

Price Outlook:

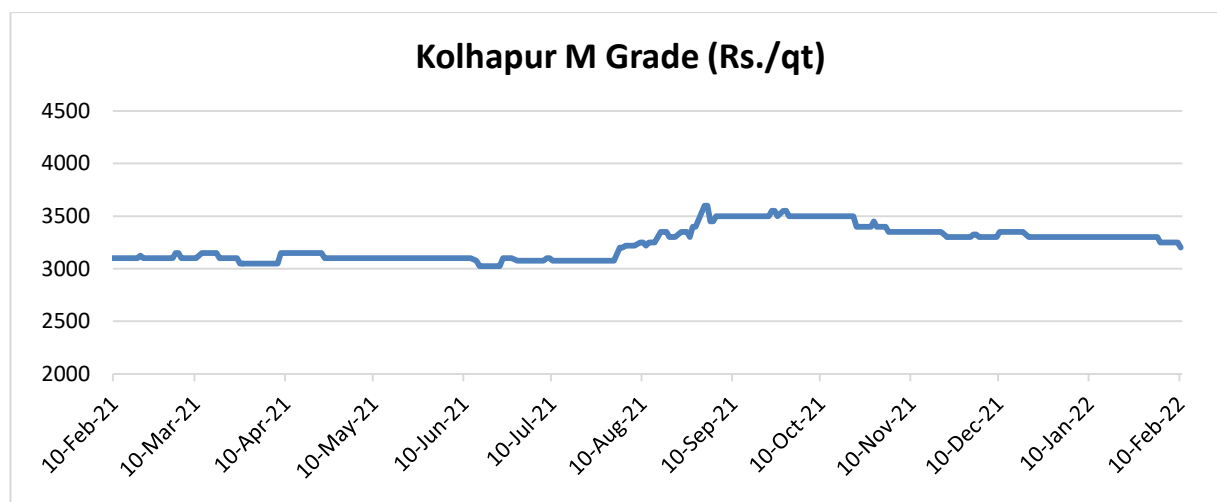
Prices in the major markets across India showed a mixed trend last week. The average sugar prices have slightly decreased to Rs. 3400/q this week from Rs.3422/q last week in Delhi market. The prices in Maharashtra have decreased this week and were at Rs.3263/q.

Price Projection for the Next week

As per the Agriwatch estimates, spot sugar prices (M grade) in the benchmark Kolhapur market are likely to slightly decrease in next week between Rs.3150 -3250 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 197 sugar mills in operation in the state. Average prices for Sugar 'M' grade in key Kolhapur market have slightly decreased and were at Rs.3200 per quintal around Rs.50 down from previous week.

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

- According to the Maharashtra Sugar Commissioner, sugar mills in Maharashtra have produced 798.79 lakh quintals of sugar till 08th February 2022 by crushing 788.54 lakh tonne of sugarcane. Maharashtra is leading in sugar production in India with around 197 sugar mills in operation in the state. Kolhapur division is leading in the state in terms of sugar recovery with 11.56 percent whereas for the entire state, Maharashtra sugar recovery rate has reached 10.13 percent.
- About 83 sugar mills in Maharashtra have cleared 100 percent of the cane payment, around 47 sugar mills have paid 80-90 percent payment, and 33 mills have cleared 60- 70 percent dues while 28 mills have paid 50 percent cane dues for the ongoing crushing season.

