

Price Outlook:

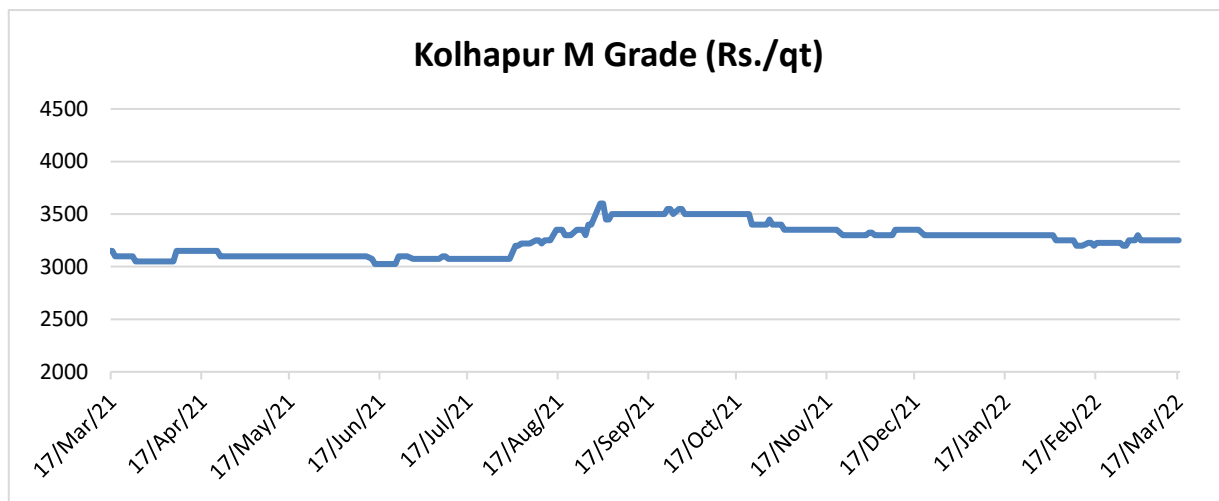
Prices in the major markets across India showed a mixed trend last week. The average sugar prices have eased marginally to Rs. 3430/qrtl this week from Rs.3436/qrtl last week in Delhi market. The prices in Maharashtra were stable at Rs.3250/qrtl. Agriwatch expects prices to remain stable in the coming week. Demand for sugar is expected to increase with the coming of the summer season may remain supportive for prices.

Price Projection for the Next week

As per the Agriwatch estimates, spot Sugar prices (M grade) in the benchmark Kolhapur market is likely to increase slightly 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, 81 sugar mills had stopped their crushing operations till 15th March 2022 in India. Last year, 503 sugar mills had operated, out of which 172 had stopped crushing on the corresponding date last year. Sugarcane crushing season in Maharashtra is in the final crushing phase. Average prices for Sugar 'M' grade in key Kolhapur market traded steady at Rs.3250 per quintal last week.



Domestic Market Highlights**Recent Updates:**

Around 435 sugar mills are currently in the cane crushing operation in India. Sugar mills have produced around 283.26 lakh tonnes of sugar till 15th March '2022 as against 259.37 lakh tonnes produced same period last year. The States of Andhra Pradesh & Telangana, Bihar, Uttarakhand, Punjab, Haryana and Madhya Pradesh & Chhattisgarh, Rajasthan, Odisha have collectively produced 26.43 lakh tonnes of sugar till 15th March, 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.

State	Sugar Production (as of 15th Mar.) (in Lakh Tonne)		Mills in Operation (as of 15th Mar.)	
	2020	2021	2020	2021
Maharashtra	94.05	108.95	140	184
Uttar Pradesh	84.25	78.33	102	104
Karnataka	41.95	54.65	4	48
Gujarat	8.49	9.15	13	15
Tamil Nadu	4.16	5.75	25	26

