

Price Outlook:

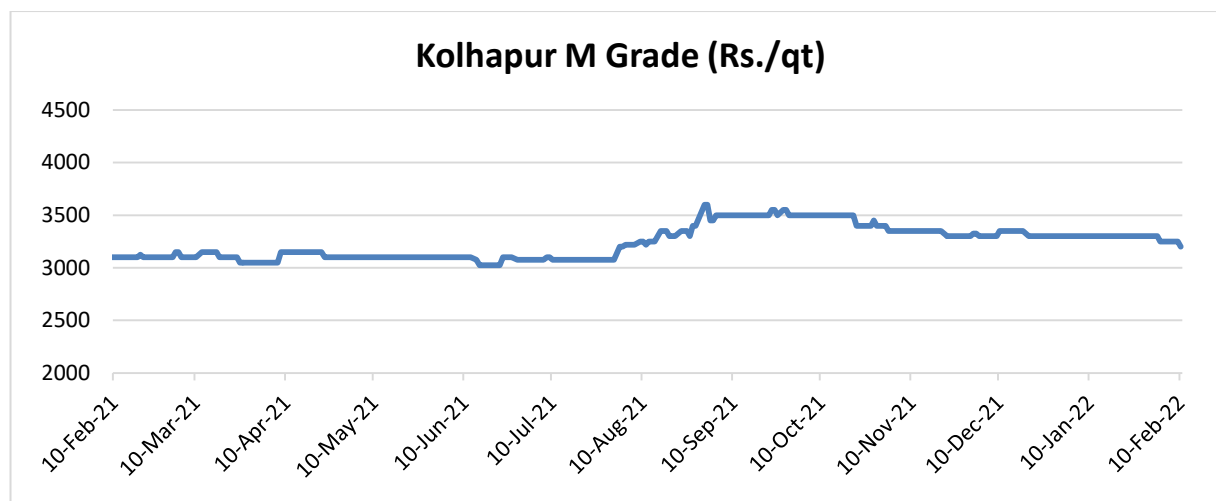
Prices in the major markets across India showed a mixed trend last week. The average sugar prices have slightly increased to Rs. 3406/q this week from Rs.3400/q last week in Delhi market. The prices in Maharashtra have decreased this week and were at Rs.3233/q.

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

Out of 516 sugar mills which had started crushing in 2021-22 Sugar Season, 13 sugar mills have stopped their crushing operations so far. Last year, 496 sugar mills had operated, out of which 32 had stopped crushing on the corresponding date last year. 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 increased and were at Rs.3225 per quintal around Rs.25 up from the previous week.

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

- India has exported around 50 lakh tonne of sugar during the period October to January 2021-22 seasons. About 31.50 lakh tonne of sugar has been physically exported till up to 31st January 2022, as compared to about 9.20 lakh tons exported last year during the corresponding period. Further, it is reported that over 8 lakh tons of sugar is in pipeline to be exported in the month of February, 2022.
- Sugarcane farmers from Karnataka have demanded the government to fix the procurement price of sugarcane to Rs 5000 per tonne. According to the market sours, the Fair and Remunerative Price (FRP) fixed by the centre is not sufficient to cover the cost of cultivation and the government should increase the FRP of cane to Rs 5000 per tonne for recovery of 9.5 per cent. The farmers also demanded that the government

should force mills to pay pending cane dues and share profits generated from the sale of ethanol and other by products.

- According to the Maharashtra Sugar Commissioner, sugar mills in Maharashtra have produced 879.10 lakh quintals of sugar till 17th February 2022 by crushing 860.98 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 11.64 percent whereas for the entire state, Maharashtra sugar recovery rate has reached 10.21 percent.

Previous Updates

- Around 503 sugar mills are currently in the cane crushing operation. Sugar mills have produced around 220.91 lakh tonne of sugar till 15th February 2022 as against 209.11 lakh tonne produced same period last year. This is 10.02 lakh tonne higher as compared to 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 20.08 lakh tonne of sugar till 15th February, 2022. The adjoining table shows the state-wise breakup of sugar production till 15th February 2022 and its comparison with the previous year.
- The farmers also demanded that the government should force mills to pay pending cane dues and share profits generated from the sale of ethanol and other byproducts.
- 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.

