

Domestic Market Highlights

Recent Updates:

According to the data released by Agriculture Ministry, as of 29th July 2022, Sugarcane sowing has been reported at 54.41 lakh hectares which was 55.83 lakh hectares in the previous 2021-22 season.

According to Indian Sugar Mills Association Preliminary estimate, the total acreage under sugarcane in India is estimated to be around 58.28 lakh hectares in 2022-23 Season, which is about 4% higher than 2021-22 sugar seasons of 55.83 lakh hectares. As of 15th July 2022, Sugar Production is expected to be 354.97 lakh tonnes in the 2022-23 season as compared to previous season 360 lakh tonnes.

States	Sugarcane Acreage		% Change over the last year
	Lakh Hectares		
	2021-22	2022-23	
Uttar Pradesh	23.08	23.72	3
Maharashtra	13.5	14.41	7
Karnataka	5.85	6.25	7
Tamil Nadu	2.6	2.75	6
Gujarat	2.1	2.2	5
Others	8.7	9.01	4
Total End of season	55.83	58.28	4

Source: ISMA

States	2021-22(up to 15th July 2022)				2022-23	
	Estimated Sugar Production	Estimated sugar Diversion	Actual Sugar production	Estimated Sugar Production	Estimated Sugar Diversion	Actual Sugar Production
	Before Diversion		After Diversion	Before Diversion		After Diversion
	Lakh Tonnes	Lakh Tonnes	Lakh Tonnes	Lakh Tonnes	Lakh Tonnes	Lakh Tonnes
Uttar Pradesh	114.98	34.02	102.48	120.49	45	
Maharashtra	148.65		137.36	148.9		
Karnataka	66.22		58.85	65.9		
Tamil Nadu	10.24		10.05	13.96		
Gujarat	12.27		12.12	12.79		
Others	35.36		32.84	37.93		
Total Sugar 2021-22	387.72		353.69			
Total End of season	394	34.02	360	399.97	45	354.97

Source: ISMA

As depicted in the above table, net sugar production before considering diversion towards ethanol is estimated to be higher at 399.97 lakh tons, against 394 lakh tons during the 2021-22 season. However, in the current year sugar diversion towards the production of ethanol is estimated to be higher.

According to Indian Sugar Mills Association, in the current season, till 15th July, 2022, total contracted quantity of ethanol is 444.42 crore liters. Out of this, 362.16 crore liters is from sugar industry. Out of this 362.16 cr ltrs, ethanol manufactured from sugarcane juice and B-Heavy molasses (BHM) stands at 349.49 crore liters (79.33 crore liters from sugarcane juice and 270.16 crore liters from BHM), which translates into diversion of about 34 lac tons of sugar into ethanol.

Since a significant quantity of sugarcane juice / syrup and B-molasses will again be diverted into ethanol production, a proportionate quantity of sugar will get diverted in next season also. During the next year 2022-23, since the target of 12% blending is expected to be achieved, a total of about 545 crore litres of ethanol would be required and supplied. Accordingly, it is estimated that the diversion of cane juice and B-molasses to ethanol will reduce sugar production by about 45 lakh tons in next season, as compared to about 34 lakh tons estimated to be diverted this year. Therefore, after accounting for the reduction of 45 lac tons in sugar production due to diversion of cane juice and B molasses to ethanol. The above estimate is made assuming normal rainfall and other optimum conditions during the remaining period.

Sugarcane cultivation has been affected due to Pokkaboing Disease in Tamil Nadu. The Disease is marked by the chlorotic patches towards the base of young leaves. It is caused by a complex fungal species. Farmers from areas like Veeramangudi, Ganapathi, Agraharam, Someshwarapuram, and Manalur in Papanasam block and Echangudi, Peramur, Okkakudi in Thiruvaiyaru have raised sugarcane on more than 1,000 acres. Out of these, around 300 acres has been affected severely.

International Market Highlights

Previous Updates

- According to Unica, Brazil's Center South region sugarcane crushing in the first half of July'22 has reached 46.34 million tonnes higher as compared to the previous season by 0.48 percent. Sugar production has reached 2.97 million tonnes in the first half of July 2022. Brazil has also been facing lower raw material quality in 2022-23 season, with total recoverable sugar content down 3.3% in late June and 4.35% so far in this season.
- The Raw Sugar futures ICE fell to a one year low on 26th July 2022, weighed partly by stronger than expected production in the center south region of Brazil. The LIFE Sugar however traded higher at Rs. 3813 per Quintal as compared to the previous season of Rs. 3397 per Quintal.

