

**Price Outlook:**

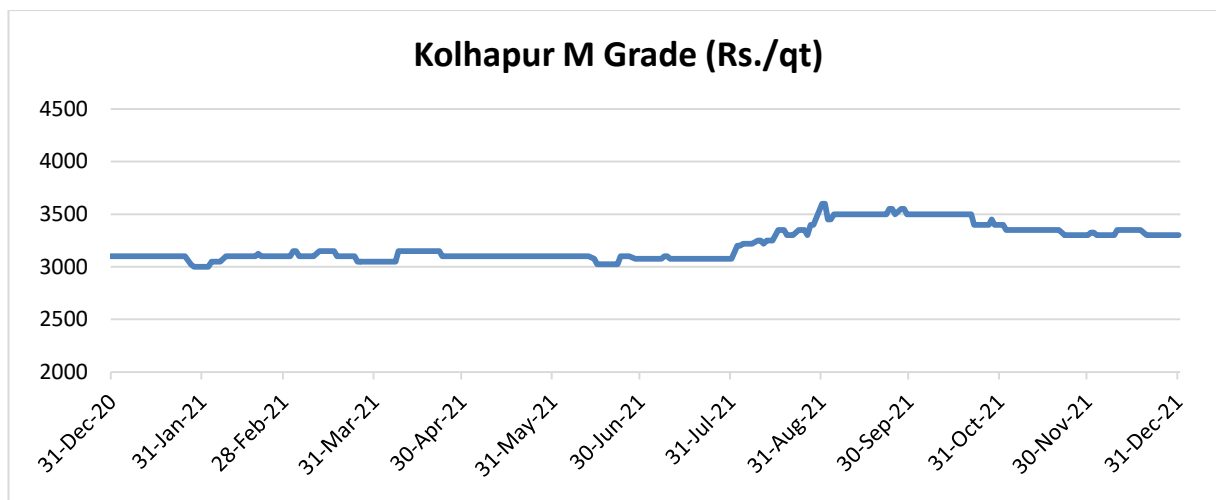
The food ministry has allocated 21.5 LMT monthly sugar quota for January 2021. Sugar mills across India have produced around 77.91 lakh tonnes of sugar till 15<sup>th</sup> December '2021 as against 73.34 lakh tonnes produced same period last year. The average sugar prices have slightly decreased at Rs. 3392/q from the previous week at Rs.3438/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:**

- The food ministry has allocated 21.5 LMT monthly sugar quota for January 2021 to 559 sugar mills which is 1.5 LMT higher than the quota released during the previous season for January 2020. In the previous month the government has fixed 21.5 LMT monthly sugar quota for domestic scale in December 2021.

Previous Updates

- According to the Maharashtra sugar commissioner, Sugar mills in Maharashtra have produced 431.61 lakh quintals of sugar till 28th December 2021 by crushing 447.88 lakh tonnes of sugarcane. Around 189 sugar mills are currently participating in the cane crushing operation in Maharashtra. Solapur division is leading in the state with highest 44 sugar mills engaged in cane crushing operation this season while Kolhapur division is leading in the state in terms of sugar production with a more than 10 percent recovery rate i.e. 10.95 percent. Sugar recovery rate for Solapur is currently at 8.72 percent and for the entire state (Maharashtra) is at 9.64 percent.
- Sugar mills in Maharashtra have paid Rs. 5,065.45 crore Fair and Remunerative Price (FRP) to sugarcane farmers this season. The total gross payable FRP is Rs. 7,588.44 crore out of which net FRP paid is Rs. 5,065.45 crore. As per the sugar Commissioner data, 66 factories have paid 100 percent of the FRP and 109 factories have no FRP dues this season. Around 18 factories have paid 80-90 percent FRP. The FRP arrears including previous all season is Rs. 610.53 crore. Meanwhile, uncertainty prevails over the continuation of crushing season as the number of Covid-19 cases is raising fast in the State.
- 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 19<sup>th</sup> 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.
- 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.
- 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 <sup>th</sup> Dec) (lakh tonnes)		Mills in Operation (as of 15 <sup>th</sup> 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**