Previous Updates

- The food ministry has allocated 20 LMT monthly sugar quota for February 2022 to 563 sugar mills which is 3 LMT higher than the quota released during the previous season for February 2021. In January 2022, the government has fixed 21.5 LMT monthly sugar quota for domestic scale.
- According to the Maharashtra Sugar Commissioner, sugar mills in Maharashtra have produced 792.02 lakh quintals of sugar till 31st January 2022 by crushing 724.91 lakh tonne of sugarcane. Kolhapur division is leading in the state in terms of sugar recovery with 11.46 percent whereas for the entire state, Maharashtra sugar recovery rate has reached 10.06 percent.
- According to Second Advance Estimates of ISMA, India's sugar production is expected to be 314.50 lakh tonne during 2021-22 season. This is after considering an estimated diversion of sugarcane juice /syrup or B-heavy molasses at sugar equivalent of 34 lakh tonne for production of ethanol . Opening stock is estimated at 82 lakh tonne as on 01st October 2021. Further, domestic consumption is expected to be 270 lakh tonne and exports around 60 lakh tonne during 2021-22 season. The closing stock as on 30th September 2022 is expected to be lower by over 15 lakh tonne at around 66.50 lakh tonne.
- The report also states that other States like Tamil Nadu, Gujarat, Andhra Pradesh & Telangana, Bihar, Punjab, Haryana, Madhya Pradesh & Chhattisgarh, Odisha and Uttarakhand are collectively expected to produce about 50.60 lakh tonne of sugar, which is more or less similar to the production in 2020-21 Sugar season. These States are collectively estimated to account for

State	Sugar Production Estimation (in Lakh Tonne)		Diversion to Ethanol (in Lakh Tonne)	
	2020-21	2021-22	2020-21	2021-22
Maharashtra	106.50	117	7.12	11.27
Uttar Pradesh	110.59	102	6.90	12.55
Karnataka	44.68	45.21	5.02	7.37
Source: ISMA				

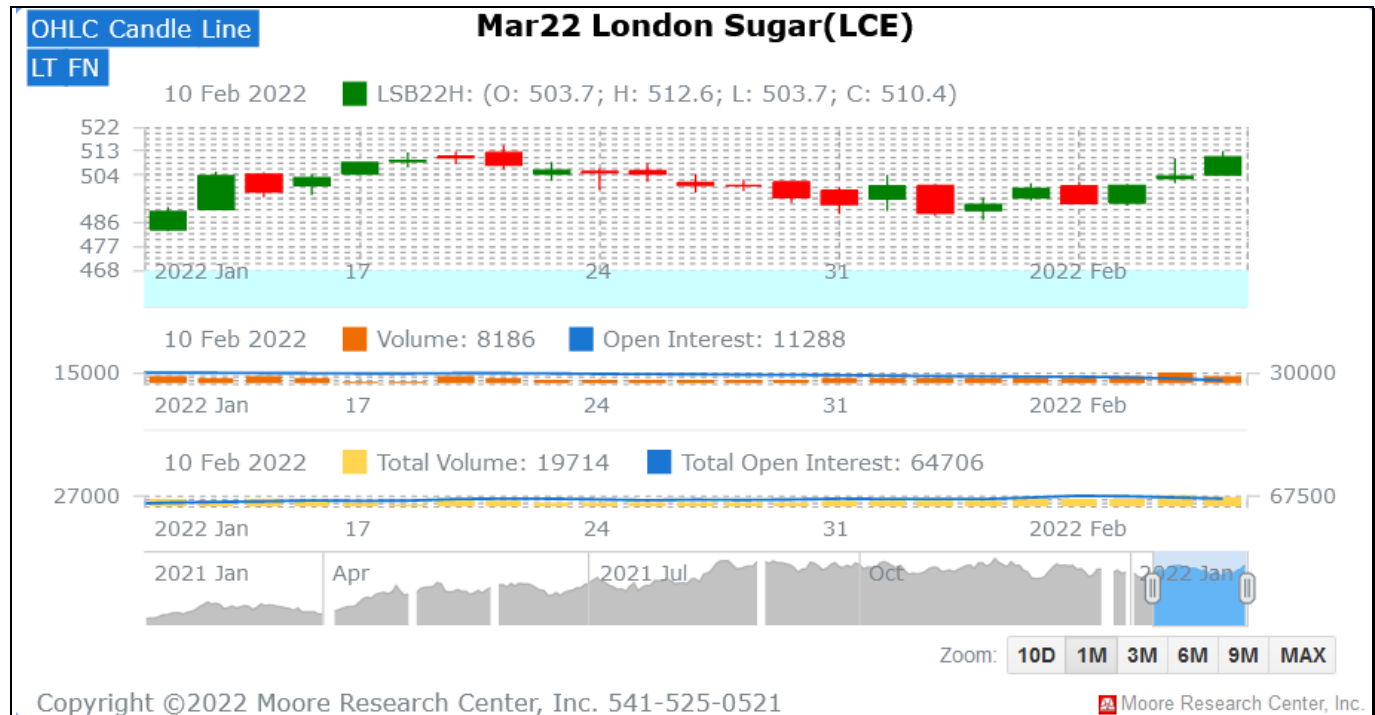
about 2.81 lakh tonne of sugar equivalent diversion into production of ethanol. The adjoining table shows the top three state-wise break-up of sugar production estimation for 2021-22 and its comparison with the previous year.

