

Price Outlook:

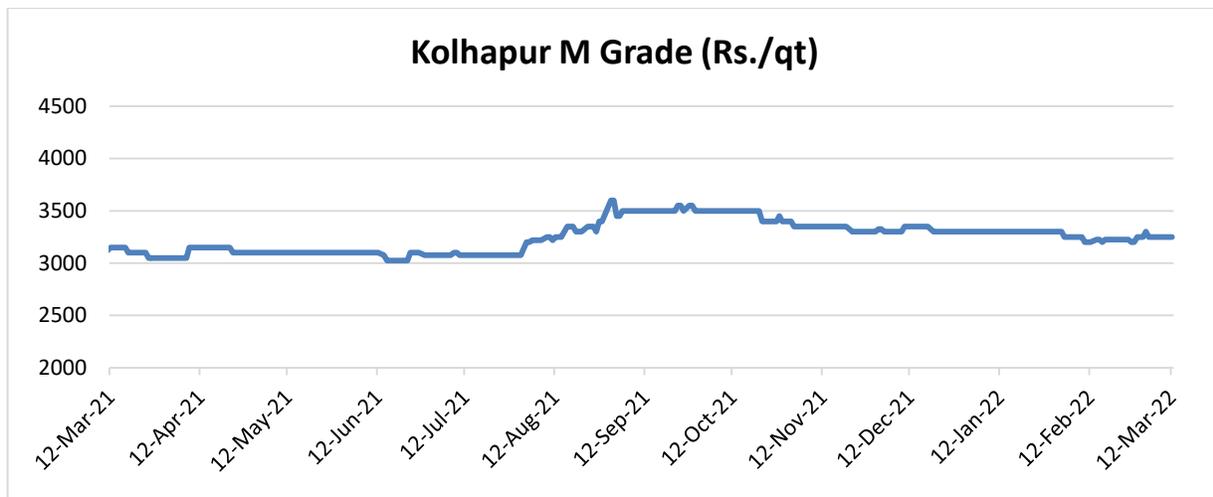
Prices in the major markets across India showed a mixed trend last week. The average sugar prices have slightly decreased to Rs. 3430/q this week from Rs.3436/q last week in Delhi market. The prices in Maharashtra were stable at Rs.3250/q. Tensions between Russia and Ukraine have started affecting the global agricultural trade. India’s sugar market is not expected to get much affected by the Russia-Ukraine war, in the short term.

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 increase in next week between Rs.3250 -3300 per quintal.

Domestic Sugar Market Summary

Out of 516 sugar mills which had started crushing in 2021-22 Sugar Season, 27 sugar mills had stopped their crushing operations till 28th February 2022 in India. Last year, 503 sugar mills had operated, out of which 99 had stopped crushing on the corresponding date last year. Sugarcane crushing season in Maharashtra is in the final phase. Average prices for Sugar ‘M’ grade in key Kolhapur market was steady at Rs.3250 per quintal last week.



Domestic Market Highlights

Recent Updates:

Sugar mills in Maharashtra have started closing their cane crushing operations as the season nearing to an end. According to the Maharashtra Sugar Commissioner, 7 sugar mills have closed their operations so far. Private sugar mills in the state have urged the state government to provide financial aid as crushing excess sugarcane is adding financial burden on them. Meanwhile, the state governments have once again warned sugar mills to crush all sugarcane in the fields.

Sugar mills in Maharashtra have produced 1051.75 lakh quintals of sugar till 10th March 2022 by crushing 1018.96 lakh tonne of sugarcane. Maharashtra sugar recovery rate has reached 10.32 percent.

Previous Updates

- India has signed around 60 lakh tonnes of sugar export contracts till February'22 of the current season. About 42 lakh tonnes of sugar has been physically exported till up to 28th February 2022. Another 12-13 lakh tonnes of sugar are expected to be exported in March 2022. Further, As per Indian Sugar Mills Association Indian sugar exports are estimated to increase 15.38 percent year on year to 7.5 million tonnes in 2021-22 seasons.

State	Sugar Production (as of 28th Feb.) (in Lakh Tonne)		Mills in Operation (as of 28th Feb.)	
	2020	2021	2020	2021
Maharashtra	84.85	97.15	176	197
Uttar Pradesh	74.20	68.64	109	112
Karnataka	40.83	50.84	14	65
Gujarat	7.49	7.93	15	15
Tamil Nadu	3.22	4.53	25	26

