

Price Outlook:

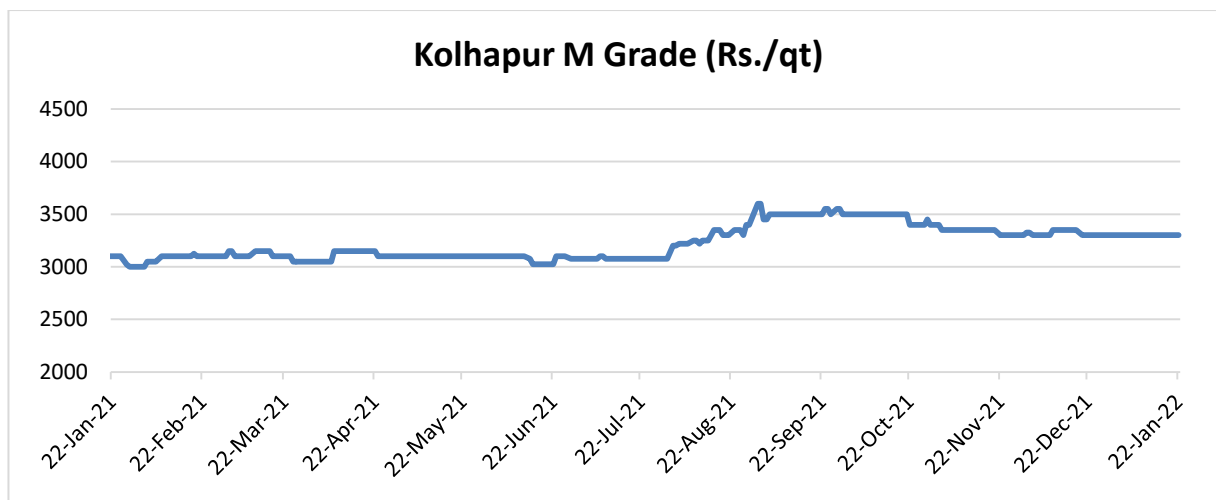
Prices were stable in the major markets across India last week. The average sugar prices have slightly decreased at Rs. 3421/q from the previous week at Rs.3450/q in Delhi market. The prices in Maharashtra stood steady at Rs.3325/q.

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

Sugarcane crushing season in India is at its peak with all the major sugar mills continuing cane crushing operations. Average prices for sugar 'M' grade in key Kolhapur market were range bound at Rs.3300 per quintal.

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

- The Union Food Ministry has approved 196 ethanol projects totaling a capacity to produce 859.11 crore litres of ethanol till 20th January 22. Out of the total projects 40 percent are based in Maharashtra (35), Uttar Pradesh (29) and Chhattisgarh (20). The central government is consistently working in the direction to achieve 20 percent ethanol blending by 2025.

- According to the Maharashtra Sugar Commissioner, sugar mills in Maharashtra have produced 620.82 lakh quintals of sugar till 19th January 2022 by crushing 625.38 lakh tonnes of sugarcane. Maharashtra is 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 11.31 percent.

- Around 504 sugar mills are currently in the cane crushing phase. Sugar mills have produced around 151.41 lakh tonnes of sugar till 15th January'2022 as against 142.78 lakh tonnes produced same period last year, up 8.63 lakh tonnes from last season's production for the corresponding period. The remaining States of Andhra Pradesh & Telangana, Bihar, Uttarakhand, Punjab, Haryana and Madhya Pradesh & Chhattisgarh, Rajasthan,

| State | Sugar Production (as of 15 th Jan) (lakh tonnes) | | Mills in Operation (as of 15th Jan) | |
|---------------|---|-------|--|------|
| | 2020 | 2021 | 2020 | 2021 |
| Maharashtra | 51.55 | 58.84 | 181 | 192 |
| Uttar Pradesh | 42.99 | 40.17 | 120 | 120 |
| Karnataka | 29.80 | 33.20 | 66 | 70 |
| Gujarat | 4.40 | 4.60 | 15 | 15 |
| Tamil Nadu | 1.23 | 2.10 | 20 | 22 |

Odisha have collectively produced 12.50 lakh tonnes of sugar till 15th January, 2022. The adjoining table shows the state-wise breakup of sugar production till 15th January 2022 and its comparison with the previous year. Agriwatch has estimated India's sugar production at 308 lakh tonnes for the 2021-22 season.