International Market Highlights

Previous Updates

- The Sugar Regulatory Administration (SRA) has stated that Philippines will import 200,000 metric tonnes of sugar in the 2021-22 season to keep a check the rising domestic prices. The sugar prices in the country are rising despite stable local production. The Sugar Regulatory Administration (SRA) plans to import 100,000 metric tonnes of standard grade refined sugar while the 100,000 MT would be refined sugar of “bottlers’ grade” for the beverage industry.
- According to SRA the damage caused due to Typhoon “Odette” (international name: Rai) to the sugarcane crops grown in Negros, Panay and Eastern Visayas has led to the increase in wholesale and retail prices of raw and refined sugar. The sugarcane as well as sugar stocks in warehouses and facilities at sugar mills and refineries were also damaged due to the Typhoon.
- 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..
- 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.

International Sugar Futures Price Projection

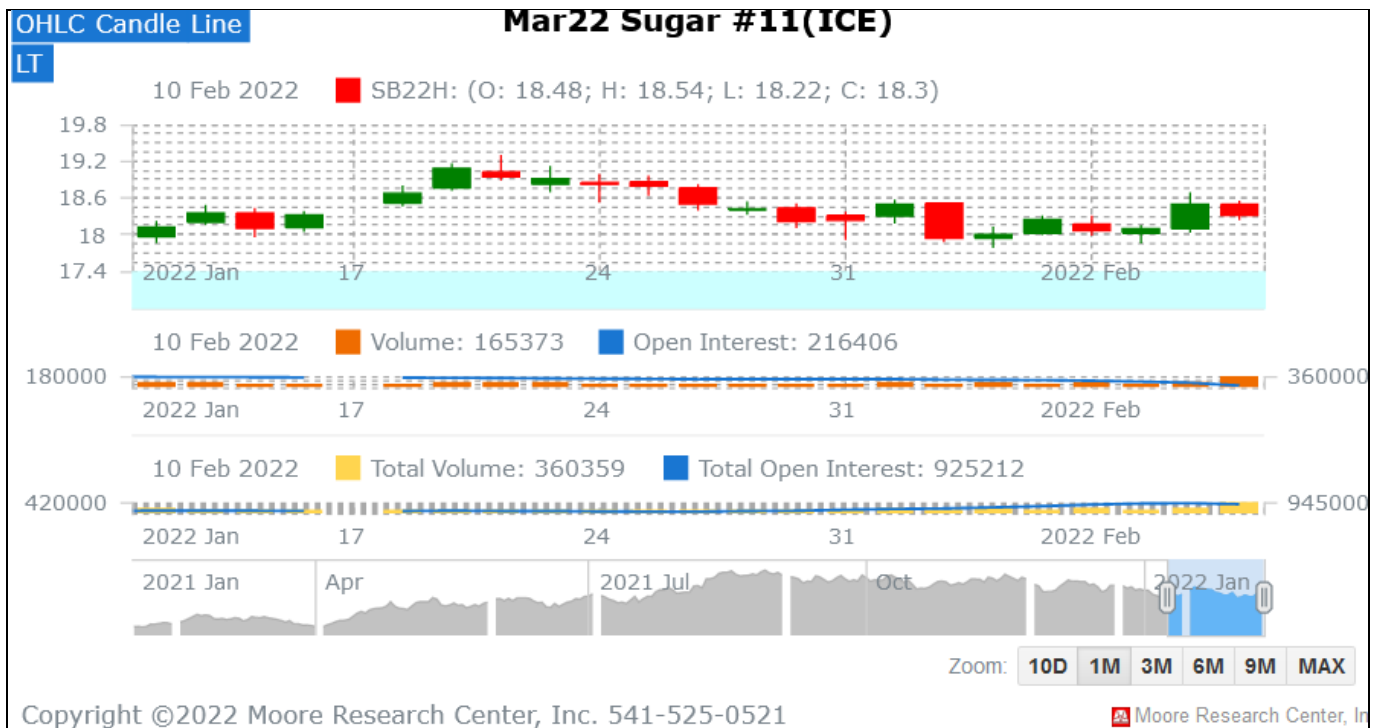


LIFFE (White Sugar Exchange) Future Market Sugar Scenario (Mar'22 Contract)

Technical Commentary

- LIFFE futures market was strong during the week.
- Total volume increased & open interest decreased over a week.
- Strategy: Buy at level 508, T1 515

International Sugar Futures Price Projection			
	Contract Month	Present Quote	The expected Price level for next week
LIFFE Sugar (US \$/MT)	Mar'22	510	500-520



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

Technical Commentary:

- ICE raw sugar futures corrected down during the week.
