

Price Outlook:

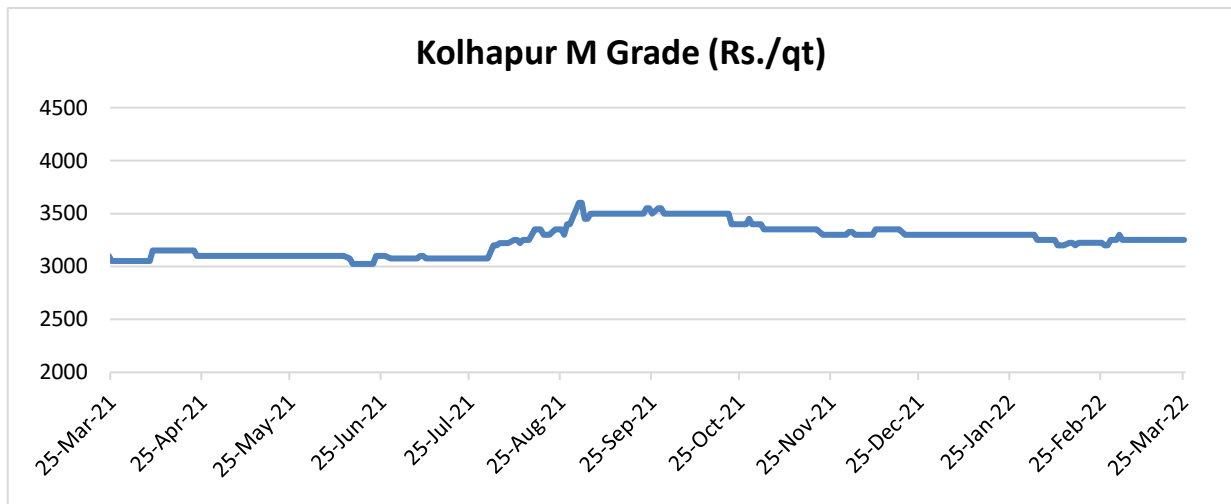
Prices in the major markets across India showed a mixed trend last week. The average sugar prices have increased marginally to Rs. 3371/qrtl this week from Rs.3443/qrtl last week in Delhi market. The prices in Maharashtra were stable at Rs.3250/qrtl. Agriwatch expects prices to remain stable in the coming 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:

Uttar Pradesh is likely to witness lower sugar production in the current 2021-22 season as compared to the previous season. The diversion of sugar to ethanol production and the rising disease and pest infestation are the major reasons for the lower sugar output. Indian Sugar Mills Association has earlier estimated sugar production in UP to be 102 lakh tonnes as against 110.59 lakh tonnes in last year. Sugar mills have produced 82.28 lakh tonnes of sugar by crushing 817.01 lakh tonnes of sugarcane till 23rd March 22.

Previous 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

- Agriwatch expects sugar exports to reach 80 lakh tonnes during the 2021-22 season. With crude prices seeing a sharp increase in recent weeks due to the Ukraine-Russia conflict, the freight costs have increased. As a result, importers in the Middle East, East Africa and South-East Asia are preferring the Indian sugar over Brazilian supplies. As per Agriwatch market sources, around 71 lakh tonnes of sugar exports contracts have been signed so far in the 2021-22 season.
- Sugar season in Maharashtra has entered the last phase with mills closing their operations after completing crushing of the cane available in their region. According to the Maharashtra Sugar Commissioner, Sugar mills in Maharashtra have produced 1111.64 lakh tonnes of sugar till 20th March 2022 by crushing 1072.58 lakh tonnes of sugarcane. Maharashtra sugar recovery rate has reached 10.36 percent higher from previous week of 10.34 percent.

International Market Highlights

Previous Updates

- According to the Thai Sugar Millers Corporation, the sugar output in Thailand is likely to reach 10 million tonnes by 31st March 22. After two years of low output, sugar production in Thailand is likely to increase in the current season over good yield following favorable weather. The sugar mills have produced 9.6 million tonnes of sugar by crushing 87.75 million tonnes of cane so far. The sugar output in the last season was 66.7 million tonnes and in this season it is expected to rise by 35% to 90 million tonnes.
- The sugar production in Pakistan likely to increase by 2 million tonnes from last year to 7.5 million tonnes. As a result, Pakistan is back to sugar surplus country from deficit. Ex-mill sugar prices are now around Rs 81/kg substantially lower from last year.
- The Russian government has informed that it has sufficient sugar to meet the domestic demand and warned consumers against panic-buying after the country was hit with sanctions from the West due to its military invasion in Ukraine. According to the Russian government, the country has enough sugar to cater to the domestic demand and there is no need for panic-buying the commodity as this would destabilize the production network in the country. Some regions in the country had reported a shortage of sugar due to panic-buying and the government has already banned the export of sugar until 31st August 2022 and set a duty-free quota for imports of 300,000 tonnes of sugar and raw sugar, hoping to ease domestic food inflation.
- 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 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 562 US \$/ MT
- Total volume increased & open interest slightly decreased over a week.
- Strategy: Buy at level 558, T1 575

International Sugar Futures Price Projection			
	Contract Month	Present Quote	The expected Price level for next week
LIFFE Sugar (US \$/MT)	May'22	562	562-590



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 slightly 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 19.65 Targeting 19.80.

