

Price Outlook:

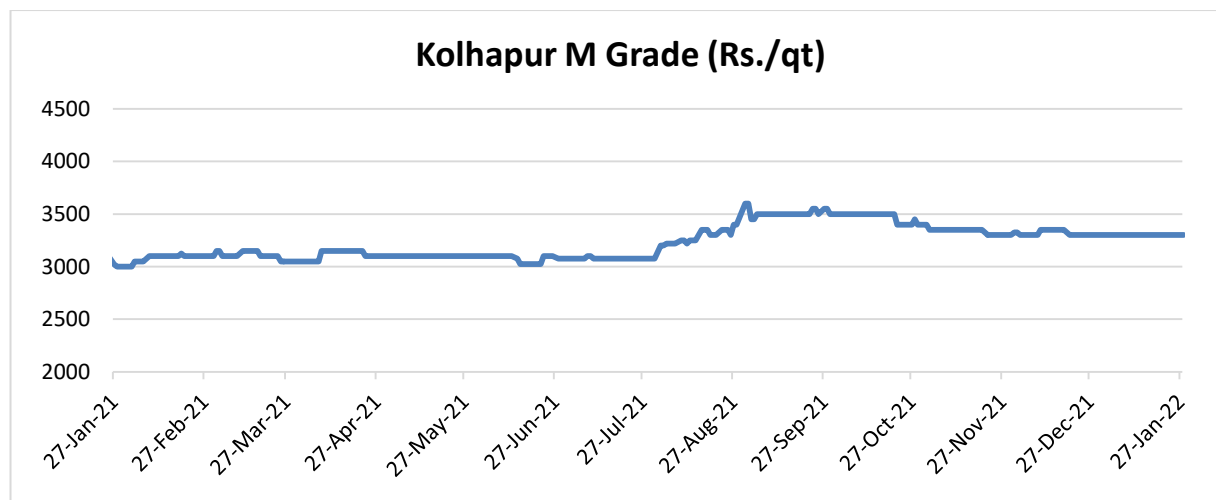
Prices were stable in the major markets across India last week. The average sugar prices have slightly increased to Rs. 3440/q this week from Rs.3421/q last week in Delhi market. The prices in Maharashtra stood steady at Rs.3325/q.

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. Maharashtra is leading in sugar production in India with around 194 sugar mills in operation in the state. Average prices for sugar 'M' grade in key Kolhapur market were range bound at Rs.3300 per quintal.

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

- According to the Maharashtra Sugar Commissioner, sugar mills in Maharashtra have produced 693.56 lakh quintals of sugar till 27th January 2022 by crushing 692.31 lakh tonnes of sugarcane. Kolhapur division is leading in the state in terms of sugar recovery with 11.41 percent whereas for the entire state Maharashtra sugar recovery rate has reached 10.02 percent.
- According to All India Sugar Trade Association, First Advance estimate for 2021-22 season, sugar production in India is estimated to increase by 2.90 percent to 31.9 million tonnes in 2021-22 season. Opening stock is estimated at 8.3 million tonnes, the total availability of sugar is expected to be 40.2 million tonnes in the current marketing year, slightly lower than the previous year. Domestic Consumption is expected to increase by 2 percent to 27 million tonnes from previous season 26.5 million tonnes. Further, Exports are estimated at 6 million tonne in the 2021-22 season.

Agriwatch has estimated India's sugar production at 30.8 million tonnes for the 2021-22 season.

- Heavy rains in the Western region of Uttar Pradesh have damaged standing crops of sugarcane. The sugarcane fields have been waterlogged due to the continuous rainfall in January this year. Government is yet to submit its report on possible losses that may have occurred due to the heavy rains.

Previous 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.
- 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, 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.