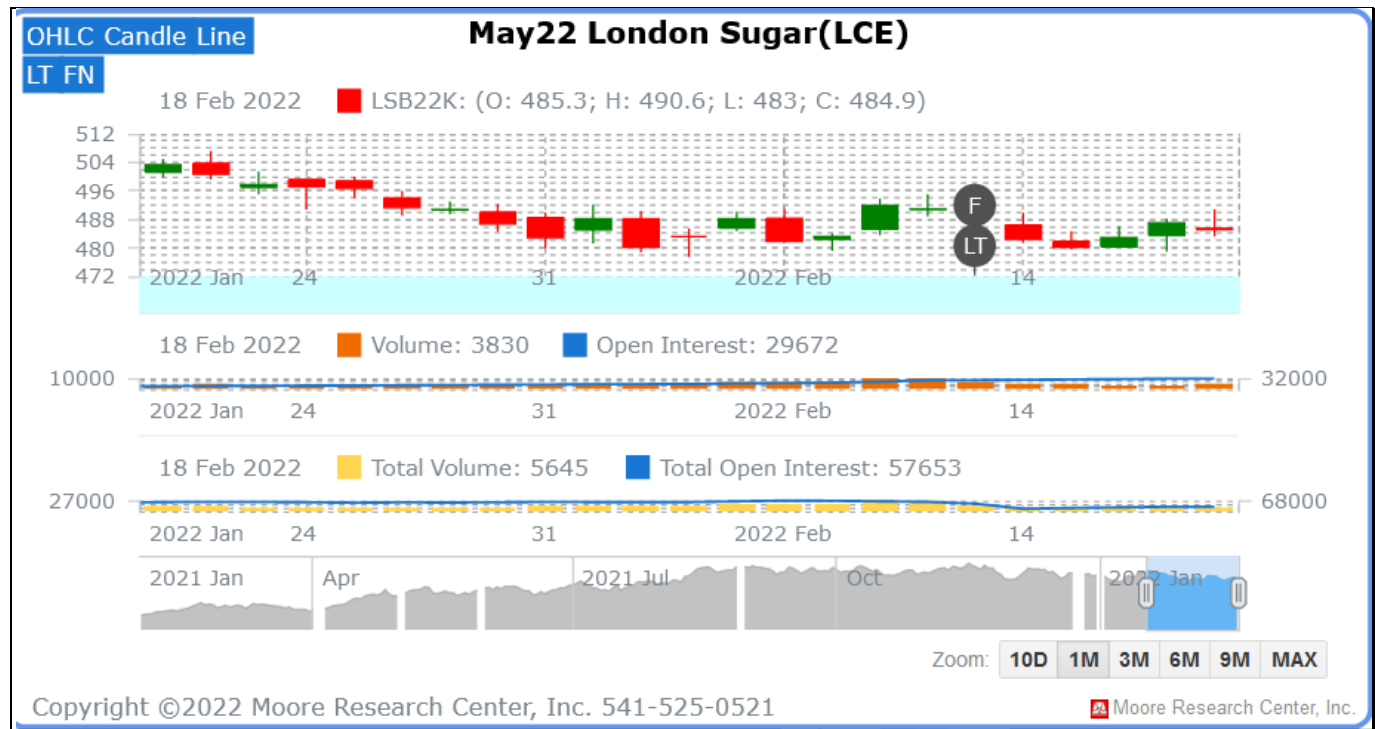
State	Sugar Production (as of 15th Feb.) (in Lakh Tonne)		Mills in Operation (as of 15th Feb.)	
	2020	2021	2020	2021
Maharashtra	75.46	86.15	185	197
Uttar Pradesh	65.13	59.32	120	117
Karnataka	39.07	44.85	66	72
Gujarat	6.55	6.91	15	15
Tamil Nadu	2.47	3.60	25	26

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 Kyrgystan. 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

