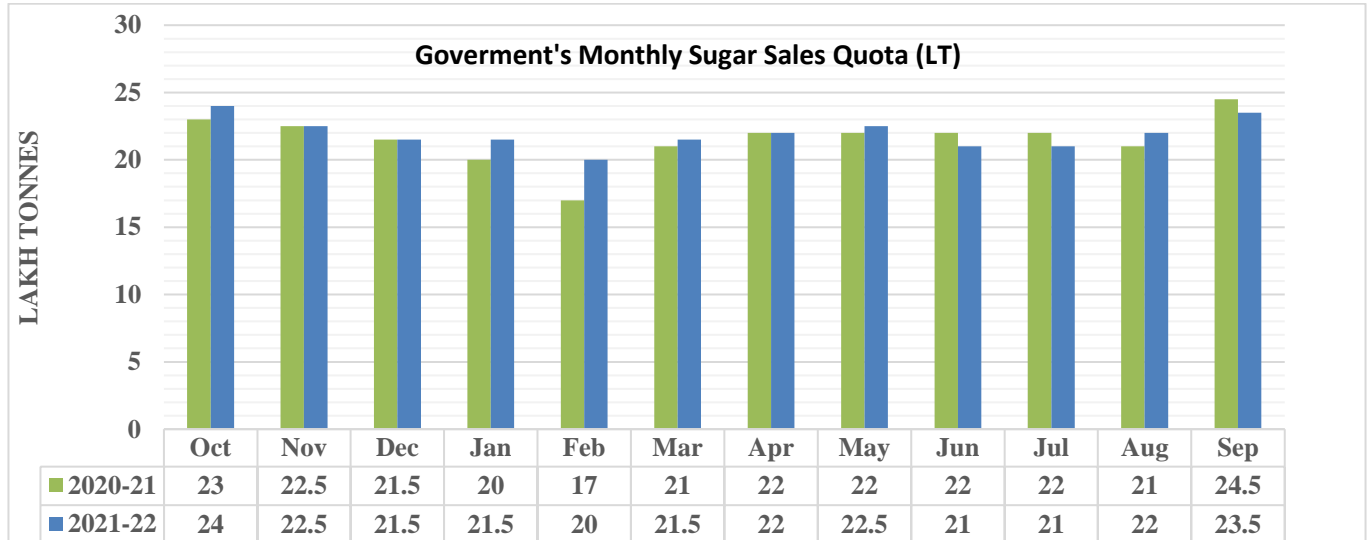


## Domestic Market Highlights

Recent Updates:

In a notification issued on 31st August 2022, the food ministry has allocated higher monthly sales quota of 23.5 Lakh MT (LMT) for the month of September 2022, compared to 22 LMT allocated during August 2022. We expect, demand to remain smooth with the beginning of the Ganesh Chaturthi festival and during the upcoming Navratri festival from early October and the quota allocated would be sufficient to cater the demand during the ongoing month i.e. September

According to the Ministry of Agriculture and Farmer's Welfare data, till 26<sup>th</sup> August 2022, the area under sugarcane cultivation has reached 55.59 lakh hectares as compared to 54.69 lakh hectares during the previous season.

As per the market sources, Sugarcane crushing is likely to commence early from 01<sup>st</sup> October 2022 in Maharashtra. However, the official decision is yet to be taken by the Cabinet Committee on 15<sup>th</sup> September 2022. The sugarcane crushing usually starts from late October 2022 to early November and ends in mid-April but during the previous 2021-22

season the sugar crushing continued till June 2022 mainly because of excess production. According to Indian Sugar Mills Association, overall sugar production during the 2021-22 season in Maharashtra was 138 lakh tonnes which is further expected to increase in the coming 2022-23 season to 148 lakh tonnes

Sugarcane Sowing (Lakh Hectares) As of 26 <sup>th</sup> Aug 2022		
State-wise	2022-23	2021-22
Andhra Pradesh	0.47	0.84
Assam	0.28	0.28
Bihar	2.35	2.64
Chhattisgarh	0.32	0.12
Gujarat	2.32	2.31
Haryana	1.06	1.1
Karnataka	6.6	5.69
Madhya Pradesh	0.86	1.06
Maharashtra	13.4	12.32
Odisha	0.19	0.17
Punjab	0.97	0.98
Tamil Nadu	1.51	1.5
Telangana	0.32	0.29
Uttar Pradesh	23.6	23.95
Uttarakhand	0.92	0.93
West Bengal	0.16	0.17
Others	0.26	0.345
<b>All-India</b>	<b>55.59</b>	<b>54.695</b>

amid good rains in the key growing districts i.e. Kolhapur, Sangli, Satara, Ahmednagar, Nasik, Amravati, Nagpur etc.