- India has exported around 17 lakh tonnes of sugar during the period October to December 2021-22 season. Last year during the same period about 4.5 lakh tonnes of sugar was exported. Further, about 7 lakh tonnes of sugar is in pipeline for export in the month of January 2022. With the expectation of better CS Brazil 2022-23 sugar season, global prices have fallen and are currently at a 5 month low at around 18 cents/pounds. Indian sugar mills are still waiting for the opportune time and are in no hurry to enter into further export contracts.
- 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.

International Market Highlights

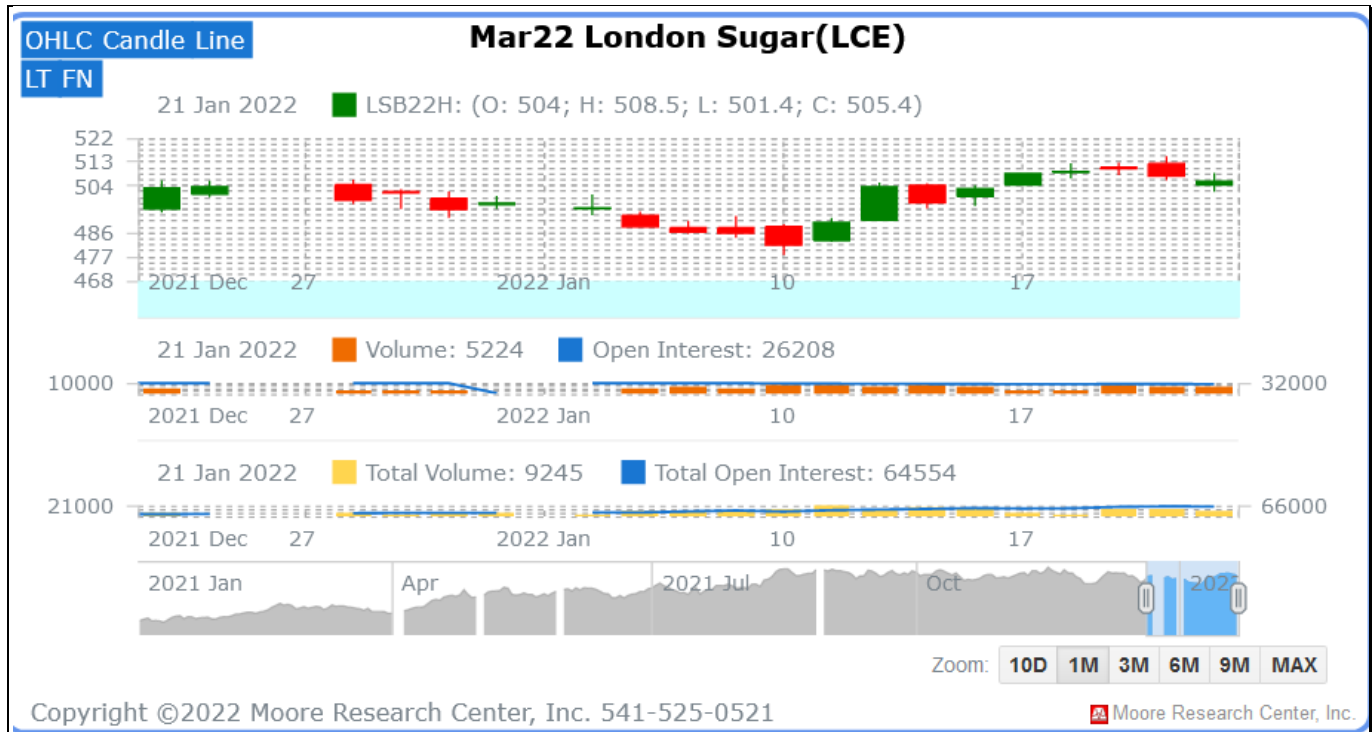
Recent Updates:

