

Price Outlook:

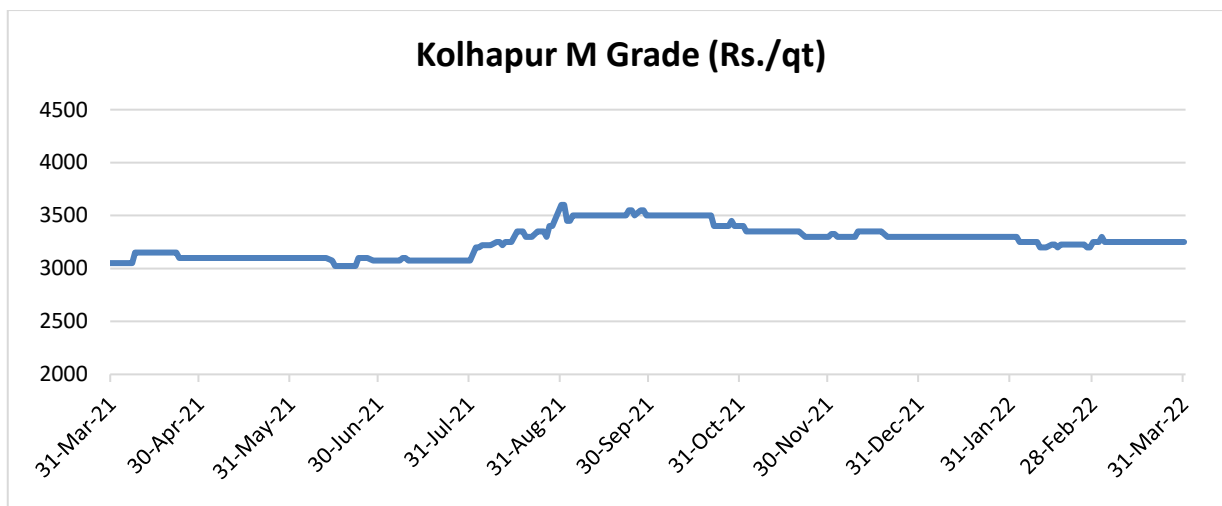
Prices in the major markets across India showed a mixed trend last week. The average sugar prices have increased marginally to Rs. 3395/qrtl this week from Rs.3371/qrtl last week in Delhi market. The prices in Maharashtra were stable at Rs.3250/qrtl. Agriwatch expects prices to remain stable in the coming 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

Agriwatch expects that 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

Sugarcane crushing season is in the final crushing phase across India. Average prices for Sugar 'M' grade in key Kolhapur market traded steady at Rs.3250 per quintal last week.



Domestic Market Highlights

Recent Updates:

The food ministry has allocated 22 lakh tonnes of monthly sugar sales quota for April 2022 which is the same quantity allocated in the last season. In the previous month, the food ministry has allocated 21.5 lakh tonnes of sugar sales quota.

Previous Updates

- According to the Sugar Commissionerate Maharashtra, total of 197 sugar mills participated in the crushing operation including 98 cooperative mills and 99 private mills. Out of that, till 27th March, 2022, a total of 25 sugar mills have stopped operations including 19 from the Kolhapur division, one each from Aurangabad and Nagpur, and 4 from Solapur division. Sugar mills in Maharashtra have produced 11.62 lakh tonnes sugar by crushing 1120.04 lakh tonnes sugarcane with a recovery of 10.38 percent slightly higher from the previous week of 10.36 percent till 27th March, 2022.
- Sudden rainfall accompanied by a whirlwind has damaged 10 acres of sugarcane crops grown near Thalavadi in Erode district of Tamil Nadu on 27th March 2022. The sudden rain and whirlwind damaged all the standing sugarcane crops that were about to be harvested for crushing. The areas of Mallankuzhi, Thalavadi, Tamilpuram, and surrounding villages were hit by the heavy rain. According to the market sources, the Agriculture Department officials has visited the fields on 28th March 2022 and have assured the farmers that the government would take the necessary step to provide assistance.
- As per Agriwatch market sources no major crop loss would be there as only few fields in some villages have been majorly affected because of heavy winds. Although, heavy rains will lead to a little delay in harvesting of the crop. The area under sugarcane was higher in Tamil Nadu during 2021-22 season at 1.71 lakh hectares as compared to 1.50 lakh hectares in 2020-21 season. As a result of increase in area and better yield in the ongoing season, the production has increased. The total production till 15th March 2022 in Tamil Nadu was 5.75 lakh tonnes as compared to 4.16 lakh tonnes.
- 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

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

production for major states till 28th February 2022 and its comparison with the previous year.