- Both total volume increased & open interest decreased in a week.
- Strategy: Buy at rate 18.25 Targeting 18.35.

International Sugar Futures Price Projection			
	Contract Month	Present Quote	The expected Price level for next week
ICE Sugar #11 (US Cent/lb)	Mar'22	18.30	18.25– 18.40

Spot Sugar Prices Scenario (Weekly) (Average)

Commodity	Centre	Variety	Average Prices (Rs/Qtl)		Change
Sugar			03rd Feb'22 to 09th Feb'22	27th Jan'22 to 02nd Feb'22	
Delhi	Delhi	M-Grade	3400	3422	-22
	Delhi	S-Grade	3380	3402	-22
Uttar Pradesh	Khatauli	M-Grade	NA	3452	-
	Ramala	M-Grade	NA	NA	-
	Dhampur	M-Grade Ex-Mill	NA	3390	-
	Dhampur	S-Grade Ex-Mill	NA	3370	-
	Dhampur	L-Grade Ex-Mill	NA	3440	-
Maharashtra	Mumbai	M-Grade	3415	3647	-232
	Mumbai	S-Grade	3322	3360	-38
	Nagpur	M-Grade	3375	3425	-50
	Nagpur	S-Grade	3263	3325	-63
	Kolhapur	M-Grade	3250	3300	-50
	Kolhapur	S-Grade	3138	3200	-63
Assam	Guhawati	S-Grade	3398	3460	-63
Meghalaya	Shillong	S-Grade	3458	3520	-63
Andhra Pradesh	Vijayawada	M-Grade (With Duty)	3800	3800	Unch
	Vijayawada	S-Grade (With Duty)	3760	3760	Unch
West Bengal	Kolkata	M-Grade	3730	3730	Unch
Tamil Nadu	Chennai	S-Grade (With GST)	3750	3750	Unch
	Dindigul	M-Grade (DCA)	3890	3890	Unch
	Coimbatore	M-Grade (DCA)	3780	3780	Unch
Chattisgarh	Ambikapur	M-Grade (Without Duty)	3500	3500	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)			03rd Feb'22 to 09th Feb'22	27th Jan'22 to 02nd Feb'22	
Uttar Pradesh	Muzaffarnagar	Chaku Fresh	3376	3305	71
	Muzaffarnagar	Chaku(Arrival)(40kg Bag)	45000	40000	5000
	Muzaffarnagar	Khurpa (Fresh)	3095	3148	-53
	Muzaffarnagar	Laddoo (Fresh)	3382	3452	-70
	Muzaffarnagar	Rascut (Fresh)	2493	2540	-47
	Hapur	Chaurasa	2947	2891	56