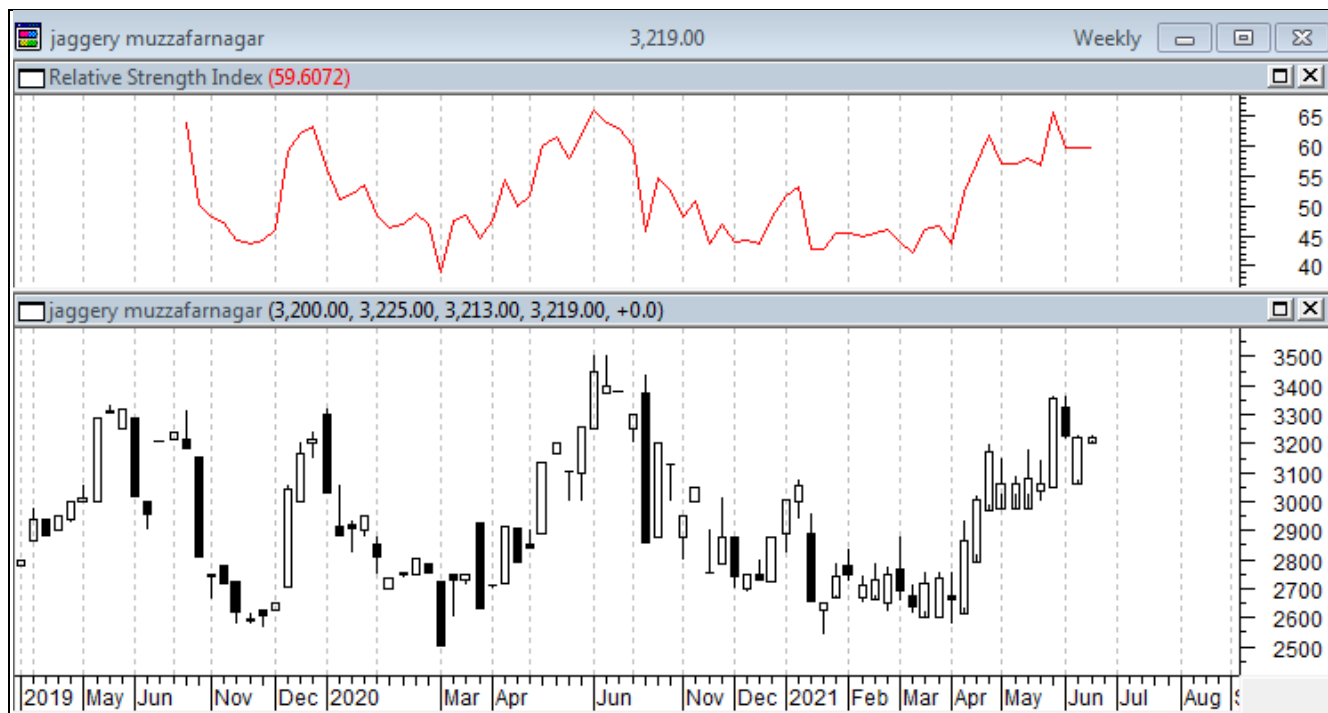
- The sugar spot prices at the benchmark Kolhapur market was higher during last week and ended at Rs.3300/q.
- The next resistance and support level for the next week is expected at Rs.3350 and Rs.3200 per quintal respectively.
- RSI is in the neutral region.



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

##### Gur Market Scenario

- The arrivals have closed in Muzaffarnagar.



### International Market Highlights

#### Recent Updates:

Nigerian government has approved the funds worth US \$ 73 million intervention fund for irrigation to uplift the sugar industry in the Nigeria. The federal government and the operators of the Sugar backward irrigation programme have signed an agreement in this regard on 21<sup>st</sup> December 2021. These funds will be spent for the development of irrigation infrastructure on 10,000 hectares of sugar plantation.

#### Previous Updates

- Sugar output in Ukraine has reached 1.25 million tonnes till 17<sup>th</sup> 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 3<sup>rd</sup> 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.
- 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 04<sup>th</sup> 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.