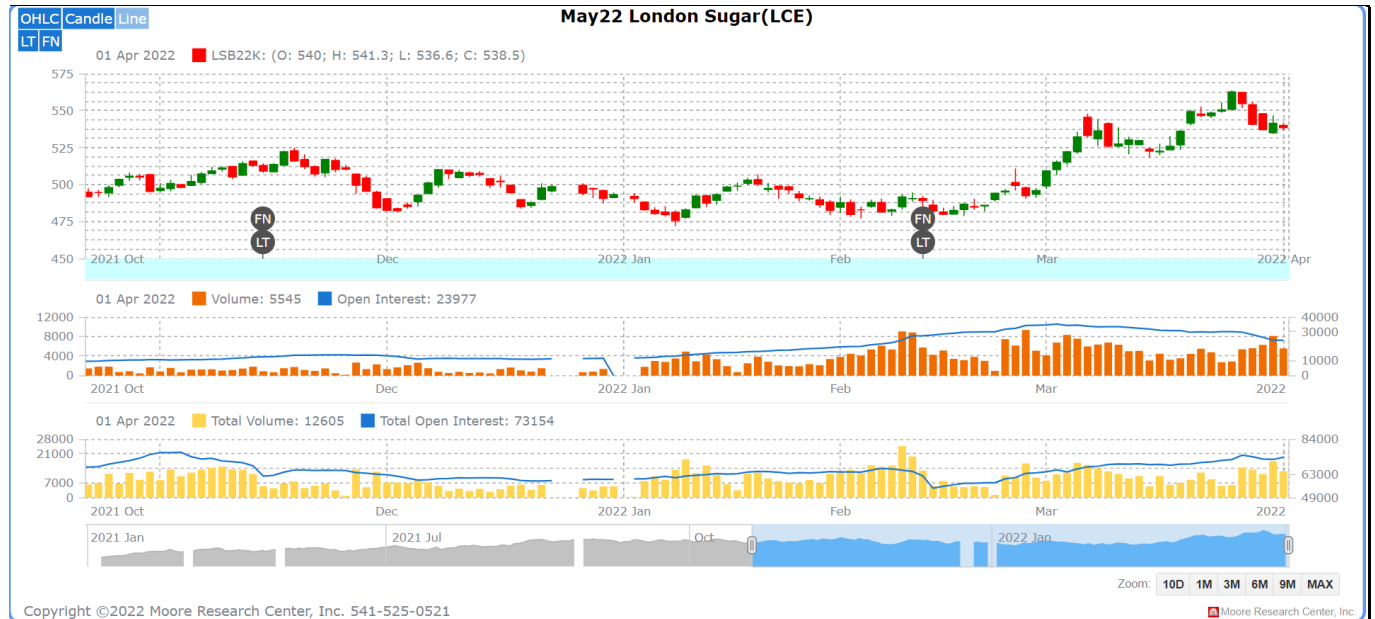
- Uttar Pradesh is likely to witness lower sugar production in the current 2021-22 season as compared to the previous season. The diversion of sugar to ethanol production and the rising disease and pest infestation are the major reasons for the lower sugar output. Indian Sugar Mills Association has earlier 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.
- 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.

International Market Highlights

Previous Updates

- According to the Unica, Sugarcane crushing in Brazil is down by 91 per cent in early March as compared to the same period last year. The mills in the first half of March have crushed only 142,000 tonnes of sugarcane as the companies are waiting for the crop to fully develop and they have enough stocks of sugar and ethanol. The mills are primarily focused on ethanol production in the first half of March. Traditionally mills start crushing in March though the official crushing season starts in April. The recent frost and severe drought last year have hampered the development of the crop for the 2022 season, and they are waiting for the growth of the crop to start harvesting. Earlier, Brazil has faced a severe drought in 2021 that led to the slower development of the sugarcane crop in the 2022 season.
- 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.
- 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 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.

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 538 US \$/ MT
- Total volume increased & open interest slightly decreased over a week.
- Strategy: Buy at level 542, T1 560

International Sugar Futures Price Projection			
	Contract Month	Present Quote	The expected Price level for next week
LIFFE Sugar (US \$/MT)	May'22	538	540-575



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 already been crossed with the starting of March month. Further upward trend is expected in the coming week.
- Strategy: Buy at rate 19.45 Targeting 19.50.

International Sugar Futures Price Projection

	Contract Month	Present Quote	The expected Price level for next week
ICE Sugar #11 (US Cent/lb)	May'22	19.37	19.40-20.05

Spot Sugar Prices Scenario (Weekly) (Average)					
Commodity	Centre	Variety	Average Prices (Rs/Qtl)		Change
Sugar			24th Mar'22 to 30th Mar'22	17th Mar'22 to 23rd Mar'22	
Delhi	Delhi	M-Grade	3395	3371	24
	Delhi	S-Grade	3375	3351	24
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	3511	3506	5
	Mumbai	S-Grade	3366	3366	Unch
	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	3705	3690	15
Tamil Nadu	Chennai	S-Grade (With GST)	3640	3632	8
	Dindigul	M-Grade (DCA)	3850	3890	-40
	Coimbatore	M-Grade (DCA)	3600	3600	Unch
Chattisgarh	Ambikapur	M-Grade (Without Duty)	3600	3600	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)			24th Mar'22 to 30th Mar'22	17th Mar'22 to 23rd Mar'22	
Uttar Pradesh	Muzaffarnagar	Chaku Fresh	3113	2975	138
	Muzaffarnagar	Chaku(Arrival)(40kg Bag)	37000	32500	4500
	Muzaffarnagar	Khurpa (Fresh)	2785	2615	170
	Muzaffarnagar	Laddoo (Fresh)	3052	2955	97
	Muzaffarnagar	Rascut (Fresh)	2590	2563	27
	Hapur	Chaurasa	2685	2694	-9

