

**Price Outlook:**

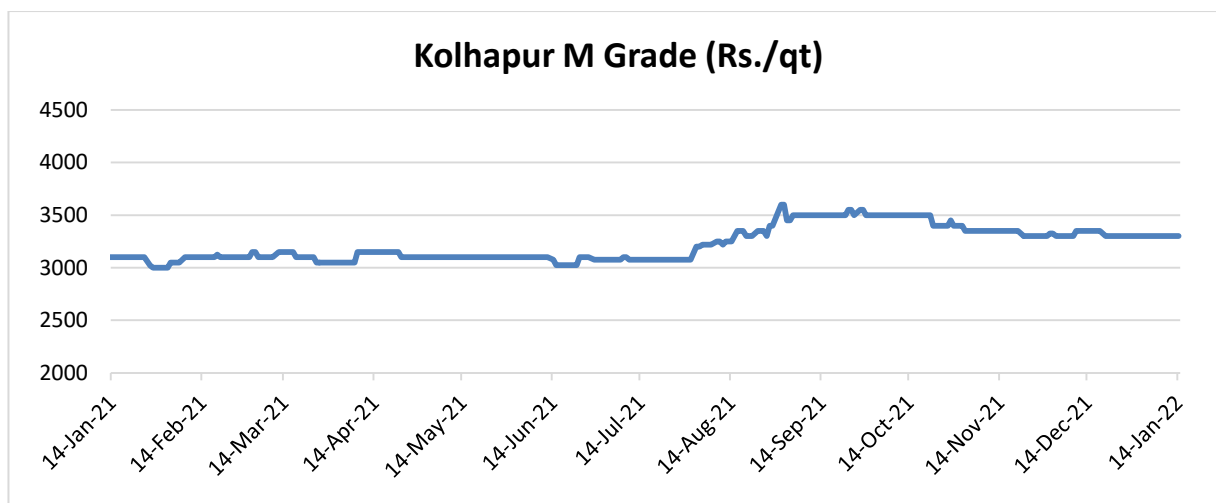
Prices were stable in the major markets across India last week. The average sugar prices have slightly decreased at Rs. 3450/q from the previous week at Rs.3484/q in Delhi market. The prices in Maharashtra stood steady at Rs.3325/q.

**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.3250 -3350 per quintal.

**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 574 lakh quintals of sugar till 13<sup>th</sup> January 2022 by crushing 582.00 lakh tonnes of sugarcane. Maharashtra is the leading in sugar production in India with around 192 sugar mills in operation in the state. Kolhapur division is leading in the state in terms of sugar recovery with 11.23 percent.

Previous Updates

- Indian sugar mills are holding off on signing new sugar export contracts as falling global prices and strengthening rupee have widened the gap between domestic and international sugar prices. Owing to fall in global prices of raw sugar, not much export contracts happened in the last one month or so, beyond the 38 – 40 lakh tons of export contracts which have already been signed. Since almost 9 months are left for the current season, mills are still waiting for a more favorable time to enter into further export contracts.
- The sugar mills from the Pune region last week has achieved 10.01 percent sugar recovery rate. The mills have produced 112.19 lakh quintal of sugar by crushing 112.11 lakh tonnes sugarcane till 09<sup>th</sup> January, 2022. Total 29 sugar mills are operating in the region.
- Rajasthan government has approved the hike of Rs 50 per quintal hike in the purchase price of sugarcane by Rajasthan State Ganganagar Sugar Mills (RSGSM) for the crushing season 2021-22. The government has approved the purchase price of the early variety of sugarcane at Rs 360 per quintal, the rate for medium grade sugarcane will be Rs 350 per quintal and the late variety sugarcane will be purchased at Rs 345 per quintal.
- Tamil Nadu government has fixed the maximum price of the sugarcane to be procured from cane farmers on the eve of Pongal to distribute as hampers through PDS at Rs 33 a piece which is 10% more than that of last year.
- Around 492 sugar mills are currently operating in India. Sugar mills have produced around 115.55 lakh tonnes of sugar till 31st December '2021 as against 110.74 lakh tonnes produced same period last year. This is 4.81 lakh tonnes higher as compared to last season's production for the corresponding period. Mills of Bihar have produced 1.94 lakh tons, Haryana 1.74 lakh tons, Punjab 1.40 lakh tons, Uttarakhand 1.23 lakh ton and Madhya Pradesh & Chhattisgarh 1.40 lakh tons, till 31<sup>st</sup> December 2021. The adjoining table shows the state-wise breakup of sugar production till 31st December 2021 and its comparison with the previous year.
- 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 sale in December 2021.

