

Price Outlook:

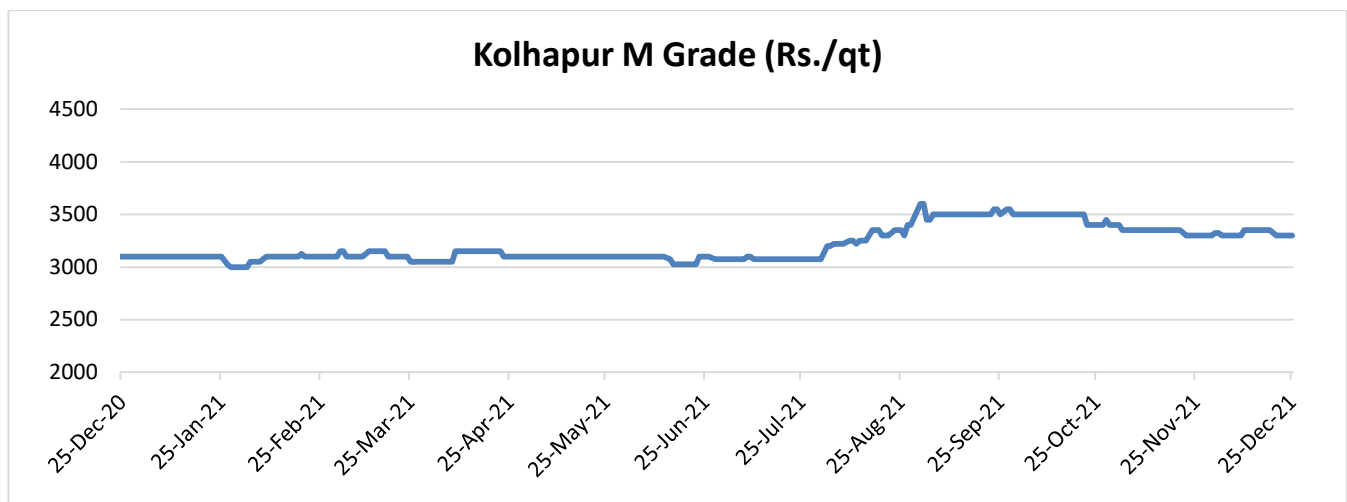
Sugar mills in Maharashtra have produced 369 lakh quintals of sugar till 21st December 2021 by crushing 388 lakh tonnes of sugarcane. Sugar mills across India have produced around 77.91 lakh tonnes of sugar till 15th December '2021 as against 73.34 lakh tonnes produced same period last year. The average sugar prices have slightly decreased at Rs. 3458/q from the previous week at Rs.3486/q in Delhi market. The prices in Maharashtra stood low at Rs.3325/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:**

- According to the Maharashtra sugar commissioner, Sugar mills in Maharashtra have produced 369.81 lakh quintals of sugar till 21st December 2021 by crushing 388.71 lakh tonnes of sugarcane. Around 186 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 8.60 percent and for the entire state (Maharashtra) is at 9.51 percent.

Previous 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.
- With the advancement of the crushing season, mills in Kolhapur region have recorded around 100 lakh quintals of sugar production. According to the Maharashtra sugar commissioner, Sugar mills in Kolhapur have produced 99.33 lakh quintals of sugar till 19th December 2021 by crushing 92.22 lakh tonnes of sugarcane. Around 186 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 10.77 percent and for the entire state (Maharashtra) is at 9.47 percent.
- Over 6.5 lakh tonnes of sugar has been physically exported out of the country by the end of November 2021 as compared to 3 lakh tonnes during the corresponding period last year. About 37 lakh tons of total sugar exports have been contracted for exports in the current sugar season 2021-22. According to Indian Sugar Mills Association, most of these contracts were signed when the global sugar prices were in the range of 20-21 cents per pound of raw sugar. Signing of further export contracts have slowed down a bit due to a fall in global prices of raw sugar to around 19 cents/pound. Though, currently the global prices have recovered to some extent and are hovering around 19.5 cents per pound, but exports are still not viable for Indian sugar.
- During the 2020-21 Ethanol Supply Year which ended on 30th November 2021, 302.30 crore litres have been supplied by distilleries across the country thereby achieving an all-India average blending of 8.1%. In the previous season 2019-20, 5% ethanol blending level was achieved. For the 2021-22 season, the Government has set a target to achieve 10% blending across the country in the current year. Against a total requirement of 459 crore ltrs of ethanol for 10% blending, Oil Marketing Companies have so far allocated a total of 366 crore ltrs after first two cycles of EOI, i.e. 317 Crore ltr against offer of 414 Crore ltr in 1st cycle of EOI and 49 Crore ltrs against an offer of 82 Crore ltrs in 2nd cycle of EOI.
- Around 479 sugar mills are currently participating in the cane crushing operation as compared to 460 sugar mills same time previous season. Sugar mills have produced around 77.91 lakh tonnes of sugar till 15th December '2021 as against 73.34 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 30th November 2021 and its comparison with the previous year.