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

International Market Highlights

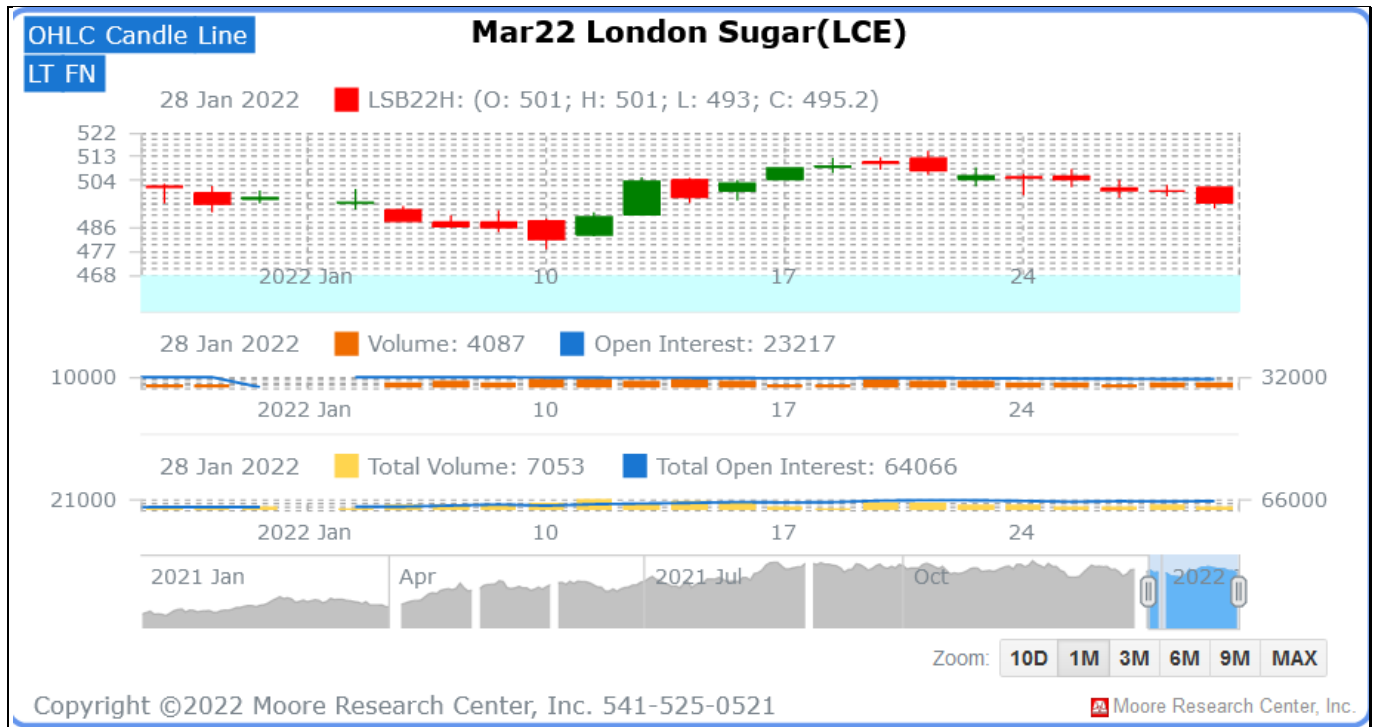
Recent Updates:

The Sugar millers from Nepal have increased the factory price of sugar from Rs 72-76 (Nepalese Rupee) per kg to Rs 82-90 per kg. The consumers will have to now pay up to Rs 100 for one kg of sugar. The recent increase in the minimum support price of sugarcane by the government by Rs 45.67 per quintal taking it to Rs 590 per quintal this season, is the reason behind the hike in sugar prices..

Previous Updates

- The Ministry of Agriculture of Kyrgyzstan has extended the ban on sugar export till 01st August 2022. At the end of 2021, mass sugar exports resumed in Kyrgyzstan. Due to this, a decrease in the stock led to hike in domestic prices, therefore the government decided on the ban for the next six months starting from 01st February to 01st August, 2022. Earlier in the previous season the cabinet has passed a resolution setting a temporary ban on the export of sugar and vegetable oil due to rise in prices for six months.
- 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.
- Sugar Output in China is expected to be lower by 300,000 tonnes at 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.
- Thailand sugarcane 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.