State	Sugar Production (as of 31 <sup>st</sup> Dec) (lakh tonnes)		Mills in Operation (as of 31 <sup>st</sup> Dec)	
	2020	2021	2020	2021
Maharashtra	39.86	45.77	179	189
Uttar Pradesh	33.66	30.90	120	119
Karnataka	24.16	25.65	66	69
Gujarat	3.35	3.50	15	15
Tamil Nadu	73000 (tonnes)	92000 (tonnes)	19	15

## International Market Highlights

### Recent Updates:

Nepal government has increased the minimum support price of sugarcane by 8.39 percent as compared to previous season. The government has increased the minimum support price of sugarcane for the ongoing crushing season by 8.39% to Rs 590 per quintal. The MSP during the last season was Rs. 544.33 per quintal. As per the sources farmers are not satisfied with the decision as the crushing season has already begun in November last year.

### Previous Updates

- Thailand sugar production is expected to improve in 2021-22 season after two consecutive years of drought. Thailand sugarcane production is estimated to increase at 95 million MT and sugar production is estimated at 10.5 million MT after asood rainfall in September month last year. Further, exports are estimated at 3.8 million MT to 7.5 million MT in 2021-22 season.
- Bangladesh sugar mills are likely to produce less sugar this season. The two sugar mills located in Thakurgaon and Joypurhat have lowered the volume of sugarcane crushing due to technical glitches. The mills are expected to crush around 50,000 to 30,000 tonnes of sugarcane this season. The suspension of operations of six other sugar mills have affected the farmers from Dinajpur, Thakurgaon, Natore, Rangpur, Gaibandha, Pabna and Panchagarh since 2020.
- According to the data released by National Sugar Union, Sugar refineries from in Ukraine have processed 9.12 million tonnes of sugar beet and produced 1.3 million tonnes of white sugar in the 2021-22 crushing season. The sugar season began in September this year. The area under sugar beet cultivation in Ukraine has been increased from 201,600 hectares last year to 227,100 hectares in 2021 and the country is expecting to increase beet sugar output to 1.4 million tonnes in 2021-22 season. The sugar output in the country during the preceding year was 1 million tonnes.
- According to the United Nation's FAO forecast January report, 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.