State	Sugar Production (as of 15 th Dec) (lakh tonnes)		Mills in Operation (as of 15 th Dec)	
	2020	2021	2020	2021
Maharashtra	26.96	31.92	173	186
Uttar Pradesh	22.60	19.83	118	117
Karnataka	16.65	18.41	63	69
Gujarat	2.40	2.30	15	15
Tamil Nadu	0.37	0.60	10	11
Others	4.36	4.85	80	81

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

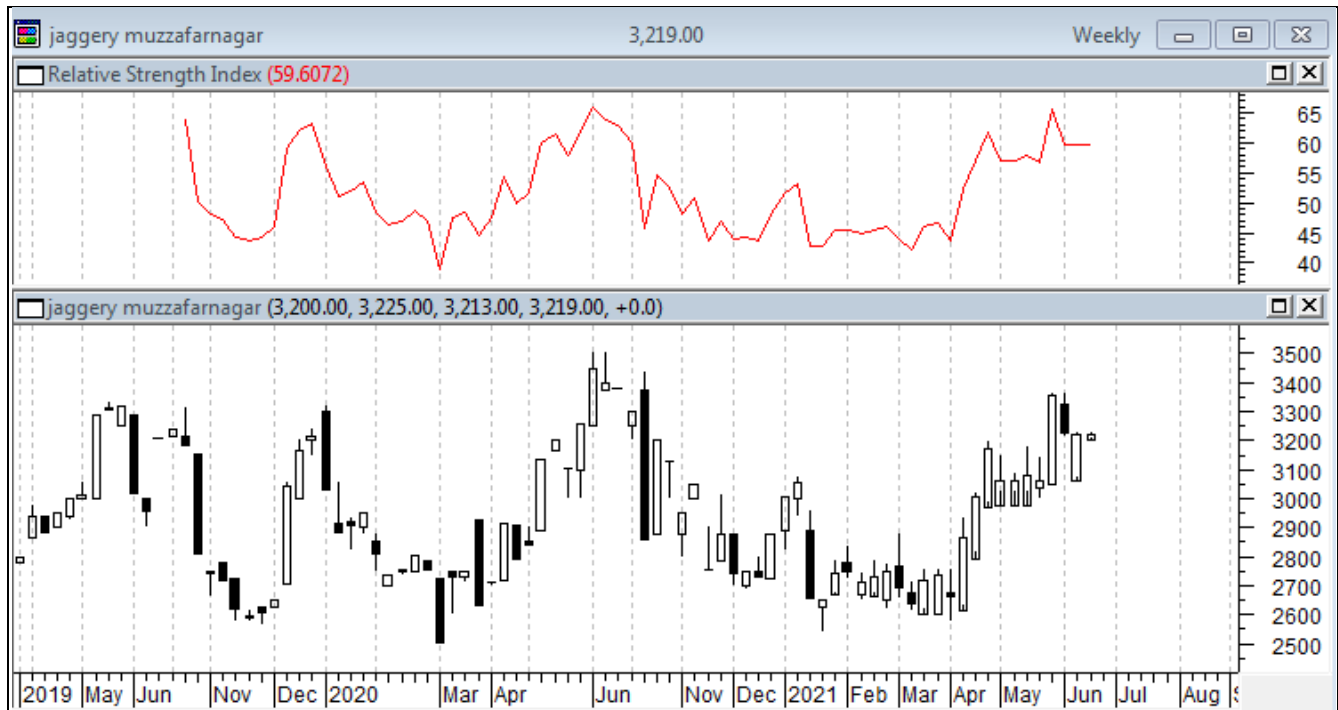
- The sugar spot prices at the benchmark Kolhapur market was higher during last week and ended at Rs.3300/q.
- The next resistance and support level for the next week is expected at Rs.3350 and Rs.3200 per quintal respectively.
- RSI is in the neutral region.



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

Gur Market Scenario

- The arrivals have closed in Muzaffarnagar.



International Market Highlights

Recent Updates:

Sugar output in Ukraine has reached 1.25 million tonnes till 17th December 2021. According to the Ukrtsukor National Association of Sugar Producers, total of 8.87 million tonnes of sugar beet was processed which is more by 720,000 tonnes processed during 3rd December 2021.