Sugar production in Philippines has increased by 4.63 percent in 2022 season. The Sugar Regulatory Authority has stated that as of 02nd January, 2022, Philippines has produced 657,352 metric tons (MT) of raw sugar as compared to 628,286 MT during the same period last year. The current supply of raw sugar in Philippines has increased by 3.15 percent to 910,870 MT as compared to 883,046 MT last year. As per Sugar Regulatory Authority, the demand for raw sugar has increased by 10 percent to 559,472 MT. It is expected that the sugar output will reach 2.0997 million MT this season.

Previous Updates

- Sugar Output in China is expected to be lower by 300,000 tonnes to 10 million tonnes in 2021-22 season which is 6.3 percent less than the previous season. Due to recent frosts in Guangxi sugarcane cultivation in China was affected. As a result, Sugar imports by China are expected to increase from 4.5 million to 5.5 million tonnes. During the 2021-22 season, sugar production in India is expected to be 31.5 million tonnes and for Brazil it is likely to be around 34.5 million tonnes.
- Thailand sugar production is expected to improve in 2021-22 season after two consecutive years of drought. Thailand sugarcane production is estimated to increase to 95 million MT and sugar production is estimated at 10.5 million MT after a good rainfall in September 2021. Further, exports are estimated at 3.8 million MT to 7.5 million MT in 2021-22 season.
- According to the data released by National Sugar Union, sugar refineries 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 that starts in September. The area under sugar beet cultivation in Ukraine has also increased from 201,600 hectares in 2020 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.
- 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.
- 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.

