volume increased & open interest increased over a week.
- Strategy: Buy at level 502, T1 514

International Sugar Futures Price Projection			
	Contract Month	Present Quote	The expected Price level for next week
LIFFE Sugar (US \$/MT)	Mar'22	498	490-525



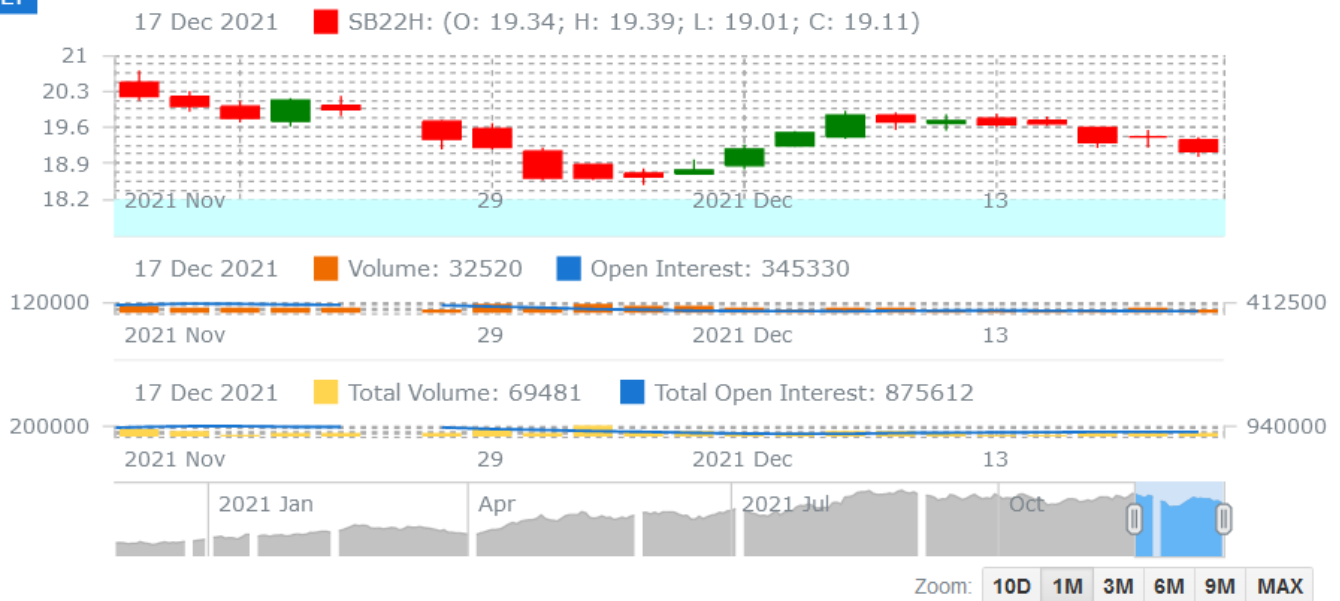
ICE (Raw Sugar Exchange) Future Market Scenario (Mar'22 Contract)**Technical Commentary:**

- ICE raw sugar futures remained steady to weak during the week.
- Both total volume increased & open interest increased in a week.
- Strategy: Buy at rate 19.42 Targeting 19.10.

International Sugar Futures Price Projection			
	Contract Month	Present Quote	The expected Price level for next week
ICE Sugar #11 (US Cent/lb)	Mar'22	19.11	19.12– 20.05

OHLC Candle Line

LT

Mar22 Sugar #11(ICE)

Spot Sugar Prices Scenario (Weekly) (Average)

Commodity	Centre	Variety	Average Prices (Rs/Qtl)		Change
Sugar			09th Dec'21 to 15th Dec'21	02nd Dec'21 to 08th Dec'21	
Delhi	Delhi	M-Grade	3486	3514	-28
	Delhi	S-Grade	3466	3494	-28
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	3696	3685	11
	Mumbai	S-Grade	3444	3432	12
	Nagpur	M-Grade	3467	3429	38
	Nagpur	S-Grade	3367	3329	38
	Kolhapur	M-Grade	3342	3304	38
	Kolhapur	S-Grade	3242	3204	38
Assam	Guhawati	S-Grade	3502	3464	37
Meghalaya	Shillong	S-Grade	3562	3524	38
Andhra Pradesh	Vijayawada	M-Grade (With Duty)	3827	3873	-47
	Vijayawada	S-Grade (With Duty)	3767	3813	-47
West Bengal	Kolkata	M-Grade	3875	3950	-75
Tamil Nadu	Chennai	S-Grade (With GST)	3720	3707	13
	Dindigul	M-Grade (DCA)	3935	3950	-15
	Coimbatore	M-Grade (DCA)	3800	3800	Unch
Chattisgarh	Ambikapur	M-Grade (Without Duty)	3850	3917	-67

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

*DCA: Department of consumer affairs

Spot Jaggery(Gur) Prices Scenario (Weekly) (Average)

Commodity	Centre	Variety	Prices (Rs/Qtl)		Change
Jaggery(Gur)			09th Dec'21 to 15th Dec'21	02nd Dec'21 to 08th Dec'21	
Uttar Pradesh	Muzaffarnagar	Chaku Fresh	2938	3032	-94
	Muzaffarnagar	Chaku(Arrival)(40kg Bag)	66000	64000	2000
	Muzaffarnagar	Khurpa (Fresh)	2683	2730	-47
	Muzaffarnagar	Laddoo (Fresh)	2935	3041	-106