Previous Updates

- According to the Indian Sugar Mills Association, around 64-65 lakh tonnes of Sugar export have been contracted as of 15th March'22. Out of which, about 47 lakh tonnes of sugar have been physically exported from India up to 28th February, 2022, as compared to about 17.75 lakh tonnes exported last year during the corresponding period. Further, considering the pipeline, it is expected that physical exports by the end of this month may be around 55 – 56 lakh tonnes. Accordingly, it is estimated that in the current season, Indian sugar industry should be able to export 75 lakh tonnes.
- Sugar mills in Maharashtra have started closing their cane crushing operations as the season is nearing to an end. According to the Maharashtra Sugar Commissioner, Sugar mills in Maharashtra have produced 108.17 lakh tonnes of sugar till 14th March 2022 by crushing 1046.12 lakh tonnes of sugarcane. Maharashtra sugar recovery rate has reached 10.34 percent higher from previous week of 10.32 percent.
- Indian Sugar Mills Association has revised its sugar production estimate for 2021-22 Sugar Season for Maharashtra as 126 lakh tonnes (after diversion into ethanol), against 117 lakh tonnes estimated in its 2nd advance estimates. Similarly, Karnataka is now expected to produce 55 lakh tonnes (after diversion into ethanol), as against 45.21 lakh tonnes estimated earlier. However, not much change is expected in other States including U.P., and they are expected to produce 152 lakh tonnes of sugar (after diversion into ethanol). All India sugar production in 2021-22 season is therefore expected as 333 lakh tonnes, considering diversion of 34 lakh tonnes of sugar equivalent into ethanol. Agriwatch has estimated 320 lakh tonnes of sugar production for the 2021-22 season Higher from the previous season production of 309 lakh tonnes.

International Market Highlights

Previous Updates

- The Russian government has announced extending the ban on the export of sugar till the August end. As a result, Central Asian countries may face a sugar shortage. The ban on sugar export would affect Kazakhstan the most as the country's sugar output has been affected due to drought. The sugar output in the country has been lowered this season and the country imports 2/3 of the sugar to meet the domestic need. Half of the imported sugar comes from Russia. It also procures sugar from Belarus which is also facing sanctions due to the Russia-Ukraine crisis. The officials have stated that the country has sugar stocks that can last for only three months.
- Algeria government has banned the export of sugar as well as some other items like veg. oil, pasta, semolina, and wheat derivatives. The government has taken steps following the crisis looming due to Russia's invasion of Ukraine. Apart from Algeria, few more countries have taken steps to stock food items.
- Bangladesh government has decided to continue the import 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 scant 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 tonnes from an earlier projection of 2.55 million tonnes. The reduction in sugar consumption from 173.03 million tonnes to 172.44 million tonnes was the primary reason for lowering the global deficit. Earlier the global sugar output was projected to increase from 170.47 million tonnes to 170.51 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.
- Further, LIFFE future market is expected to remain steady in the coming week before correcting downwards.
- Currently trading above 536 US \$/ MT
- Total volume increased & open interest slightly decreased over a week.
- Strategy: Buy at level 532, T1 545

International Sugar Futures Price Projection			
	Contract Month	Present Quote	The expected Price level for next week
LIFFE Sugar (US \$/MT)	May'22	536	534-5600



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 is expected in the coming week.
- Strategy: Buy at rate 18.90 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)	May'22	18.93	18.92-19.30

Spot Sugar Prices Scenario (Weekly) (Average)

Commodity	Centre	Variety	Average Prices (Rs/Qtl)		Change
Sugar			10th Mar'22 to 16th Mar'22	03rd Mar'22 to 09th Mar'22	
Delhi	Delhi	M-Grade	3443	3430	13
	Delhi	S-Grade	3423	3410	13
Uttar Pradesh	Khatauli	M-Grade	NA	3543	-
	Ramala	M-Grade	NA	3420	-
	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	3514	3512	2
	Mumbai	S-Grade	3370	3362	8
	Nagpur	M-Grade	3375	3383	-8
	Nagpur	S-Grade	3275	3283	-8
	Kolhapur	M-Grade	3250	3258	-8
	Kolhapur	S-Grade	3150	3158	-8
Assam	Guhawati	S-Grade	3410	3418	-8
Meghalaya	Shillong	S-Grade	3470	3478	-8
Andhra Pradesh	Vijayawada	M-Grade (With Duty)	3800	3800	Unch
	Vijayawada	S-Grade (With Duty)	3760	3760	Unch
West Bengal	Kolkata	M-Grade	3690	3690	Unch
Tamil Nadu	Chennai	S-Grade (With GST)	3600	3600	Unch
	Dindigul	M-Grade (DCA)	3890	3880	10
	Coimbatore	M-Grade (DCA)	3600	3720	-120
Chattisgarh	Ambikapur	M-Grade (Without Duty)	3617	3700	-83

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 Mar'22 to 16th Mar'22	03rd Mar'22 to 09th Mar'22	
Uttar Pradesh	Muzaffarnagar	Chaku Fresh	2988	3001	-13
	Muzaffarnagar	Chaku(Arrival)(40kg Bag)	12400	43000	-30600
	Muzaffarnagar	Khurpa (Fresh)	2605	2683	-78
	Muzaffarnagar	Laddoo (Fresh)	2970	2965	5
	Muzaffarnagar	Rascut (Fresh)	2585	2546	39