International Sugar Futures Price Projection

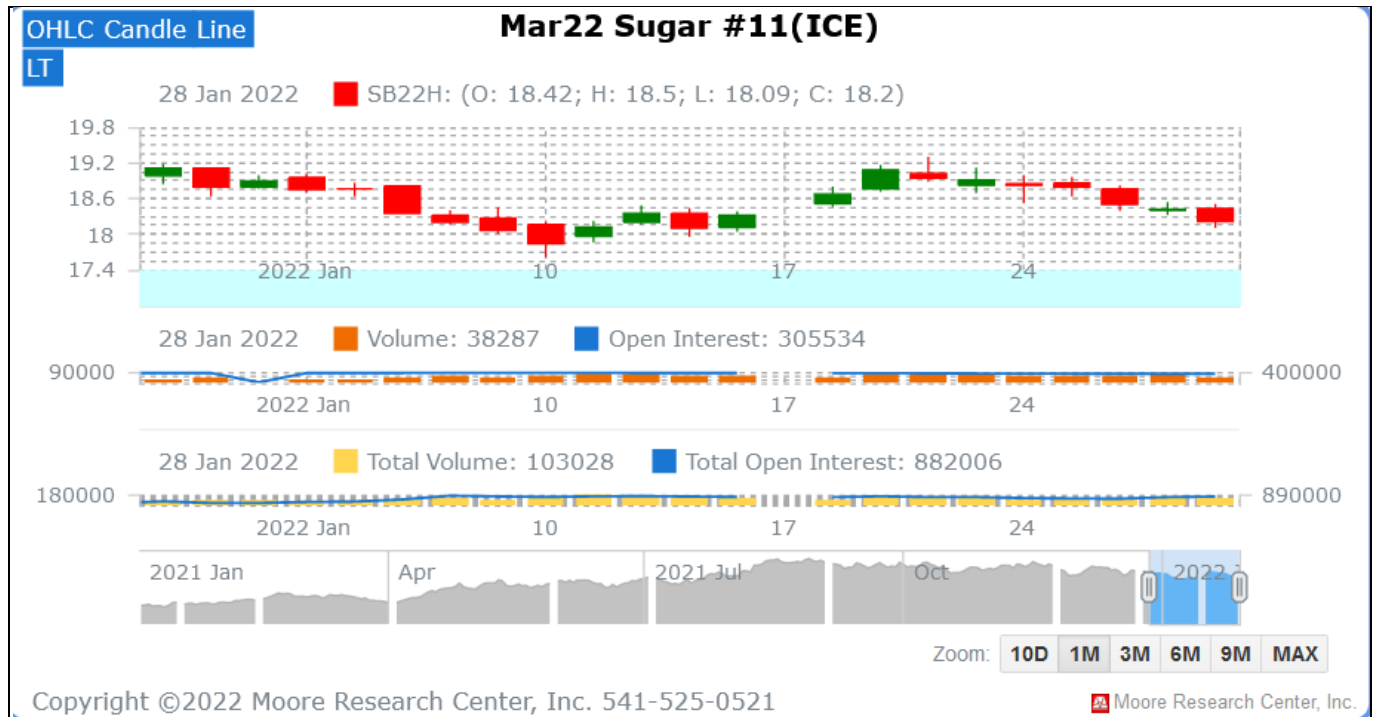


LIFFE (White Sugar Exchange) Future Market Sugar Scenario (Mar'22 Contract)

Technical Commentary

- LIFFE futures market remained steady to weak during the week.
- Total volume increased & open interest decreased over a week.
- Strategy: Sell at level 492, T1 506

International Sugar Futures Price Projection			
	Contract Month	Present Quote	The expected Price level for next week
LIFFE Sugar (US \$/MT)	Mar'22	495	490-510



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 decreased in a week.
- Strategy: Sell at rate 18.16 Targeting 18.25.

International Sugar Futures Price Projection			
	Contract Month	Present Quote	The expected Price level for next week
ICE Sugar #11 (US Cent/lb)	Mar'22	18.20	18.10– 18.30

Spot Sugar Prices Scenario (Weekly) (Average)

Commodity	Centre	Variety	Average Prices (Rs/Qtl)		Change
Sugar			20th Jan'22 to 26th Jan'22	13th Jan'22 to 19th Jan'22	
Delhi	Delhi	M-Grade	3440	3421	19
	Delhi	S-Grade	3420	3401	19
Uttar Pradesh	Khatauli	M-Grade	3540	NA	-
	Ramala	M-Grade	NA	NA	-
	Dhampur	M-Grade Ex-Mill	3390	NA	-
	Dhampur	S-Grade Ex-Mill	3370	NA	-
	Dhampur	L-Grade Ex-Mill	3440	NA	-
Maharashtra	Mumbai	M-Grade	3670	3682	-12
	Mumbai	S-Grade	3377	3402	-25
	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	3860	Unch
Tamil Nadu	Chennai	S-Grade (With GST)	3750	3745	5
	Dindigul	M-Grade (DCA)	3820	3820	Unch
	Coimbatore	M-Grade (DCA)	3780	3780	Unch
Chattisgarh	Ambikapur	M-Grade (Without Duty)	3600	3600	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)			20th Jan'22 to 26th Jan'22	13th Jan'22 to 19th Jan'22	
Uttar Pradesh	Muzaffarnagar	Chaku Fresh	3393	3156	237
	Muzaffarnagar	Chaku(Arrival)(40kg Bag)	9100	25000	-15900
	Muzaffarnagar	Khurpa (Fresh)	3060	3144	-84