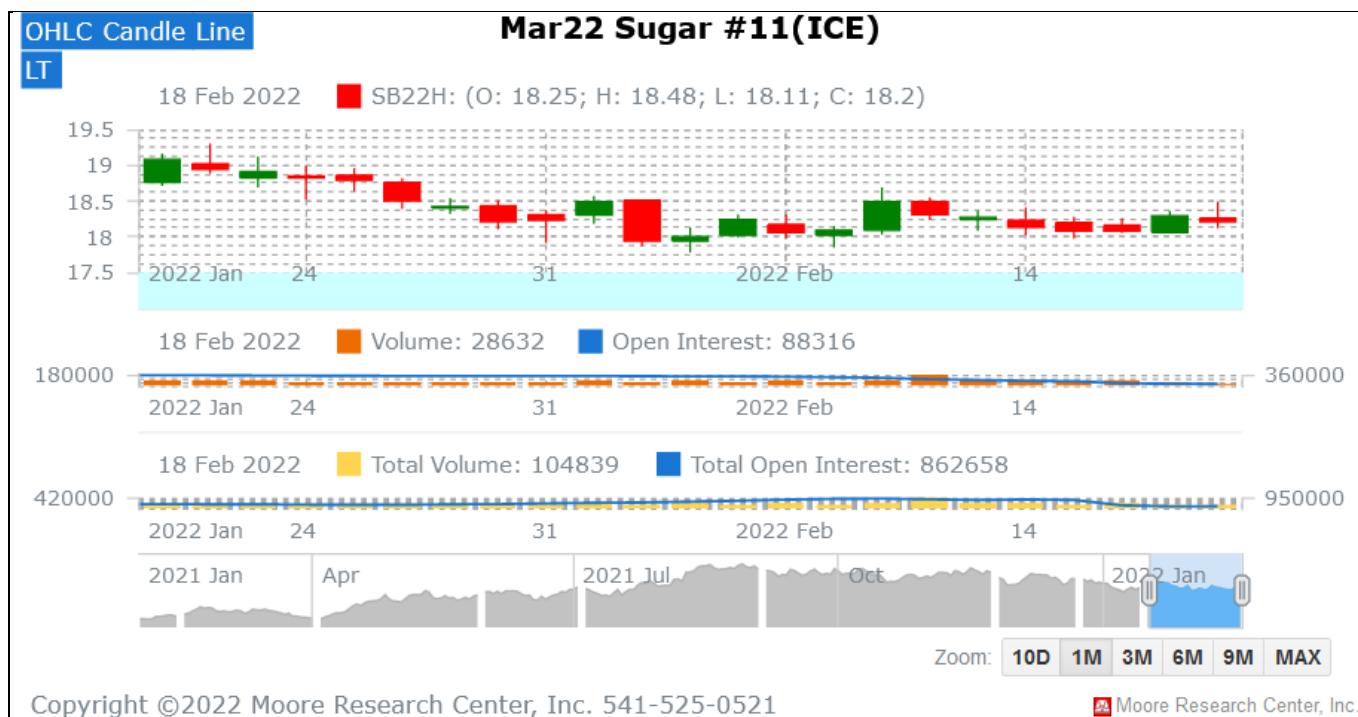


LIFFE (White Sugar Exchange) Future Market Sugar Scenario (May'22 Contract)

Technical Commentary

- LIFFE futures market was strong during the week.
- Total volume increased & open interest decreased over a week.
- Strategy: Buy at level 482, T1 486

International Sugar Futures Price Projection			
	Contract Month	Present Quote	The expected Price level for next week
LIFFE Sugar (US \$/MT)	May'22	484	482-495



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 18.28.

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	18.18– 18.28

Spot Sugar Prices Scenario (Weekly) (Average)

Commodity	Centre	Variety	Average Prices (Rs/Qtl)		Change
Sugar			10th Feb'22 to 16th Feb'22	03rd Feb'22 to 09th Feb'22	
Delhi	Delhi	M-Grade	3406	3400	6
	Delhi	S-Grade	3386	3380	6
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	3498	3415	84
	Mumbai	S-Grade	3321	3322	-1
	Nagpur	M-Grade	3333	3375	-42
	Nagpur	S-Grade	3233	3263	-29
	Kolhapur	M-Grade	3208	3250	-42
	Kolhapur	S-Grade	3108	3138	-29
Assam	Guhawati	S-Grade	3368	3398	-29
Meghalaya	Shillong	S-Grade	3428	3458	-29
Andhra Pradesh	Vijayawada	M-Grade (With Duty)	3800	3800	Unch
	Vijayawada	S-Grade (With Duty)	3760	3760	Unch
West Bengal	Kolkata	M-Grade	3742	3730	12
Tamil Nadu	Chennai	S-Grade (With GST)	3658	3750	-92
	Dindigul	M-Grade (DCA)	3890	3890	Unch
	Coimbatore	M-Grade (DCA)	3780	3780	Unch
Chattisgarh	Ambikapur	M-Grade (Without Duty)	3517	3500	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)			10th Feb'22 to 16th Feb'22	03rd Feb'22 to 09th Feb'22	
Uttar Pradesh	Muzaffarnagar	Chaku Fresh	3073	3376	-304
	Muzaffarnagar	Chaku(Arrival)(40kg Bag)	57000	45000	12000
	Muzaffarnagar	Khurpa (Fresh)	2870	3095	-225