	Hapur	Balti	2645	2631	14
Andhra Pradesh	Chittur	Gold	NA	NA	-
		White	NA	NA	-
		Black	NA	NA	-
Maharashtra	Latur	Lal Variety	NA	NA	-
Karnataka	Bangalore	Mudde (Average)	4560	4500	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)	3568	3433	136
	Mandya	Kurikatu (Medium)	3217	3163	54
	Mandya	Other (Medium)	3140	3100	40
	Mandya	Yellow (Medium)	3248	3265	-17
	Shimoga	Achhu (Average)	3720	3700	20

Spot Sugar Prices Scenario (Weekly)						
Commodity	Centre	Variety	Today	Week Ago	Month Ago	Year Ago
Sugar			1-Apr-22	24-Mar-22	2-Mar-22	1-Apr-21
Delhi	Delhi	M-Grade	3480	3415	3450	3180
	Delhi	S-Grade	3460	3395	3430	3160
Uttar Pradesh	Khatauli	M-Grade	NR	0	3520	3075
	Ramala	M-Grade	NR	0	3400	NA
	Dhampur	M-Grade Ex-Mill	NR	0	3350	3070
	Dhampur	S-Grade Ex-Mill	NR	0	3330	3050
	Dhampur	L-Grade Ex-Mill	NR	0	3400	3120
Maharashtra	Mumbai	M-Grade	3546	3450	3506	3302
	Mumbai	S-Grade	3380	3366	3356	3206
	Nagpur	M-Grade	3375	3375	3375	3175
	Nagpur	S-Grade	3275	3275	3275	3125
	Kolhapur	M-Grade	3250	3250	3250	3050
	Kolhapur	S-Grade	3150	3150	3150	3000
Assam	Guhawati	S-Grade	3461	3461	3461	3309
Meghalaya	Shillong	S-Grade	3470	3470	3470	3320
Andhra Pradesh	Vijayawada	M-Grade (With Duty)	3800	3800	3800	3600
	Vijayawada	S-Grade (With Duty)	3760	3760	3760	3580
West Bengal	Kolkata	M-Grade	3720	3690	3690	3520
Tamil Nadu	Chennai	S-Grade	3640	3640	3600	3450

	Dindigul	M-Grade (DCA)	3810	3890	3870	3540
	Coimbatore	M-Grade (DCA)	3600	3600	3780	3540
Chattisgarh	Ambikapur	M-Grade (Without Duty)	3600	3600	3700	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)			1-Apr-22	24-Mar-22	2-Mar-22	1-Apr-21
Uttar Pradesh	Muzaffarnagar	Chaku Sukha	3200	3100	3000	2650
	Muzaffarnagar	Chaku(Arrival)(40kg Bag)	5000	12000	10000	5000
	Muzaffarnagar	Khurpa	2975	2675	2700	2400
	Muzaffarnagar	Laddoo	3175	3013	2988	2750
	Muzaffarnagar	Rascut	2688	2588	2563	2188
	Hapur	Chaurasa	NR	2675	2750	2550
	Hapur	Balti	NR	2625	2625	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)	NA	4500	4350	4350
	Belgaum	Mudde (Average)	NA	0	0	3800
	Belthangadi	Yellow (Average)	NA	0	0	0
	Bijapur	Achhu	NA	0	0	0
	Gulbarga	Other (Average)	NA	3000	0	0
	Mahalingapura	Penti (Average)	NA	0	0	3211
	Mandya	Achhu (Medium)	NA	3500	3050	3870
	Mandya	Kurikatu (Medium)	NA	3170	2900	3410
	Mandya	Other (Medium)	NA	3150	2850	3480
	Mandya	Yellow (Medium)	NA	3180	2920	3620
	Shimoga	Achhu (Average)	NA	3700	3700	3450

International Sugar Prices (Weekly Average)				
	Contract Month	24th Mar'22 to 30th Mar'22	17th Mar'22 to 23rd Mar'22	Change
ICE Sugar #11 (US Cent/lb)	22-Mar	19.49	19.23	0.26
	22-May	19.38	19.11	0.27
	22-Jul	19.30	10.01	9.29
LIFFE Sugar (US \$/MT)	22-Mar	523.40	506.10	17.30
	22-May	546.08	543.36	2.72
	22-Aug	532.88	527.34	5.54

Source: MRCI

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