	Hapur	Chaurasa	2720	2715	5
	Hapur	Balti	2645	2635	10
Andhra Pradesh	Chittur	Gold	NA	NA	-
		White	NA	NA	-
		Black	NA	NA	-
Maharashtra	Latur	Lal Variety	NA	NA	-
Karnataka	Bangalore	Mudde (Average)	4410	4350	60
	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)	3458	3317	142
	Mandya	Kurikatu (Medium)	3190	3110	80
	Mandya	Other (Medium)	3228	3060	168
	Mandya	Yellow (Medium)	3180	3117	63
	Shimoga	Achhu (Average)	3700	3700	Unch

Spot Sugar Prices Scenario (Weekly)

Commodity	Centre	Variety	Today	Week Ago	Month Ago	Year Ago
Sugar			19-Mar-22	12-Mar-22	18-Feb-22	19-Mar-21
Delhi	Delhi	M-Grade	3380	3475	3440	3150
	Delhi	S-Grade	3360	3455	3420	3130
Uttar Pradesh	Khatauli	M-Grade	NA	NA	NA	3090
	Ramala	M-Grade	NA	NA	NA	0
	Dhampur	M-Grade Ex-Mill	NA	NA	NA	3125
	Dhampur	S-Grade Ex-Mill	NA	NA	NA	3105
	Dhampur	L-Grade Ex-Mill	NA	NA	NA	3175
Maharashtra	Mumbai	M-Grade	3506	3516	3502	3382
	Mumbai	S-Grade	3366	3370	3342	3202
	Nagpur	M-Grade	3375	3375	3350	3225
	Nagpur	S-Grade	3275	3275	3250	3125
	Kolhapur	M-Grade	3250	3250	3225	3100
	Kolhapur	S-Grade	3150	3150	3125	3000
Assam	Guhawati	S-Grade	3461	3461	3436	3309
Meghalaya	Shillong	S-Grade	3470	3470	3445	3320
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	3800	3520
Tamil Nadu	Chennai	S-Grade	3640	3600	3650	3450

	Dindigul	M-Grade (DCA)	3890	3890	3890	3540
	Coimbatore	M-Grade (DCA)	3600	3600	3780	3540
Chattisgarh	Ambikapur	M-Grade (Without Duty)	3600	3600	3600	0

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

*DCA: Department of consumer affairs

Spot Jaggery(Gur) Prices Scenario (Weekly)

Commodity			Today	Week Ago	Month Ago	Year Ago
Jaggery(Gur)	Centre	Variety	19-Mar-22	12-Mar-22	18-Feb-22	19-Mar-21
Uttar Pradesh	Muzaffarnagar	Chaku Sukha	2975	3013	2975	2788
	Muzaffarnagar	Chaku(Arrival)(40kg Bag)	2000	15000	10000	6000
	Muzaffarnagar	Khurpa	2625	2650	2675	2538
	Muzaffarnagar	Laddoo	2950	3038	3053	2800
	Muzaffarnagar	Rascut	2563	2588	2563	2275
	Hapur	Chaurasa	2688	2725	2663	2513
	Hapur	Balti	2625	2650	2613	2413
Andhra Pradesh	Chittur	Gold	NA	NA	NA	NA
		White	NA	NA	NA	NA
		Black	NA	NA	NA	NA
Maharashtra	Latur	Lal Variety	NA	NA	NA	NA
Karnataka	Bangalore	Mudde (Average)	NA	0	4550	4150
	Belgaum	Mudde (Average)	NA	NA	NA	NA
	Belthangadi	Yellow (Average)	NA	NA	NA	NA
	Bijapur	Achhu	NA	NA	NA	NA
	Gulbarga	Other (Average)	NA	2700	3350	0
	Mahalingapura	Penti (Average)	NA	NA	NA	3204
	Mandya	Achhu (Medium)	3400	3400	3100	3830
	Mandya	Kurikatu (Medium)	3200	3200	2980	3560
	Mandya	Other (Medium)	3050	3200	2900	3550
	Mandya	Yellow (Medium)	3250	3100	3000	3650
	Shimoga	Achhu (Average)	3700	0	3700	3450

International Sugar Prices (Weekly Average)				
	Contract Month	10th Mar'22 to 16th Mar'22	03rd Mar'22 to 09th Mar'22	Change
ICE Sugar #11 (US Cent/lb)	22-Mar	19.12	19.16	-0.04
	22-May	18.93	19.14	-0.21
	22-Jul	18.93	19.07	-0.14
LIFFE Sugar (US \$/MT)	22-Mar	512.28	512.18	0.10
	22-May	522.58	525.16	-2.58
	22-Aug	513.38	514.48	-1.10

Source: MRCI

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