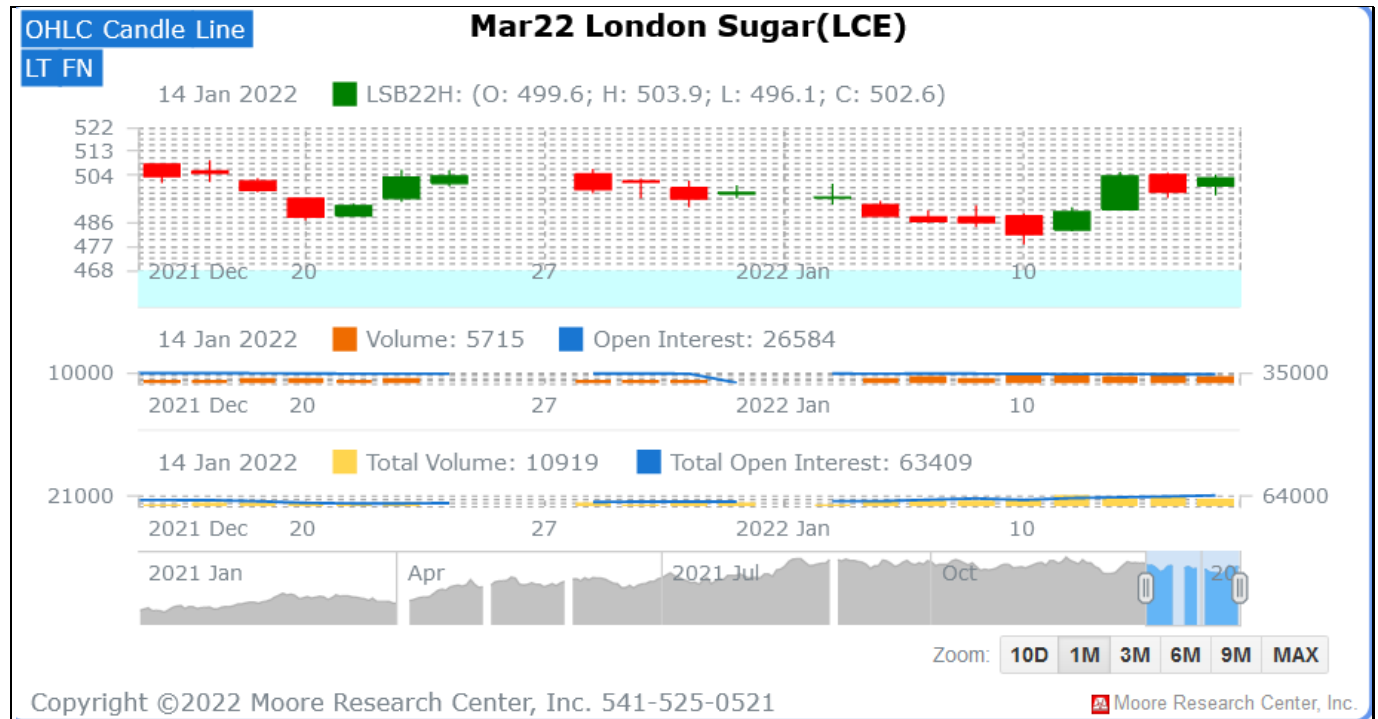
## International Sugar Futures Price Projection

## 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 505, T1 515

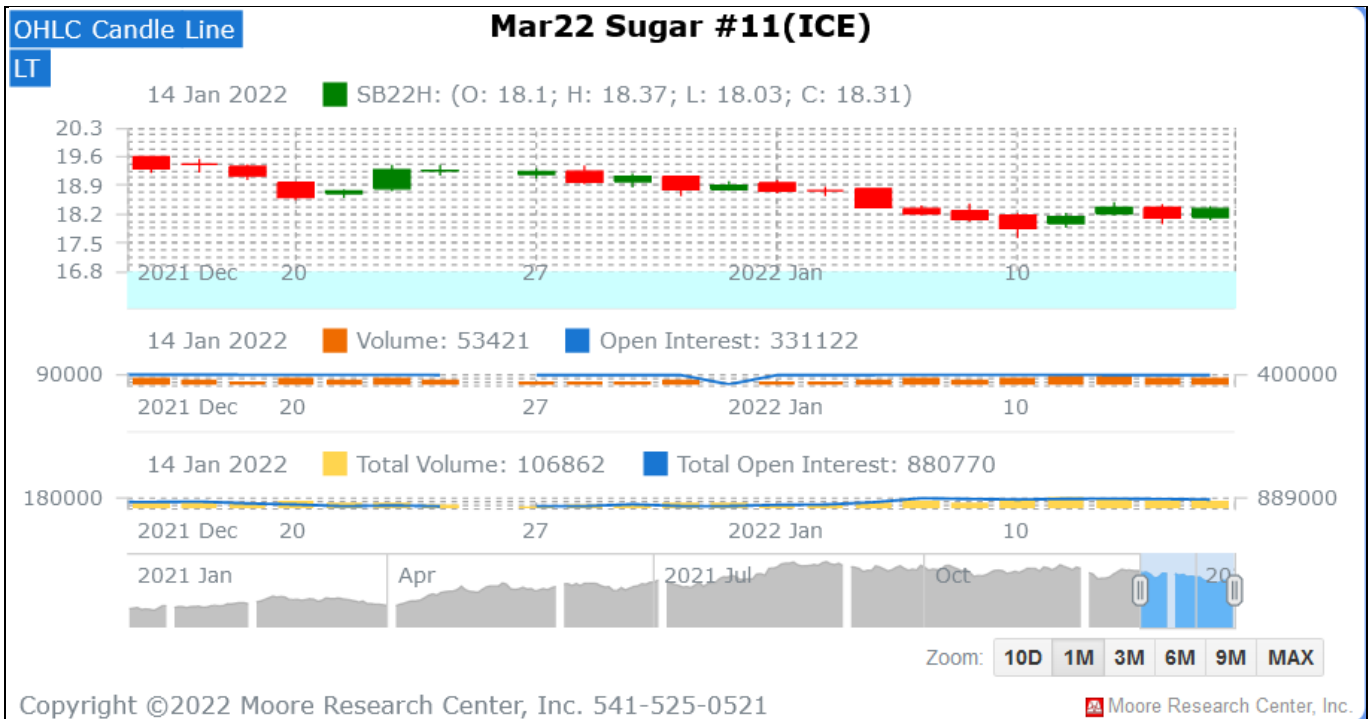
International Sugar Futures Price Projection			
	Contract Month	Present Quote	The expected Price level for next week
LIFFE Sugar (US \$/MT)	Mar'22	502	500-520