	Muzaffarnagar	Laddoo (Fresh)	3127	3382	-256
	Muzaffarnagar	Rascut (Fresh)	2545	2493	52
	Hapur	Chaurasa	2716	2947	-231
	Hapur	Balti	2681	2750	-69
Andhra Pradesh	Chittur	Gold	NA	NA	-
		White	NA	NA	-
		Black	NA	NA	-
Maharashtra	Latur	Lal Variety	NA	NA	-
Karnataka	Bangalore	Mudde (Average)	4500	4542	-42
	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)	2980	3005	-25
	Mandya	Kurikatu (Medium)	2908	2950	-42
	Mandya	Other (Medium)	2755	2832	-77
	Mandya	Yellow (Medium)	2910	2990	-80
	Shimoga	Achhu (Average)	3700	3700	Unch

Spot Sugar Prices Scenario (Weekly)

Commodity	Centre	Variety	Today	Week Ago	Month Ago	Year Ago
Sugar			19-Feb-22	11-Feb-22	19-Jan-22	19-Feb-21
Delhi	Delhi	M-Grade	3440	3400	3415	3200
	Delhi	S-Grade	3420	3380	3395	3180
Uttar Pradesh	Khatauli	M-Grade	NR	0	0	3200
	Ramala	M-Grade	NR	0	0	0
	Dhampur	M-Grade Ex-Mill	NR	0	0	3120
	Dhampur	S-Grade Ex-Mill	NR	0	0	3100
	Dhampur	L-Grade Ex-Mill	NR	0	0	3170
Maharashtra	Mumbai	M-Grade	3502	3500	3676	3342
	Mumbai	S-Grade	3342	3350	3390	3220
	Nagpur	M-Grade	3350	3325	3425	3250
	Nagpur	S-Grade	3250	3225	3325	3150
	Kolhapur	M-Grade	3225	3200	3300	3125
	Kolhapur	S-Grade	3125	3100	3200	3025
Assam	Guhawati	S-Grade	3436	3410	3512	3334
Meghalaya	Shillong	S-Grade	3445	3420	3520	3345
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	3800	3730	3860	3600
Tamil Nadu	Chennai	S-Grade	3650	3640	3750	3480
	Dindigul	M-Grade (DCA)	3890	3890	3820	3680
	Coimbatore	M-Grade (DCA)	3780	3780	3780	3540
Chattisgarh	Ambikapur	M-Grade (Without Duty)	3600	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)			19-Feb-22	11-Feb-22	19-Jan-22	19-Feb-21
Uttar Pradesh	Muzaffarnagar	Chaku Sukha	3000	3150	3313	2813
	Muzaffarnagar	Chaku(Arrival)(40kg Bag)	15000	10000	5000	10000
	Muzaffarnagar	Khurpa	2675	2975	3438	2588
	Muzaffarnagar	Laddoo	3000	3215	3413	2788
	Muzaffarnagar	Rascut	2588	2513	2525	2425
	Hapur	Chaurasa	2675	2775	3105	2600
	Hapur	Balti	2625	2750	3075	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	4500	4550	4400
	Belgaum	Mudde (Average)	NA	0	0	0
	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)	3100	3000	3100	3300
	Mandya	Kurikatu (Medium)	2900	2900	3000	3050
	Mandya	Other (Medium)	2900	2900	2950	2950
	Mandya	Yellow (Medium)	2950	2950	3080	3100
	Shimoga	Achhu (Average)	NA	3700	3700	3550

International Sugar Prices (Weekly Average)				
	Contract Month	10th Feb'22 to 16th Feb'22	03rd Feb'22 to 09th Feb'22	Change
ICE Sugar #11 (US Cent/lb)	22-Mar	18.16	18.17	-0.01
	22-May	17.70	17.78	-0.08
	22-Jul	17.61	17.61	Unch
LIFFE Sugar (US \$/MT)	22-Mar	491.34	497.34	-6.00
	22-May	480.90	485.46	-4.56
	22-Aug	475.20	478.28	-3.08

Source: MRCI

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