According to the Sugar Regulatory Administration, sugar output in Philippines has increased to 461,486 metric tons from 407,770 MT in the same period last year. During the same period, the demand for raw sugar rose by 6.04 percent to 432,181 MT. The price of sugar at Millgate rose by 11.29 percent to 680.76 per 50 kg. as per the estimates the sugar output is likely to reach 2.0997 million MT.

Previous 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.

- 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.

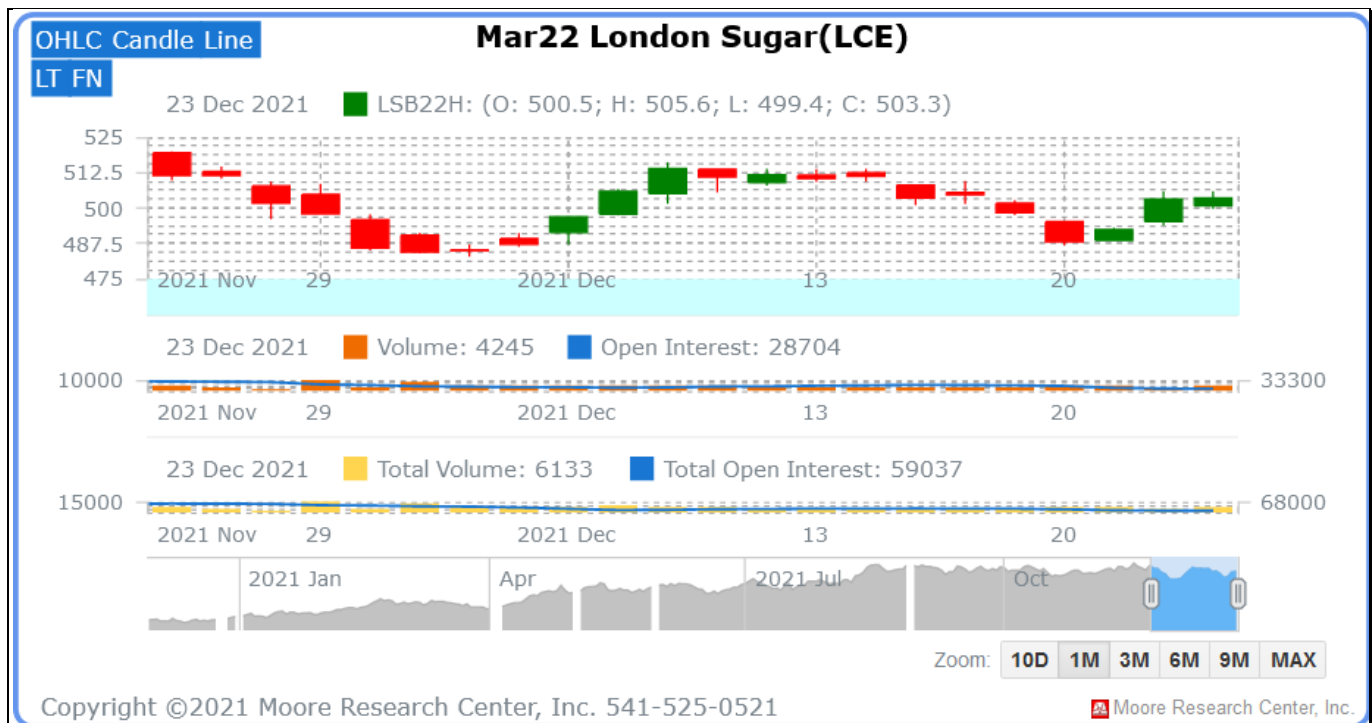
International Sugar Futures Price Projection

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 508

International Sugar Futures Price Projection			
	Contract Month	Present Quote	The expected Price level for next week
LIFFE Sugar (US \$/MT)	Mar'22	503	500-525



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

Technical Commentary:

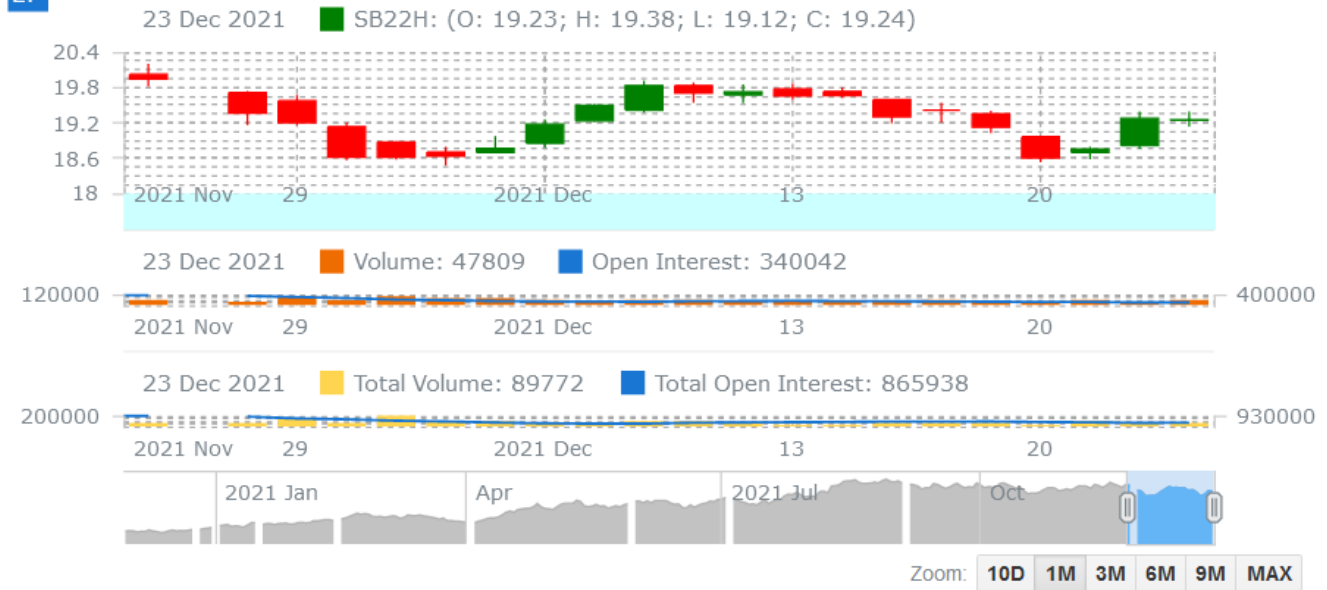
- ICE raw sugar futures remained steady to weak during the week.
- Both total volume increased & open interest increased in a week.
- Strategy: Buy at rate 19.38 Targeting 19.28.

International Sugar Futures Price Projection			
	Contract Month	Present Quote	The expected Price level for next week
ICE Sugar #11 (US Cent/lb)	Mar'22	19.24	19.22– 20.05

OHLC Candle Line

Mar22 Sugar #11(ICE)

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Spot Sugar Prices Scenario (Weekly) (Average)

Commodity	Centre	Variety	Average Prices (Rs/Qtl)		Change
			16th Dec'21 to 22th Dec'21	09th Dec'21 to 15th Dec'21	
Delhi	Delhi	M-Grade	3458	3486	-28
	Delhi	S-Grade	3438	3466	-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	3696	Unch
	Mumbai	S-Grade	3450	3444	6
	Nagpur	M-Grade	3450	3467	-17
	Nagpur	S-Grade	3350	3367	-17
	Kolhapur	M-Grade	3325	3342	-17
	Kolhapur	S-Grade	3225	3242	-17
Assam	Guhawati	S-Grade	3485	3502	-17
Meghalaya	Shillong	S-Grade	3545	3562	-17
Andhra Pradesh	Vijayawada	M-Grade (With Duty)	3820	3827	-7
	Vijayawada	S-Grade (With Duty)	3760	3767	-7

West Bengal	Kolkata	M-Grade	3800	3875	-75
Tamil Nadu	Chennai	S-Grade (With GST)	3800	3720	80
	Dindigul	M-Grade (DCA)	3920	3935	-15
	Coimbatore	M-Grade (DCA)	3800	3800	Unch
Chattisgarh	Ambikapur	M-Grade (Without Duty)	3700	3850	-150
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)			16th Dec'21 to 22th Dec'21	09th Dec'21 to 15th Dec'21	
Uttar Pradesh	Muzaffarnagar	Chaku Fresh	2954	2938	16
	Muzaffarnagar	Chaku(Arrival)(40kg Bag)	62000	66000	-4000
	Muzaffarnagar	Khurpa (Fresh)	2646	2683	-37
	Muzaffarnagar	Laddoo (Fresh)	2850	2935	-85
	Muzaffarnagar	Rascut (Fresh)	2383	2465	-82
	Hapur	Chaurasa	2625	2570	55
	Hapur	Balti	2610	2550	60
Andhra Pradesh	Chittur	Gold	NA	NA	-
		White	NA	NA	-
		Black	NA	NA	-
Maharashtra	Latur	Lal Variety	NA	NA	-
Karnataka	Bangalore	Mudde (Average)	4700	4740	-40
	Belgaum	Mudde (Average)	NA	NA	-
	Belthangadi	Yellow (Average)	NA	NA	-
	Bijapur	Achhu	NA	NA	-
	Gulbarga	Other (Average)	NA	NA	-
	Mahalingapura	Penti (Average)	3525	3539	-14
	Mandya	Achhu (Medium)	3426	3438	-12
	Mandya	Kurikatu (Medium)	3296	3298	-2
	Mandya	Other (Medium)	3292	3208	84
	Mandya	Yellow (Medium)	3404	3437	-33
	Shimoga	Achhu (Average)	3700	3700	Unch