**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 18.34 Targeting 18.40.

International Sugar Futures Price Projection			
	Contract Month	Present Quote	The expected Price level for next week
ICE Sugar #11 (US Cent/lb)	Mar'22	18.31	18.20– 19.20



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

Commodity	Centre	Variety	Average Prices (Rs/Qtl)		Change
Sugar			06th Jan'22 to 12th Jan'22	30th Dec'21 to 05th Jan'22	
Delhi	Delhi	M-Grade	3450	3484	-34
	Delhi	S-Grade	3430	3464	-34
Maharashtra	Mumbai	M-Grade	3686	3688	-2
	Mumbai	S-Grade	3418	3433	-15
	Nagpur	M-Grade	3425	3425	Unch
	Nagpur	S-Grade	3325	3325	Unch
	Kolhapur	M-Grade	3300	3300	Unch
	Kolhapur	S-Grade	3200	3200	Unch
Assam	Guhawati	S-Grade	3460	3460	Unch
Meghalaya	Shillong	S-Grade	3520	3520	Unch
Andhra Pradesh	Vijayawada	M-Grade (With Duty)	3800	3800	Unch
	Vijayawada	S-Grade (With Duty)	3760	3760	Unch
West Bengal	Kolkata	M-Grade	3850	3800	50
Tamil Nadu	Chennai	S-Grade (With GST)	3740	3740	Unch
	Dindigul	M-Grade (DCA)	3837	3920	-83
	Coimbatore	M-Grade (DCA)	3783	3800	-17
Chattisgarh	Ambikapur	M-Grade (Without Duty)	3617	3700	-83

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)			06th Jan'22 to 12th Jan'22	30th Dec'21 to 05th Jan'22	
Uttar Pradesh	Muzaffarnagar	Chaku Fresh	3103	2985	118
	Muzaffarnagar	Chaku(Arrival)(40kg Bag)	21000	49000	-28000
	Muzaffarnagar	Khurpa (Fresh)	2854	2790	64
	Muzaffarnagar	Laddoo (Fresh)	3179	3013	166
	Muzaffarnagar	Rascut (Fresh)	2471	2515	-44
	Hapur	Chaurasa	2809	2759	50
	Hapur	Balti	2809	2763	46
Andhra Pradesh	Chittur	Gold	NA	NA	-
		White	NA	NA	-
		Black	NA	NA	-