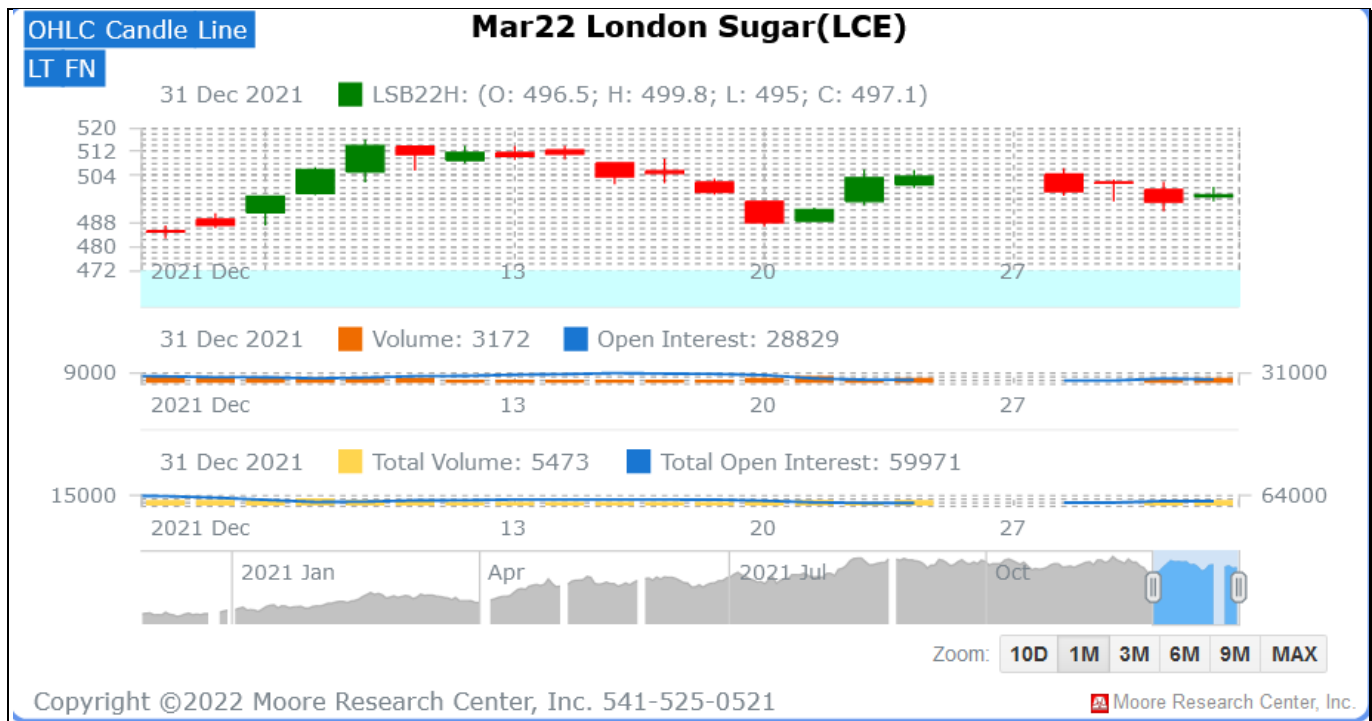
### International Sugar Futures Price Projection

#### 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 495, T1 500

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:

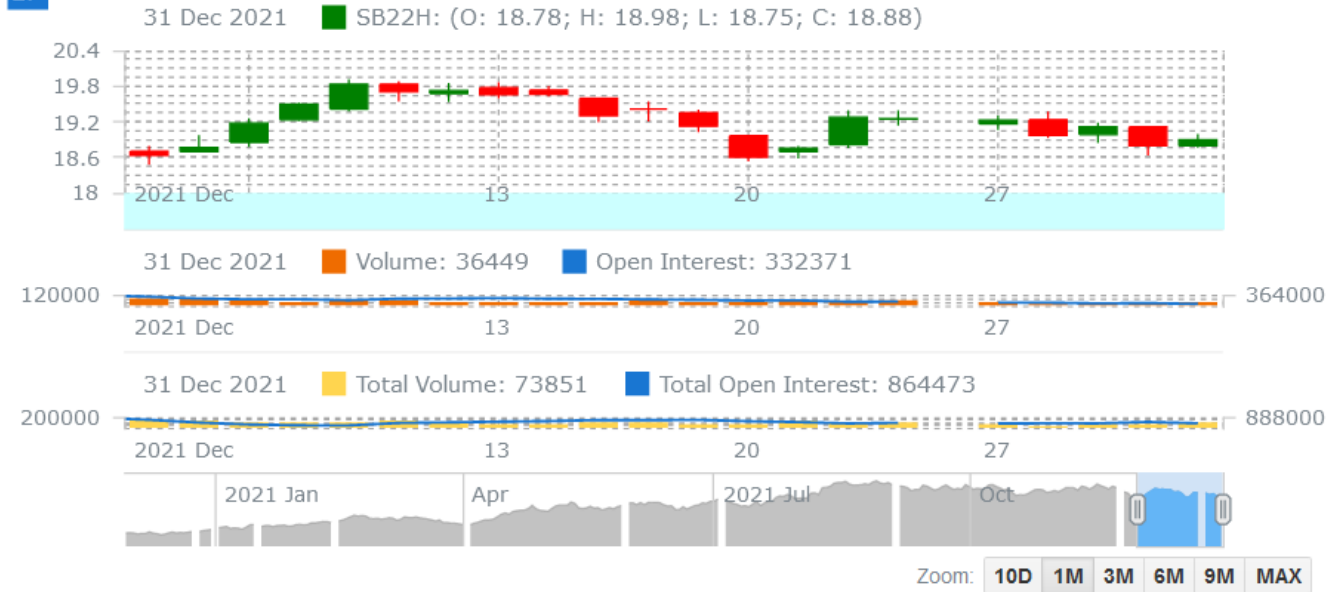
- ICE raw sugar futures remained steady to weak during the week.
- Both total volume increased & open interest increased in a week.
- Strategy: Buy at rate 18.98 Targeting 18.70.

International Sugar Futures Price Projection			
	Contract Month	Present Quote	The expected Price level for next week
ICE Sugar #11 (US Cent/lb)	Mar'22	18.88	18.80– 20.05

## OHLC Candle Line

## Mar22 Sugar #11(ICE)

LT



Copyright ©2022 Moore Research Center, Inc. 541-525-0521

Moore Research Center, Inc.

## Spot Sugar Prices Scenario (Weekly) (Average)

Commodity	Centre	Variety	Average Prices (Rs/Qtl)		Change
			23rd Dec'21 to 29th Dec'21	16th Dec'21 to 22nd Dec'21	
Delhi	Delhi	M-Grade	3412	3458	-46
	Delhi	S-Grade	3392	3438	-46
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	3690	3696	-6
	Mumbai	S-Grade	3448	3450	-2
	Nagpur	M-Grade	3425	3450	-25
	Nagpur	S-Grade	3325	3350	-25
	Kolhapur	M-Grade	3300	3325	-25
	Kolhapur	S-Grade	3200	3225	-25
Assam	Guhawati	S-Grade	3460	3485	-25
Meghalaya	Shillong	S-Grade	3520	3545	-25
Andhra Pradesh	Vijayawada	M-Grade (With Duty)	3800	3820	-20



	Vijayawada	S-Grade (With Duty)	3760	3760	Unch
West Bengal	Kolkata	M-Grade	3800	3800	Unch
Tamil Nadu	Chennai	S-Grade (With GST)	3800	3800	Unch
	Dindigul	M-Grade (DCA)	3920	3920	Unch
	Coimbatore	M-Grade (DCA)	3800	3800	Unch
Chattisgarh	Ambikapur	M-Grade (Without Duty)	3700	3700	Unch
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)			23rd Dec'21 to 29th Dec'21	16th Dec'21 to 22th Dec'21	
Uttar Pradesh	Muzaffarnagar	Chaku Fresh	3013	2954	59
	Muzaffarnagar	Chaku(Arrival)(40kg Bag)	64000	62000	2000
	Muzaffarnagar	Khurpa (Fresh)	2775	2646	129
	Muzaffarnagar	Laddoo (Fresh)	3017	2850	167
	Muzaffarnagar	Rascut (Fresh)	2417	2383	34
	Hapur	Chaurasa	2777	2625	152
	Hapur	Balti	2758	2610	148
Andhra Pradesh	Chittur	Gold	NA	NA	-
		White	NA	NA	-
		Black	NA	NA	-
Maharashtra	Latur	Lal Variety	NA	NA	-
Karnataka	Bangalore	Mudde (Average)	4650	4700	-50
	Belgaum	Mudde (Average)	NA	NA	-
	Belthangadi	Yellow (Average)	NA	NA	-
	Bijapur	Achhu	NA	NA	-
	Gulbarga	Other (Average)	NA	NA	-
	Mahalingapura	Penti (Average)	3516	3525	-9
	Mandya	Achhu (Medium)	3308	3426	-118
	Mandya	Kurikatu (Medium)	3203	3296	-93
	Mandya	Other (Medium)	3083	3292	-209
	Mandya	Yellow (Medium)	3303	3404	-101
	Shimoga	Achhu (Average)	3700	3700	Unch