International Sugar Futures Price Projection			
	Contract Month	Present Quote	The expected Price level for next week
ICE Sugar #11 (US Cent/lb)	May'22	19.61	19.60-20.05

Spot Sugar Prices Scenario (Weekly) (Average)					
Commodity	Centre	Variety	Average Prices (Rs/Qtl)		Change
Sugar			17th Mar'22 to 23rd Mar'22	10th Mar'22 to 16th Mar'22	
Delhi	Delhi	M-Grade	3371	3443	-72
	Delhi	S-Grade	3351	3423	-72
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	3506	3514	-8
	Mumbai	S-Grade	3366	3370	-4
	Nagpur	M-Grade	3375	3375	Unch
	Nagpur	S-Grade	3275	3275	Unch
	Kolhapur	M-Grade	3250	3250	Unch
	Kolhapur	S-Grade	3150	3150	Unch
Assam	Guhawati	S-Grade	3410	3410	Unch
Meghalaya	Shillong	S-Grade	3470	3470	Unch
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)	3632	3600	32
	Dindigul	M-Grade (DCA)	3890	3890	Unch
	Coimbatore	M-Grade (DCA)	3600	3600	Unch
Chattisgarh	Ambikapur	M-Grade (Without Duty)	3600	3617	-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)			17th Mar'22 to 23rd Mar'22	10th Mar'22 to 16th Mar'22	
Uttar Pradesh	Muzaffarnagar	Chaku Fresh	2975	2988	-13
	Muzaffarnagar	Chaku(Arrival)(40kg Bag)	32500	12400	20100
	Muzaffarnagar	Khurpa (Fresh)	2615	2605	10
	Muzaffarnagar	Laddoo (Fresh)	2955	2970	-15
	Muzaffarnagar	Rascut (Fresh)	2563	2585	-23
	Hapur	Chaurasa	2694	2720	-26

	Hapur	Balti	2631	2645	-14
Andhra Pradesh	Chittur	Gold	NA	NA	-
		White	NA	NA	-
		Black	NA	NA	-
Maharashtra	Latur	Lal Variety	NA	NA	-
Karnataka	Bangalore	Mudde (Average)	4500	4410	90
	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)	3433	3458	-26
	Mandya	Kurikatu (Medium)	3163	3190	-28
	Mandya	Other (Medium)	3100	3228	-128
	Mandya	Yellow (Medium)	3265	3180	85
	Shimoga	Achhu (Average)	3700	3700	Unch

Spot Sugar Prices Scenario (Weekly)						
Commodity	Centre	Variety	Today	Week Ago	Month Ago	Year Ago
Sugar			26-Mar-22	19-Mar-22	24-Feb-22	26-Mar-21
Delhi	Delhi	M-Grade	3350	3380	3410	3130
	Delhi	S-Grade	3330	3360	3390	3110
Uttar Pradesh	Khatauli	M-Grade	NR	0	3470	3045
	Ramala	M-Grade	NR	0	3320	0
	Dhampur	M-Grade Ex-Mill	NR	0	3285	3050
	Dhampur	S-Grade Ex-Mill	NR	0	3265	3030
	Dhampur	L-Grade Ex-Mill	NR	0	3335	3100
Maharashtra	Mumbai	M-Grade	3520	3506	3500	3306
	Mumbai	S-Grade	3366	3366	3340	3202
	Nagpur	M-Grade	3375	3375	3350	3175
	Nagpur	S-Grade	3275	3275	3250	3125
	Kolhapur	M-Grade	3250	3250	3225	3050
	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	3600
	Vijayawada	S-Grade (With Duty)	3760	3760	3760	3600
West Bengal	Kolkata	M-Grade	3690	3690	3800	3520
Tamil Nadu	Chennai	S-Grade	3640	3640	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	Centre	Variety	Today	Week Ago	Month Ago	Year Ago
Jaggery(Gur)			26-Mar-22	19-Mar-22	24-Feb-22	26-Mar-21
Uttar Pradesh	Muzaffarnagar	Chaku Sukha	3113	2975	3000	2830
	Muzaffarnagar	Chaku(Arrival)(40kg Bag)	5000	2000	10000	5000
	Muzaffarnagar	Khurpa	2900	2625	2613	2563
	Muzaffarnagar	Laddoo	3063	2950	3000	2850
	Muzaffarnagar	Rascut	2588	2563	2550	2313
	Hapur	Chaurasa	2675	2688	2700	2525
	Hapur	Balti	2650	2625	2650	2450
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	NA	4350	4350
	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	3200	0
	Mahalingapura	Penti (Average)	NA	0	0	0
	Mandya	Achhu (Medium)	3400	3400	3120	3750
	Mandya	Kurikatu (Medium)	3150	3200	2950	3500
	Mandya	Other (Medium)	3000	3050	2800	3400
	Mandya	Yellow (Medium)	3250	3250	2910	3540
	Shimoga	Achhu (Average)	NA	3700	0	3450

International Sugar Prices (Weekly Average)				
	Contract Month	17th Mar'22 to 23rd Mar'22	10th Mar'22 to 16th Mar'22	Change
ICE Sugar #11 (US Cent/lb)	22-Mar	19.23	19.12	0.11
	22-May	19.11	18.93	0.18
	22-Jul	10.01	18.93	-8.92
LIFFE Sugar (US \$/MT)	22-Mar	506.10	512.28	-6.18
	22-May	543.36	522.58	20.78
	22-Aug	527.34	513.38	13.96

Source: MRCI

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