<b>Maharashtra</b>	Latur	Lal Variety	NA	NA	-
<b>Karnataka</b>	Bangalore	Mudde (Average)	4650	4650	Unch
	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)	3284	3304	-20
	Mandya	Kurikatu (Medium)	3170	3200	-30
	Mandya	Other (Medium)	3052	2972	80
	Mandya	Yellow (Medium)	3215	3212	3
	Shimoga	Achhu (Average)	3700	3700	Unch

## Spot Sugar Prices Scenario (Weekly)

Commodity	Centre	Variety	Today	Week Ago	Month Ago	Year Ago
Sugar			14-Jan-22	06-Jan-22	14-Dec-21	15-Jan-21
<b>Delhi</b>	Delhi	M-Grade	3440	3490	3480	3140
	Delhi	S-Grade	3420	3470	3460	3120
<b>Maharashtra</b>	Mumbai	M-Grade	3686	3686	3696	3316
	Mumbai	S-Grade	3410	3426	3450	3200
	Nagpur	M-Grade	3425	3425	3475	3225
	Nagpur	S-Grade	3325	3325	3375	3225
	Kolhapur	M-Grade	3300	3300	3350	3100
	Kolhapur	S-Grade	3200	3200	3250	3100
<b>Assam</b>	Guhawati	S-Grade	3512	3512	3563	3410
<b>Meghalaya</b>	Shillong	S-Grade	3520	3520	3570	3420
<b>Andhra Pradesh</b>	Vijayawada	M-Grade (With Duty)	3800	3800	3820	3660
	Vijayawada	S-Grade (With Duty)	3760	3760	3760	3620
<b>West Bengal</b>	Kolkata	M-Grade	3860	3800	3800	3650
<b>Tamil Nadu</b>	Chennai	S-Grade	Closed	3740	3720	Closed
	Dindigul	M-Grade (DCA)	3820	3920	3920	3600
	Coimbatore	M-Grade (DCA)	3780	3800	3800	3570
<b>Chattisgarh</b>	Ambikapur	M-Grade (Without Duty)	3600	3700	3700	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
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Jaggery(Gur)			14-Jan-22	06-Jan-22	14-Dec-21	15-Jan-21
Uttar Pradesh	Muzaffarnagar	Chaku Sukha	3125	3088	2875	2788
	Muzaffarnagar	Chaku(Arrival)(40kg Bag)	5000	5000	10000	10000
	Muzaffarnagar	Khurpa	2825	2950	2700	2600
	Muzaffarnagar	Laddoo	3250	3213	2900	2813
	Muzaffarnagar	Rascut	2463	2413	2400	2438
	Hapur	Chaurasa	2825	2813	2600	2575
	Hapur	Balti	2775	2813	2575	2550
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)	4550	4650	4700	4450
	Belgaum	Mudde (Average)	NA	0	0	3800
	Belthangadi	Yellow (Average)	NA	0	0	0
	Bijapur	Achhu	NA	0	0	0
	Gulbarga	Other (Average)	NA	0	0	0
	Mahalingapura	Penti (Average)	NA	0	3530	0
	Mandya	Achhu (Medium)	3000	3320	3370	3100
	Mandya	Kurikatu (Medium)	3000	3200	3350	2950
	Mandya	Other (Medium)	2900	3050	3120	2850
	Mandya	Yellow (Medium)	3050	3280	3410	3050
	Shimoga	Achhu (Average)	NA	3700	3700	3550

International Sugar Prices (Weekly Average)				
	Contract Month	06th Jan'22 to 12th Jan'22	30th Dec'21 to 05th Jan'22	Change
ICE Sugar #11 (US Cent/lb)	22-Mar	18.10	18.65	-0.55
	22-May	17.84	18.39	-0.55
	22-Jul	17.71	18.23	-0.52
LIFFE Sugar (US \$/MT)	22-Mar	489.26	493.83	-4.57
	22-May	482.30	489.48	-7.18
	22-Aug	476.84	486.20	-9.36

Source: MRCI



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