	Muzaffarnagar	Laddoo (Fresh)	3410	3340	70
	Muzaffarnagar	Rascut (Fresh)	2585	2477	108
	Hapur	Chaurasa	3101	2937	164
	Hapur	Balti	3075	2895	180
Andhra Pradesh	Chittur	Gold	NA	NA	-
		White	NA	NA	-
		Black	NA	NA	-
Maharashtra	Latur	Lal Variety	NA	NA	-
Karnataka	Bangalore	Mudde (Average)	4550	3032	1518
	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)	3100	3032	68
	Mandya	Kurikatu (Medium)	3025	3000	25
	Mandya	Other (Medium)	2965	2920	45
	Mandya	Yellow (Medium)	3050	3052	-2
	Shimoga	Achhu (Average)	3700	3700	Unch

Spot Sugar Prices Scenario (Weekly)

Commodity	Centre	Variety	Today	Week Ago	Month Ago	Year Ago
Sugar			28-Jan-22	20-Jan-22	28-Dec-21	29-Jan-21
Delhi	Delhi	M-Grade	3390	3440	3390	3260
	Delhi	S-Grade	3370	3420	3370	3240
Uttar Pradesh	Khatauli	M-Grade	3550	0	0	3200
	Ramala	M-Grade	NA	0	0	0
	Dhampur	M-Grade Ex-Mill	3400	0	0	3090
	Dhampur	S-Grade Ex-Mill	3380	0	0	3070
	Dhampur	L-Grade Ex-Mill	3450	0	0	3140
Maharashtra	Mumbai	M-Grade	3646	3670	3690	3290
	Mumbai	S-Grade	3370	3376	3450	3210
	Nagpur	M-Grade	3425	3425	3425	3125
	Nagpur	S-Grade	3325	3325	3325	3075
	Kolhapur	M-Grade	3300	3300	3300	3000
	Kolhapur	S-Grade	3200	3200	3200	2950
Assam	Guhawati	S-Grade	3512	3512	3512	3258
Meghalaya	Shillong	S-Grade	3520	3520	3520	3270
Andhra Pradesh	Vijayawada	M-Grade (With Duty)	3800	3800	3800	3620

	Vijayawada	S-Grade (With Duty)	3760	3760	3760	3580
West Bengal	Kolkata	M-Grade	3730	3860	3800	3600
Tamil Nadu	Chennai	S-Grade	3750	3750	3800	3430
	Dindigul	M-Grade (DCA)	3890	3820	3920	3680
	Coimbatore	M-Grade (DCA)	3780	3780	3800	3540
Chattisgarh	Ambikapur	M-Grade (Without Duty)	3500	3600	3700	3600

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

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Spot Jaggery(Gur) Prices Scenario (Weekly)

Commodity	Centre	Variety	Today	Week Ago	Month Ago	Year Ago
Jaggery(Gur)			28-Jan-22	20-Jan-22	28-Dec-21	29-Jan-21
Uttar Pradesh	Muzaffarnagar	Chaku Sukha	3275	3313	3100	2850
	Muzaffarnagar	Chaku(Arrival)(40kg Bag)	5000	2000	8000	12000
	Muzaffarnagar	Khurpa	3305	3063	2875	2450
	Muzaffarnagar	Laddoo	3563	3413	3138	2875
	Muzaffarnagar	Rascut	2625	2550	2425	2438
	Hapur	Chaurasa	3050	3105	2800	2613
	Hapur	Balti	3000	3075	2775	2575
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	4650	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	0	0
	Mandya	Achhu (Medium)	NA	3130	3320	2950
	Mandya	Kurikatu (Medium)	NA	3050	3200	3050
	Mandya	Other (Medium)	NA	3000	3050	2850
	Mandya	Yellow (Medium)	NA	3100	3390	2950
	Shimoga	Achhu (Average)	NA	3700	3700	3550

International Sugar Prices (Weekly Average)				
	Contract Month	20th Jan'22 to 26th Jan'22	13th Jan'22 to 19th Jan'22	Change
ICE Sugar #11 (US Cent/lb)	22-Mar	18.78	18.49	0.29
	22-May	18.49	18.25	0.24
	22-Jul	18.28	18.05	0.23
LIFFE Sugar (US \$/MT)	22-Mar	504.25	505.48	-1.23
	22-May	496.53	496.30	0.23
	22-Aug	490.58	487.88	2.70

Source: MRCI

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