International Sugar Futures Price Projection

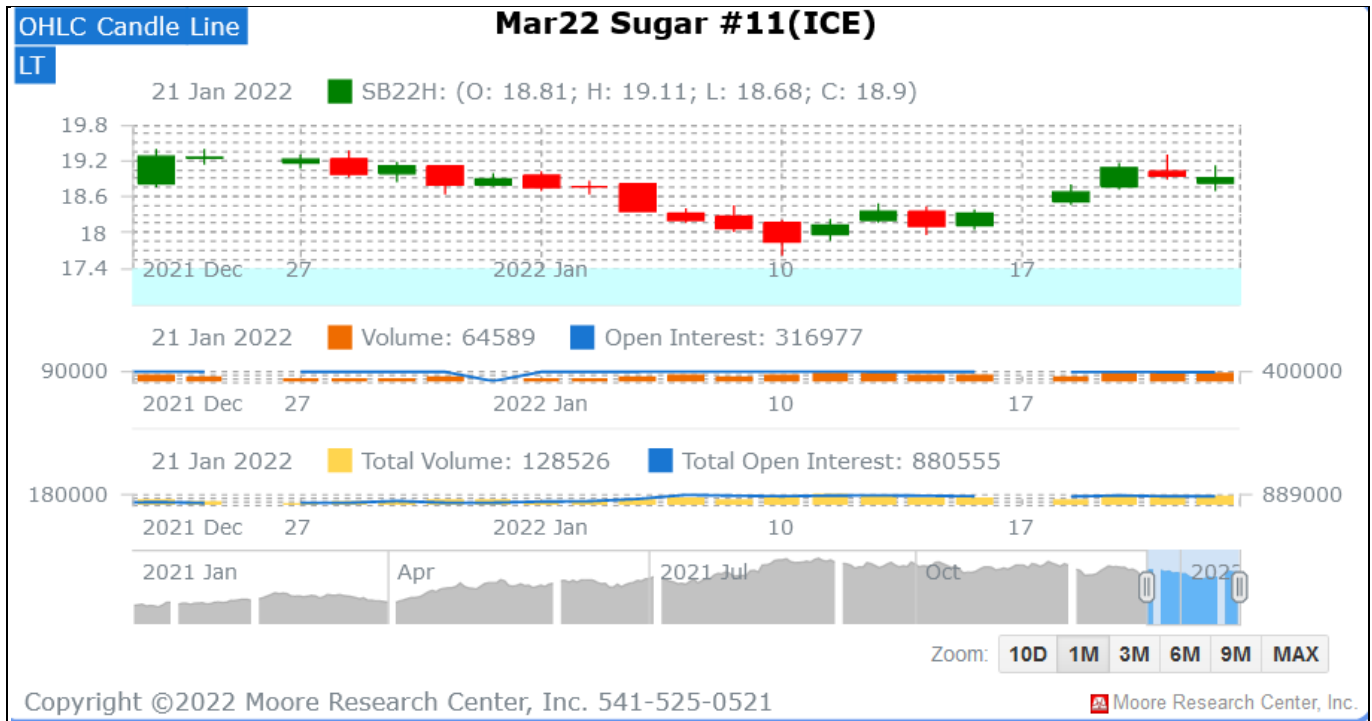


LIFFE (White Sugar Exchange) Future Market Sugar Scenario (Mar'22 Contract)

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 512, T1 518

| International Sugar Futures Price Projection | | | |
|--|----------------|---------------|--|
| | Contract Month | Present Quote | The expected Price level for next week |
| LIFFE Sugar (US \$/MT) | Mar'22 | 508 | 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 18.95 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 | 18.90 | 18.80– 19.20 |

Spot Sugar Prices Scenario (Weekly) (Average)

| Commodity | Centre | Variety | Average Prices (Rs/Qtl) | | Change |
|----------------|------------|------------------------|----------------------------|----------------------------|--------|
| Sugar | | | 13th Jan'22 to 19th Jan'22 | 06th Jan'22 to 12th Jan'22 | |
| Delhi | Delhi | M-Grade | 3421 | 3450 | -29 |
| | Delhi | S-Grade | 3401 | 3430 | -29 |
| Maharashtra | Mumbai | M-Grade | 3682 | 3686 | -4 |
| | Mumbai | S-Grade | 3402 | 3418 | -16 |
| | 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 | 3860 | 3850 | 10 |
| Tamil Nadu | Chennai | S-Grade (With GST) | 3745 | 3740 | 5 |
| | Dindigul | M-Grade (DCA) | 3820 | 3837 | -17 |
| | Coimbatore | M-Grade (DCA) | 3780 | 3783 | -3 |
| Chattisgarh | Ambikapur | M-Grade (Without Duty) | 3600 | 3617 | -17 |

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) | | | 13th Jan'22 to 19th Jan'22 | 06th Jan'22 to 12th Jan'22 | |
| Uttar Pradesh | Muzaffarnagar | Chaku Fresh | 3156 | 3103 | 53 |
| | Muzaffarnagar | Chaku(Arrival)(40kg Bag) | 25000 | 21000 | 4000 |
| | Muzaffarnagar | Khurpa (Fresh) | 3144 | 2854 | 290 |
| | Muzaffarnagar | Laddoo (Fresh) | 3340 | 3179 | 161 |
| | Muzaffarnagar | Rascut (Fresh) | 2477 | 2471 | 6 |
| | Hapur | Chaurasa | 2937 | 2809 | 128 |
| | Hapur | Balti | 2895 | 2809 | 86 |
| Andhra Pradesh | Chittur | Gold | NA | NA | - |
| | | White | NA | NA | - |
| | | Black | NA | NA | - |

| | | | | | |
|--------------------|---------------|-------------------|------|------|-------|
| Maharashtra | Latur | Lal Variety | NA | NA | - |
| Karnataka | Bangalore | Mudde (Average) | 3032 | 4650 | -1618 |
| | 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) | 3032 | 3284 | -252 |
| | Mandya | Kurikatu (Medium) | 3000 | 3170 | -170 |
| | Mandya | Other (Medium) | 2920 | 3052 | -132 |
| | Mandya | Yellow (Medium) | 3052 | 3215 | -163 |
| | Shimoga | Achhu (Average) | 3700 | 3700 | Unch |