International Sugar Futures ICE					(Rs/Qtl)	
Futures month	% Change over previous year	Today	Week ago	Month Ago	Year Ago	RBI Dollar
		29-Jul-22	25-Jul-22	01-Jul-22	30-Jul-21	30-Jul-22
22-May	6.67	2964	2991	3120	2778	79.20
22-Jul	5.55	3147	3159	3202	2982	
22-Oct	-1.08	3035	3054	3253	3068	

(Source: mrci)

International Sugar Futures LIFFE					(Rs/Qtl)	
Futures month	% Change over previous year	Today	Week ago	Month Ago	Year Ago	RBI Dollar
		29-Jul-22	25-Jul-22	01-Jul-22	30-Jul-21	30-Jul-22
22-May	6.77	3763	3777	4035	3524	79.20
22-Aug	15.03	3950	3920	3890	3434	
22-Oct	10.54	3819	3821	4184	3454	

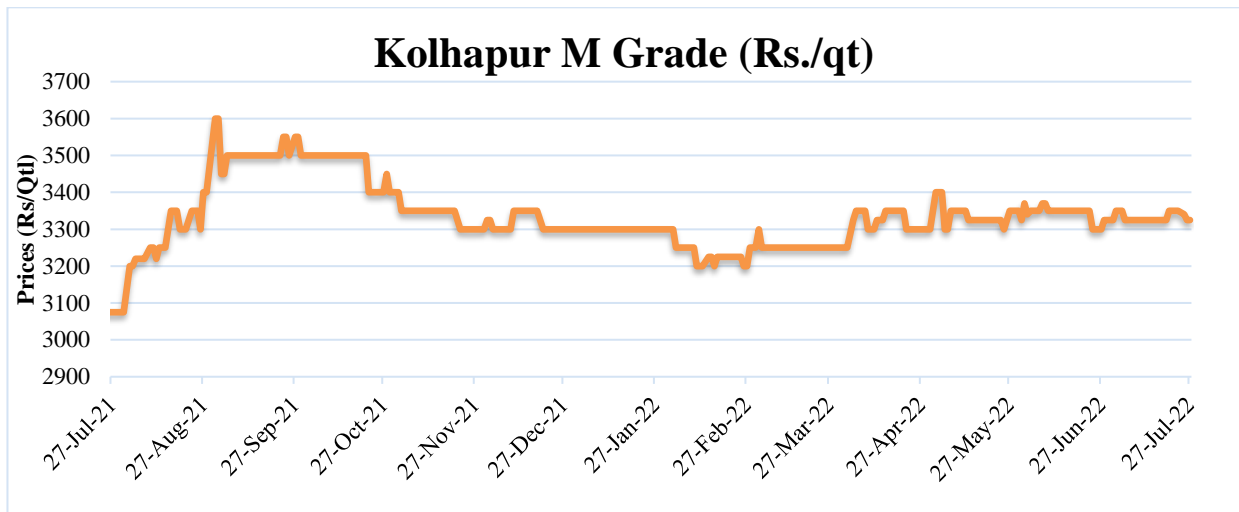
(Source: mrci)

Price Outlook:

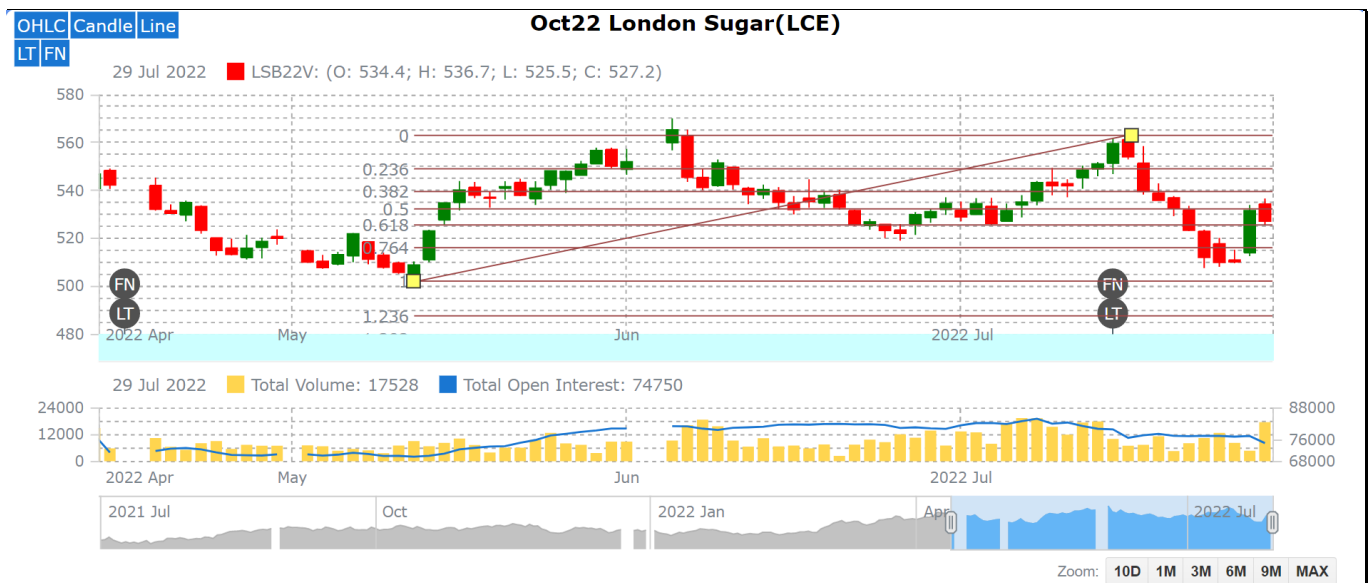
- The average sugar prices were slightly higher at Rs. 3,441 per quintal during the past week from Rs.3,427 per quintal in Delhi market. Whereas, sugar prices in Maharashtra have decreased to Rs.3332 per quintal. Agriwatch expects prices to remain range bound in the coming week.