- Around 489 sugar mills are currently in the cane crushing operation in India. Sugar mills have produced around 257.87 lakh tonne of sugar till 28th February'2022 as against 234.83 lakh tonne produced same period last year. The States of Andhra Pradesh & Telangana, Bihar, Uttarakhand, Punjab, Haryana and Madhya Pradesh & Chhattisgarh, Rajasthan, Odisha have collectively produced 23.78 lakh tonne of sugar till 28th February, 2022. The adjoining table shows the state-wise breakup of sugar production for major states till 28th February 2022 and its comparison with the previous year.
- Indian Sugar Mills Association has revised its sugar production estimate for 2021-22 Sugar Season for Maharashtra as 126 lakh tons (after diversion into ethanol), against 117 lakh tons estimated in its 2nd advance estimates. Similarly, Karnataka is now expected to produce 55 lakh tons (after diversion into ethanol), as against 45.21 lakh tons estimated earlier. However, not much change is expected in other States including U.P., and they are expected to produce 152 lakh tons of sugar (after diversion into ethanol). All India sugar production in 2021-22 Season is therefore expected as 333 lakh tons, considering diversion of 34 lakh tons of sugar equivalent into ethanol. Agriwatch has estimated 320 lakh tonnes of sugar production for the 2021-22 season.
- According to the Second Advance Estimate released by the Ministry of Agriculture for the 2021-22 season, Sugarcane production is expected to reach 4140.44 lakh tonne which is higher as compared to previous 2020-21 season's production of 4053.99 lakh tonne.

International Market Highlights

Previous Updates

- Bangladesh government has decided to continue the importation of raw sugar with lower import duty for two and half months. At present, there is a 20% tariff benefit on the import of sugar and it would be extended till May 15 to maintain stable rates in the domestic market ahead of the holy month of Ramadan. As per the order, the reduced tariff facility will be effective from March. Earlier the government had reduced import duty from 30% to 20% which ended on February 28.
- Brazil Centre-south region is likely to crush 562 million tonnes of sugarcane in 2022-23 season. The crop is recovering this year from the lower output of 525 million tonnes last year due to drought and frost. The crop is in a critical development stage at present and the region is facing slant or no rains in the last few weeks. The sugarcane crop this season is likely to remain below the 605.5 million tonnes recorded in 2020-21 season despite recovering from the previous cycle.
- International Sugar Organization has lowered the global sugar deficit for the 2021-22 season to 1.93 million tonne from an earlier projection of 2.55 million tonne. The reduction in sugar consumption from 173.03 million tonne to 172.44 million tonne was the primary reason for lowering the global deficit. Earlier the global sugar output was projected to increase from 170.47 million tonne to 170.51 million tonne.
- According to Unica, the high prices of ethanol have dented the demand in Brazil. The total sales in January were reported at 1.76 billion litres. The sale was the smallest volume since April 2021 when the ethanol sales were affected due to a lockdown imposed to control the spread of the pandemic. The sale of hydrous ethanol fell by 44 percent to 918 million litres. Mills in Brazil had increased sugar production to gain more profit which resulted in low ethanol production and a dwindling supply of fuel increased the prices of Biofuel.
- 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.

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.
- Further, LIFFE future market is expected to remain steady in the coming March month.
- Currently trading above 530 US \$/ MT
- Total volume increased & open interest slightly decreased over a week.
- Strategy: Buy at level 528, T1 532

International Sugar Futures Price Projection			
	Contract Month	Present Quote	The expected Price level for next week
LIFFE Sugar (US \$/MT)	May'22	530	525-535



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

Technical Commentary:

- ICE raw sugar futures are expected to remain steady during the week.
- Total volume increased was slightly down in the last week.
- Resistance level of 18.40 has been crossed with the starting of March month. Further upward trend in expected in the coming week.
- Strategy: Buy at rate 19.25 Targeting 19.28.

International Sugar Futures Price Projection			
	Contract Month	Present Quote	The expected Price level for next week
ICE Sugar #11 (US Cent/lb)	May'22	19.24	19.22-19.35

Spot Sugar Prices Scenario (Weekly) (Average)					
Commodity	Centre	Variety	Average Prices (Rs/Qtl)		Change
Sugar			03rd Mar'22 to 09th Mar'22	24th Feb'22 to 02th Mar'22	
Delhi	Delhi	M-Grade	3430	3436	-6
	Delhi	S-Grade	3410	3416	-6
Uttar Pradesh	Khatauli	M-Grade	3543	3518	25
	Ramala	M-Grade	3420	3382	38
	Dhampur	M-Grade Ex-Mill	3390	3342	48
	Dhampur	S-Grade Ex-Mill	3370	3322	48
	Dhampur	L-Grade Ex-Mill	3440	3392	48
Maharashtra	Mumbai	M-Grade	3512	3495	16
	Mumbai	S-Grade	3362	3341	21
	Nagpur	M-Grade	3383	3350	33
	Nagpur	S-Grade	3283	3250	33
	Kolhapur	M-Grade	3258	3225	33
	Kolhapur	S-Grade	3158	3125	33
Assam	Guhawati	S-Grade	3418	3385	33
Meghalaya	Shillong	S-Grade	3478	3445	33
Andhra Pradesh	Vijayawada	M-Grade (With Duty)	3800	3800	Unch
	Vijayawada	S-Grade (With Duty)	3760	3760	Unch
West Bengal	Kolkata	M-Grade	3690	3800	-110
Tamil Nadu	Chennai	S-Grade (With GST)	3600	3640	-40
	Dindigul	M-Grade (DCA)	3880	3890	-10
	Coimbatore	M-Grade (DCA)	3720	3780	-60
Chattisgarh	Ambikapur	M-Grade (Without Duty)	3700	3600	100