Spot Sugar Prices Scenario (Weekly)

| Commodity | Centre | Variety | Today | Week Ago | Month Ago | Year Ago |
|-----------------------|------------|------------------------|-----------|-----------|-----------|-----------|
| Sugar | | | 21-Jan-22 | 13-Jan-22 | 21-Dec-21 | 22-Jan-21 |
| Delhi | Delhi | M-Grade | 3440 | 3440 | 3515 | 3200 |
| | Delhi | S-Grade | 3420 | 3420 | 3495 | 3180 |
| Uttar Pradesh | Khatauli | M-Grade | NR | 0 | 0 | 3155 |
| | 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 | 3670 | 3686 | 3696 | 3296 |
| | Mumbai | S-Grade | 3376 | 3410 | 3450 | 3200 |
| | Nagpur | M-Grade | 3425 | 3425 | 3425 | 3225 |
| | Nagpur | S-Grade | 3325 | 3325 | 3325 | 3225 |
| | Kolhapur | M-Grade | 3300 | 3300 | 3300 | 3100 |
| | Kolhapur | S-Grade | 3200 | 3200 | 3200 | 3100 |
| Assam | Guhawati | S-Grade | 3512 | 3512 | 3512 | 3410 |
| Meghalaya | Shillong | S-Grade | 3520 | 3520 | 3520 | 3420 |
| Andhra Pradesh | Vijayawada | M-Grade (With Duty) | 3800 | 3800 | 3820 | 3660 |
| | Vijayawada | S-Grade (With Duty) | 3760 | 3760 | 3760 | 3620 |
| West Bengal | Kolkata | M-Grade | 3860 | 3860 | 3800 | 3650 |
| Tamil Nadu | Chennai | S-Grade | 3750 | 3740 | 3800 | 3450 |
| | Dindigul | M-Grade (DCA) | 3820 | 3820 | 3920 | 3600 |
| | Coimbatore | M-Grade (DCA) | 3780 | 3780 | 3800 | 3570 |
| Chattisgarh | Ambikapur | M-Grade (Without Duty) | 3600 | 3600 | 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 |
|----------------|---------------|--------------------------|-----------|-----------|-----------|-----------|
| Jaggery(Gur) | | | 21-Jan-22 | 13-Jan-22 | 21-Dec-21 | 22-Jan-21 |
| Uttar Pradesh | Muzaffarnagar | Chaku Sukha | 3375 | 2875 | 3000 | 2850 |
| | Muzaffarnagar | Chaku(Arrival)(40kg Bag) | 2000 | 1000 | 10000 | 15000 |
| | Muzaffarnagar | Khurpa | 3063 | 2838 | 2688 | 2650 |
| | Muzaffarnagar | Laddoo | 3413 | 3175 | 2888 | 2828 |
| | Muzaffarnagar | Rascut | 2575 | 2413 | 2388 | 2525 |
| | Hapur | Chaurasa | 3100 | 2825 | 2600 | 2588 |
| | Hapur | Balti | 3075 | 2775 | 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) | NA | 4550 | 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 | 3449 | 3175 |
| | Mandya | Achhu (Medium) | NA | 2950 | 0 | 3050 |
| | Mandya | Kurikatu (Medium) | NA | 3000 | 0 | 3100 |
| | Mandya | Other (Medium) | NA | 2900 | 0 | 2950 |
| | Mandya | Yellow (Medium) | NA | 2970 | 0 | 3050 |
| | Shimoga | Achhu (Average) | 3700 | 3700 | 0 | 3550 |

International Sugar Prices (Weekly Average)

| | Contract Month | 13th Jan'22 to 19th Jan'22 | 06th Jan'22 to 12th Jan'22 | Change |
|----------------------------|----------------|----------------------------|----------------------------|--------|
| ICE Sugar #11 (US Cent/lb) | 22-Mar | 18.49 | 18.10 | 0.39 |
| | 22-May | 18.25 | 17.84 | 0.41 |
| | 22-Jul | 18.05 | 17.71 | 0.34 |
| LIFFE Sugar (US \$/MT) | 22-Mar | 505.48 | 489.26 | 16.22 |
| | 22-May | 496.30 | 482.30 | 14.00 |
| | 22-Aug | 487.88 | 476.84 | 11.04 |

Source: MRCI

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