Price Projection for the Next week

- Agriwatch expects that spot Sugar prices (M grade) in the benchmark Kolhapur market is likely to range in between Rs.3350 -3450 per quintal. Average prices for Sugar 'M' grade in key Kolhapur market was at Rs.3350 per quintal last week.



International Sugar Futures Price Projection



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

Technical Commentary

- As depicted in the above chart, prices has again re-gained after a fall in the last week.
- Market has broken 38 percent Fibonacci retracement level.
- Overall, the prices are expected to remain elevated in the coming week.

International Sugar Futures Price Projection

	Contract Month	Present Quote	The expected Price level for next week
LIFFE Sugar (US \$/MT)	Oct'22	527	530-545



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

Technical Commentary:

- ☐ As depicted in the above chart, market has broken more than 76 percent Fibonacci retracement.
- ☐ Market is further expected to remain range bound in the coming week.

International Sugar Futures Price Projection

	Contract Month	Present Quote	The expected Price level for next week
ICE Sugar #11 (US Cent/lb)	Oct'22	17.54	17.40-18.56

Spot Sugar Prices Scenario (Weekly) (Average)

Commodity	Centre	Variety	Average Prices (Rs/Qtl)		Change
Sugar			25th June'22 to 30th June'22	18th June'22 to 23rd June'22	
Delhi	Delhi	M-Grade	3441	3427	14
	Delhi	S-Grade	3421	3407	14
Maharashtra	Mumbai	M-Grade	3556	3560	-5
	Mumbai	S-Grade	3432	3417	15
	Nagpur	M-Grade	3457	3467	-10
	Nagpur	S-Grade	3357	3367	-10
	Kolhapur	M-Grade	3332	3342	-10
	Kolhapur	S-Grade	3232	3242	-10
Assam	Guhawati	S-Grade	3492	3502	-10
Meghalaya	Shillong	S-Grade	3552	3562	-10
Andhra Pradesh	Vijayawada	M-Grade (With Duty)	3960	3950	10
	Vijayawada	S-Grade (With Duty)	3870	3850	20
West Bengal	Kolkata	M-Grade	3810	3810	Unch
Tamil Nadu	Chennai	S-Grade (With GST)	3475	3475	Unch
	Dindigul	M-Grade (DCA)	3850	3820	30
	Coimbatore	M-Grade (DCA)	3840	3840	Unch
Chattisgarh	Ambikapur	M-Grade (Without Duty)	3900	3840	60

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)			25th June'22 to 30th June'22	18th June'22 to 23rd June'22	
Uttar Pradesh	Muzaffarnagar	Chaku Fresh	NA	NA	-
	Muzaffarnagar	Chaku(Arrival)(40kg Bag)	NA	NA	-
	Muzaffarnagar	Khurpa (Fresh)	NA	NA	-
	Muzaffarnagar	Laddoo (Fresh)	NA	NA	-
	Muzaffarnagar	Rascut (Fresh)	NA	NA	-
	Hapur	Chaurasa	3053	3047	7
	Hapur	Balti	3053	3047	7
Andhra Pradesh	Chittur	Gold	NA	NA	-
		White	NA	NA	-

		Black	NA	NA	-
Maharashtra	Latur	Lal Variety	NA	NA	-
Karnataka	Bangalore	Mudde (Average)	4550	4490	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)	3486	3300	186
	Mandya	Kurikatu (Medium)	3236	3200	36
	Mandya	Other (Medium)	3268	3100	168
	Mandya	Yellow (Medium)	3336	3250	86
	Shimoga	Achhu (Average)	3700	3700	Unch

International Sugar Prices (Weekly Average)				
	Contract Month	25th June'22 to 30th June'22	18th June'22 to 23rd June'22	Change
ICE Sugar #11 (US Cent/lb)	22-May	17.05	18.04	-0.99
	22-Jul	16.70	17.59	-0.89
	22-Oct	16.68	17.41	-0.73
LIFFE Sugar (US \$/MT)	22-May	479.22	497.94	-18.72
	22-Aug	472.92	489.12	-16.20
	22-Oct	518.22	536.60	-18.38

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