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 Mar'22 to 09th Mar'22	24th Feb'22 to 02th Mar'22	
Uttar Pradesh	Muzaffarnagar	Chaku Fresh	3001	2970	31
	Muzaffarnagar	Chaku(Arrival)(40kg Bag)	43000	49000	-6000
	Muzaffarnagar	Khurpa (Fresh)	2683	2666	17
	Muzaffarnagar	Laddoo (Fresh)	2965	2943	23
	Muzaffarnagar	Rascut (Fresh)	2546	2588	-42
	Hapur	Chaurasa	2715	2738	-23

	Hapur	Balti	2635	2656	-21
Andhra Pradesh	Chittur	Gold	NA	NA	-
		White	NA	NA	-
		Black	NA	NA	-
Maharashtra	Latur	Lal Variety	NA	NA	-
Karnataka	Bangalore	Mudde (Average)	4350	4350	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)	3317	3093	224
	Mandya	Kurikatu (Medium)	3110	2938	173
	Mandya	Other (Medium)	3060	2850	210
	Mandya	Yellow (Medium)	3117	2908	209
	Shimoga	Achhu (Average)	3700	3700	Unch

Spot Sugar Prices Scenario (Weekly)

Commodity	Centre	Variety	Today	Week Ago	Month Ago	Year Ago
Sugar			10-Mar-22	03-Mar-22	08-Feb-22	10-Mar-21
Delhi	Delhi	M-Grade	3370	3450	3400	3210
	Delhi	S-Grade	3350	3430	3380	3190
Uttar Pradesh	Khatauli	M-Grade	Closed	3500	0	3130
	Ramala	M-Grade	Closed	3380	0	0
	Dhampur	M-Grade Ex-Mill	Closed	3325	0	3070
	Dhampur	S-Grade Ex-Mill	Closed	3305	0	3050
	Dhampur	L-Grade Ex-Mill	Closed	3375	0	3120
Maharashtra	Mumbai	M-Grade	3520	3506	3646	3346
	Mumbai	S-Grade	3370	3356	3350	3202
	Nagpur	M-Grade	3375	3425	3375	3225
	Nagpur	S-Grade	3275	3325	3275	3145
	Kolhapur	M-Grade	3250	3300	3250	3100
	Kolhapur	S-Grade	3150	3200	3150	3020
Assam	Guhawati	S-Grade	3461	3512	3461	3329
Meghalaya	Shillong	S-Grade	3470	3520	3470	3340
Andhra Pradesh	Vijayawada	M-Grade (With Duty)	3800	3800	3800	3660
	Vijayawada	S-Grade (With Duty)	3760	3760	3760	3600
West Bengal	Kolkata	M-Grade	3690	3690	3730	3520
Tamil Nadu	Chennai	S-Grade	3600	3600	3750	3460
	Dindigul	M-Grade (DCA)	3890	3870	3890	3540

	Coimbatore	M-Grade (DCA)	3600	3780	3780	3540
Chattisgarh	Ambikapur	M-Grade (Without Duty)	3700	3700	3500	0

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)			10-Mar-22	03-Mar-22	08-Feb-22	10-Mar-21
Uttar Pradesh	Muzaffarnagar	Chaku Sukha	Closed	3000	3200	2725
	Muzaffarnagar	Chaku(Arrival)(40kg Bag)	Closed	10000	5000	12000
	Muzaffarnagar	Khurpa	Closed	2700	3025	2450
	Muzaffarnagar	Laddoo	Closed	2988	3303	2750
	Muzaffarnagar	Rascut	Closed	2563	2500	2275
	Hapur	Chaurasa	2738	2725	2775	2450
	Hapur	Balti	2650	2625	2750	2400
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)	4350	4350	4550	4150
	Belgaum	Mudde (Average)	NA	0	0	0
	Belthangadi	Yellow (Average)	NA	0	0	0
	Bijapur	Achhu	NA	0	0	0
	Gulbarga	Other (Average)	3300	0	3350	0
	Mahalingapura	Penti (Average)	NA	0	0	3200
	Mandya	Achhu (Medium)	3480	3020	2970	3600
	Mandya	Kurikatu (Medium)	3200	2930	2900	3500
	Mandya	Other (Medium)	3300	2810	2800	3580
	Mandya	Yellow (Medium)	3190	3000	2900	3620
	Shimoga	Achhu (Average)	3700	0	0	3450

International Sugar Prices (Weekly Average)				
	Contract Month	03rd Mar'22 to 09th Mar'22	24th Feb'22 to 02th Mar'22	Change
ICE Sugar #11 (US Cent/lb)	22-Mar	19.16	18.32	0.84
	22-May	19.14	18.03	1.11
	22-Jul	19.07	17.98	1.09
LIFFE Sugar (US \$/MT)	22-Mar	512.18	504.15	8.03
	22-May	525.16	492.25	32.91
	22-Aug	514.48	485.23	29.25

Source: MRCI

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