## Spot Sugar Prices Scenario (Weekly)

Commodity	Centre	Variety	Today	Week Ago	Month Ago	Year Ago
Sugar			31-Dec-21	23-Dec-21	01-Dec-21	01-Jan-21
Delhi	Delhi	M-Grade	3460	3420	3550	3170
	Delhi	S-Grade	3440	3400	3530	3150
Uttar Pradesh	Khatauli	M-Grade	NR	0	0	3150
	Ramala	M-Grade	NR	0	0	0
	Dhampur	M-Grade Ex-Mill	NR	0	0	3050
	Dhampur	S-Grade Ex-Mill	NR	0	0	3030
	Dhampur	L-Grade Ex-Mill	NR	0	0	3100
Maharashtra	Mumbai	M-Grade	3690	3690	3682	3320
	Mumbai	S-Grade	3440	3450	3422	3220
	Nagpur	M-Grade	3425	3425	3450	3225
	Nagpur	S-Grade	3325	3325	3350	3125
	Kolhapur	M-Grade	3300	3300	3325	3100
	Kolhapur	S-Grade	3200	3200	3225	3000
Assam	Guhawati	S-Grade	3512	3512	3537	3309
Meghalaya	Shillong	S-Grade	3520	3520	3545	3320
Andhra Pradesh	Vijayawada	M-Grade (With Duty)	3800	3800	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	3740	3800	3700	3550
	Dindigul	M-Grade (DCA)	3920	3920	3950	3600
	Coimbatore	M-Grade (DCA)	3800	3800	3800	3570
Chattisgarh	Ambikapur	M-Grade (Without Duty)	3700	3700	4000	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)			31-Dec-21	23-Dec-21	01-Dec-21	01-Jan-21
Uttar Pradesh	Muzaffarnagar	Chaku Sukha	2950	2875	2955	2850
	Muzaffarnagar	Chaku(Arrival)(40kg Bag)	12000	13000	10000	1000
	Muzaffarnagar	Khurpa	2775	2700	2588	2653
	Muzaffarnagar	Laddoo	3000	2900	3030	2928
	Muzaffarnagar	Rascut	2600	2400	2588	2628
	Hapur	Chaurasa	2725	2725	2708	2600
	Hapur	Balti	2750	2750	2650	2588

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)	4650	4650	4900	4400
	Belgaum	Mudde (Average)	0	0	0	3800
	Belthangadi	Yellow (Average)	0	0	0	0
	Bijapur	Achhu	0	0	0	0
	Gulbarga	Other (Average)	0	0	0	0
	Mahalingapura	Penti (Average)	0	3516	3322	3298
	Mandya	Achhu (Medium)	3300	3300	3850	3150
	Mandya	Kurikatu (Medium)	3200	3200	3300	2900
	Mandya	Other (Medium)	3000	3200	3350	3000
	Mandya	Yellow (Medium)	3250	3360	3700	2950
	Shimoga	Achhu (Average)	3700	3700	3700	3600

International Sugar Prices (Weekly Average)				
	Contract Month	23rd Dec'21 to 29th Dec'21	16th Dec'21 to 22th Dec'21	Change
ICE Sugar #11 (US Cent/lb)	21-Jul	18.56	18.35	0.21
	21-Oct	18.47	18.25	0.22
	22-Mar	19.15	19.02	0.13
LIFFE Sugar (US \$/MT)	21-Oct	485.24	482.04	3.20
	21-Dec	483.30	480.56	2.74
	22-Mar	501.84	497.50	4.34

Source: MRCI

**Disclaimer**

The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at <http://www.agriwatch.com/disclaimer.php> © 2021 Indian Agribusiness Systems Ltd.