Spot Sugar Prices Scenario (Weekly)

Commodity	Centre	Variety	Today	Week Ago	Month Ago	Year Ago
Sugar			25-Dec-21	17-Dec-21	25-Nov-21	26-Dec-20
Delhi	Delhi	M-Grade	3400	3460	3520	3170
	Delhi	S-Grade	3380	3440	3500	3150
Uttar Pradesh	Khatauli	M-Grade	NR	NR	0	3195
	Ramala	M-Grade	NR	NR	0	0
	Dhampur	M-Grade Ex-Mill	NR	NR	0	3040
	Dhampur	S-Grade Ex-Mill	NR	NR	0	3020
	Dhampur	L-Grade Ex-Mill	NR	NR	0	3090
Maharashtra	Mumbai	M-Grade	3690	3696	3686	3326
	Mumbai	S-Grade	3450	3450	3430	3220
	Nagpur	M-Grade	3425	3475	3425	3225
	Nagpur	S-Grade	3325	3375	3325	3225
	Kolhapur	M-Grade	3300	3350	3300	3100
	Kolhapur	S-Grade	3200	3250	3200	3100
Assam	Guhawati	S-Grade	3512	3563	3512	3410
Meghalaya	Shillong	S-Grade	3520	3570	3520	3420
Andhra Pradesh	Vijayawada	M-Grade (With Duty)	3800	3820	3940	3560
	Vijayawada	S-Grade (With Duty)	3760	3760	3880	3620
West Bengal	Kolkata	M-Grade	3800	3800	3950	3650
Tamil Nadu	Chennai	S-Grade	3800	3800	3660	3650
	Dindigul	M-Grade (DCA)	3920	3920	3950	3600
	Coimbatore	M-Grade (DCA)	3800	3800	3800	3570
Chattisgarh	Ambikapur	M-Grade (Without Duty)	3700	3700	3800	3600

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

*DCA: Department of consumer affairs

Spot Jaggery(Gur) Prices Scenario (Weekly)

Commodity	Centre	Variety	Today	Week Ago	Month Ago	Year Ago
Jaggery(Gur)			25-Dec-21	17-Dec-21	25-Nov-21	26-Dec-20
Uttar Pradesh	Muzaffarnagar	Chaku Sukha	3063	2975	2950	2875
	Muzaffarnagar	Chaku(Arrival)(40kg Bag)	10000	8000	10000	7000
	Muzaffarnagar	Khurpa	2800	2650	2588	2575
	Muzaffarnagar	Laddoo	3125	2850	3028	2750
	Muzaffarnagar	Rascut	2450	2388	2588	2325
	Hapur	Chaurasa	2788	2600	2600	2588
	Hapur	Balti	2750	2575	2550	2650

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)	NA	4700	4900	0
	Belgaum	Mudde (Average)	NA	NA	0	0
	Belthangadi	Yellow (Average)	NA	NA	0	0
	Bijapur	Achhu	NA	NA	0	0
	Gulbarga	Other (Average)	NA	NA	0	0
	Mahalingapura	Penti (Average)	NA	3553	3462	0
	Mandya	Achhu (Medium)	NA	3400	3800	3120
	Mandya	Kurikatu (Medium)	NA	3300	3400	2950
	Mandya	Other (Medium)	NA	3350	3320	2970
	Mandya	Yellow (Medium)	NA	3300	3770	3000
	Shimoga	Achhu (Average)	NA	3700	3700	0

International Sugar Prices (Weekly Average)

	Contract Month	16th Dec'21 to 22th Dec'21	09th Dec'21 to 15th Dec'21	Change
ICE Sugar #11 (US Cent/lb)	21-Jul	18.35	18.83	-0.48
	21-Oct	18.25	18.64	-0.39
	22-Mar	19.02	19.60	-0.58
LIFFE Sugar (US \$/MT)	21-Aug	488.90	498.78	-9.88
	21-Oct	482.04	490.70	-8.66
	21-Dec	480.56	488.10	-7.54

Source: MRCI

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