	Hapur	Balti	2750	2844	-94
Andhra Pradesh	Chittur	Gold	NA	NA	-
		White	NA	NA	-
		Black	NA	NA	-
Maharashtra	Latur	Lal Variety	NA	NA	-
Karnataka	Bangalore	Mudde (Average)	4542	4550	-8
	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)	3005	2993	12
	Mandya	Kurikatu (Medium)	2950	2933	17
	Mandya	Other (Medium)	2832	2840	-8
	Mandya	Yellow (Medium)	2990	3090	-100
	Shimoga	Achhu (Average)	3700	3700	Unch

Spot Sugar Prices Scenario (Weekly)

Commodity	Centre	Variety	Today	Week Ago	Month Ago	Year Ago
Sugar			10-Feb-22	02-Feb-22	10-Jan-22	11-Feb-21
Delhi	Delhi	M-Grade	3400	3400	3450	3150
	Delhi	S-Grade	3380	3380	3430	3130
Uttar Pradesh	Khatauli	M-Grade	NR	3500	0	3165
	Ramala	M-Grade	NR	NA	0	0
	Dhampur	M-Grade Ex-Mill	NR	3340	0	3080
	Dhampur	S-Grade Ex-Mill	NR	3320	0	3060
	Dhampur	L-Grade Ex-Mill	NR	3390	0	3130
Maharashtra	Mumbai	M-Grade	3500	3646	3686	3336
	Mumbai	S-Grade	3350	3356	3420	3200
	Nagpur	M-Grade	3325	3425	3425	3225
	Nagpur	S-Grade	3225	3325	3325	3125
	Kolhapur	M-Grade	3200	3300	3300	3100
	Kolhapur	S-Grade	3100	3200	3200	3000
Assam	Guhawati	S-Grade	3410	3512	3512	3309
Meghalaya	Shillong	S-Grade	3420	3520	3520	3320
Andhra Pradesh	Vijayawada	M-Grade (With Duty)	3800	3800	3800	3700
	Vijayawada	S-Grade (With Duty)	3760	3760	3760	3660
West Bengal	Kolkata	M-Grade	3730	3730	3860	3600
Tamil Nadu	Chennai	S-Grade	3750	3750	3740	3450
	Dindigul	M-Grade (DCA)	3890	3890	3820	3680

	Coimbatore	M-Grade (DCA)	3780	3780	3780	3540
Chattisgarh	Ambikapur	M-Grade (Without Duty)	3500	3500	3600	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)			10-Feb-22	02-Feb-22	10-Jan-22	11-Feb-21
Uttar Pradesh	Muzaffarnagar	Chaku Sukha	Closed	3228	3170	2725
	Muzaffarnagar	Chaku(Arrival)(40kg Bag)	Closed	12000	3000	6000
	Muzaffarnagar	Khurpa	Closed	3013	2838	2363
	Muzaffarnagar	Laddoo	Closed	3328	3175	2813
	Muzaffarnagar	Rascut	Closed	2450	2500	2350
	Hapur	Chaurasa	Closed	2788	Closed	2575
	Hapur	Balti	Closed	2750	Closed	2500
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)	4500	4550	4650	4300
	Belgaum	Mudde (Average)	NA	0	0	0
	Belthangadi	Yellow (Average)	NA	0	0	0
	Bijapur	Achhu	NA	0	0	0
	Gulbarga	Other (Average)	3330	3350	0	0
	Mahalingapura	Penti (Average)	NA	0	0	0
	Mandya	Achhu (Medium)	2980	3000	3260	3100
	Mandya	Kurikatu (Medium)	2900	2900	3180	2850
	Mandya	Other (Medium)	2800	2800	3060	3000
	Mandya	Yellow (Medium)	2930	3050	3120	3060
	Shimoga	Achhu (Average)	3700	NA	3700	3550

International Sugar Prices (Weekly Average)				
	Contract Month	03rd Feb'22 to 09th Feb'22	27th Jan'22 to 02nd Feb'22	Change
ICE Sugar #11 (US Cent/lb)	22-Mar	18.17	18.25	-0.08
	22-May	17.78	17.88	-0.10
	22-Jul	17.61	17.71	-0.10
LIFFE Sugar (US \$/MT)	22-Mar	497.34	495.22	2.12
	22-May	485.46	485.50	-0.04
	22-Aug	478.28	479.06	-0.78

Source: MRCI

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