	Muzaffarnagar	Rascut (Fresh)	2465	2596	-131
	Hapur	Chaursa	2570	2680	-110
	Hapur	Balti	2550	2628	-78
Andhra Pradesh	Chittur	Gold	NA	NA	-
		White	NA	NA	-
		Black	NA	NA	-
Maharashtra	Latur	Lal Variety	NA	NA	-
Karnataka	Bangalore	Mudde (Average)	4740	4900	-160
	Belgaum	Mudde (Average)	NA	NA	-
	Belthangadi	Yellow (Average)	NA	NA	-
	Bijapur	Achhu	NA	NA	-
	Gulbarga	Other (Average)	NA	NA	-
	Mahalingapura	Penti (Average)	3539	3474	65
	Mandya	Achhu (Medium)	3438	3512	-73
	Mandya	Kurikatu (Medium)	3298	3267	32
	Mandya	Other (Medium)	3208	3343	-135
	Mandya	Yellow (Medium)	3437	3462	-25
	Shimoga	Achhu (Average)	3700	3700	Unch

Spot Sugar Prices Scenario (Weekly)

Commodity	Centre	Variety	Today	Week Ago	Month Ago	Year Ago
Sugar			14-Dec-21	06-Dec-21	13-Nov-21	14-Dec-20
Delhi	Delhi	M-Grade	3480	3565	3515	3320
	Delhi	S-Grade	3460	3545	3495	3300
Uttar Pradesh	Khatauli	M-Grade	NR	0	0	3200
	Ramala	M-Grade	NR	0	0	0
	Dhampur	M-Grade Ex-Mill	NR	0	0	3150
	Dhampur	S-Grade Ex-Mill	NR	0	0	3130
	Dhampur	L-Grade Ex-Mill	NR	0	0	3200
Maharashtra	Mumbai	M-Grade	3696	3682	3700	3380
	Mumbai	S-Grade	3450	3440	3482	3232
	Nagpur	M-Grade	3475	3425	3475	3225
	Nagpur	S-Grade	3375	3325	3375	3225
	Kolhapur	M-Grade	3350	3300	3350	3100
	Kolhapur	S-Grade	3250	3200	3250	3100
Assam	Guhawati	S-Grade	3563	3512	3563	3410
Meghalaya	Shillong	S-Grade	3570	3520	3570	3420
Andhra Pradesh	Vijayawada	M-Grade (With Duty)	3820	3860	3980	3560
	Vijayawada	S-Grade (With Duty)	3760	3800	3860	3620
West Bengal	Kolkata	M-Grade	3800	3950	3950	3650

Tamil Nadu	Chennai	S-Grade	3720	3700	3610	3560
	Dindigul	M-Grade (DCA)	3920	3950	#N/A	3600
	Coimbatore	M-Grade (DCA)	3800	3800	#N/A	3570
Chattisgarh	Ambikapur	M-Grade (Without Duty)	NA	3900	#N/A	3600

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Spot Jaggery(Gur) Prices Scenario (Weekly)

Commodity	Centre	Variety	Today	Week Ago	Month Ago	Year Ago
Jaggery(Gur)			14-Dec-21	06-Dec-21	13-Nov-21	14-Dec-20
Uttar Pradesh	Muzaffarnagar	Chaku Sukha	2875	3000	3275	2750
	Muzaffarnagar	Chaku(Arrival)(40kg Bag)	10000	15000	12000	2000
	Muzaffarnagar	Khurpa	2700	2750	3000	2505
	Muzaffarnagar	Laddoo	2900	2963	3400	2788
	Muzaffarnagar	Rascut	2400	2588	2500	2200
	Hapur	Chaurasa	2600	Closed	2788	Closed
	Hapur	Balti	2575	Closed	2875	Closed
Andhra Pradesh	Chittur	Gold	NR	0	0	0
		White	NR	0	0	0
		Black	NR	0	0	0
Maharashtra	Latur	Lal Variety	NR	0	0	0
Karnataka	Bangalore	Mudde (Average)	4700	4900	0	4400
	Belgaum	Mudde (Average)	NA	0	3800	0
	Belthangadi	Yellow (Average)	NA	0	0	0
	Bijapur	Achhu	NA	0	0	0
	Gulbarga	Other (Average)	NA	0	0	0
	Mahalingapura	Penti (Average)	NA	3429	3521	0
	Mandya	Achhu (Medium)	3370	3420	3560	3200
	Mandya	Kurikatu (Medium)	3350	3250	3480	2900
	Mandya	Other (Medium)	3120	3360	3400	2900
	Mandya	Yellow (Medium)	3410	3390	3600	3250
	Shimoga	Achhu (Average)	3700	3700	0	3600

International Sugar Prices (Weekly Average)				
	Contract Month	09th Dec'21 to 15th Dec'21	02nd Dec'21 to 08th Dec'21	Change
ICE Sugar #11 (US Cent/lb)	21-Jul	18.83	18.35	0.48
	21-Oct	18.64	18.13	0.51
	22-Mar	19.60	19.17	0.43
LIFFE Sugar (US \$/MT)	21-Aug	498.78	488.60	10.18
	21-Oct	490.70	481.94	8.76
	21-Dec	488.10	481.02	7.08

Source: MRCI

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