According to the market sources, sugar exports from India are likely to fall at around 8 million tonnes in the upcoming 2022-23 season as compared to 10.5 million tonnes in the 2021-22 due to expected lower opening stock and an increase in diversion of sugar for ethanol production. Around 45 lakh tonnes of sugar is expected to be diverted for ethanol in the next season against 34 lakh tonnes in the 2021-22 season.

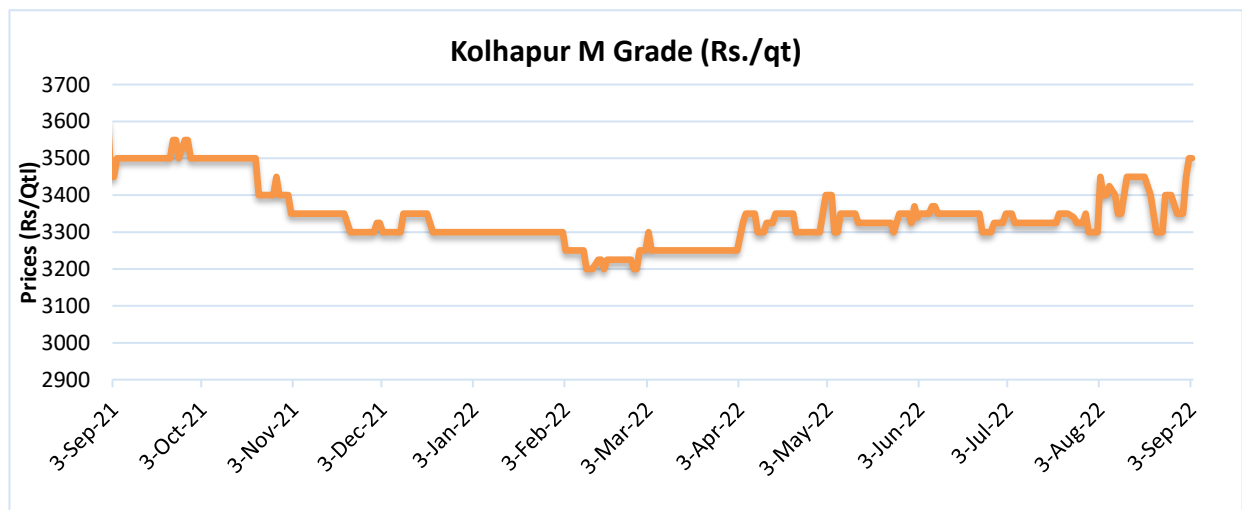
Also, the government in the 2022-23 season is planning to allow sugar exports in two tranches from October 2022. The sugar exports of around 4-5 million tonnes will be allowed in first tranche and rest in the second.

### Price Outlook:

- The average sugar prices were slightly lower at Rs. 3,528 per quintal during the past week from Rs.3,530 per quintal in Delhi market. Whereas, sugar prices in Maharashtra were stable at Rs.3519 per quintal.

### 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.3450 -3550 per quintal. Average prices for Sugar 'M' grade in key Kolhapur market was higher at Rs.3500 per quintal, due to smooth demand in the domestic market during the last week.



**International Market Highlights**

Sugar Production (Lakh MT)			
	2020-21	2021-22*	2022-23#
Brazil	420.5	353.5	363.7
India	337.6	368.8	358
European Union	159.13	165.05	162.55
Thailand	75.87	102.30	105.00
China	106.00	96.00	100.00
<b>World</b>	<b>1,810</b>	<b>1,812</b>	<b>1,829</b>

Source: USDA

**Previous Updates**

- Brazil Sugar production is expected to fall in the coming 2022-23 season. According to the Government, the sugarcane production for the 2022-23 season is projected to be 514 million tonnes in the center-south (CS) region as against 525 million tonnes in the 2021-22 season. Farmers have switched to crops like soy and corn which are more profitable, along with bad weather which is likely to affect the crop.
- Kenya sugar production has increased by around 15 percent between January to July 2022. The overall sugar production has reached 4,80,849 tonnes as compared to 418,799 tonnes same period last year. As a result, the directorate has limited the imports to 9,394 tonnes in July from 17,200 tonnes in the last month.
- According to the Pakistan Sugar Mills Association, around 1.2 million tonnes of excess sugar is available at the beginning of the next sugarcane crushing season. During the previous 2021-22 season sugar mills had produced 2 million tonnes of surplus sugar. As per the sources, it is expected that because of good weather conditions in this season the sugarcane crop is expected to increase by 10 percent in the 2022-23 season.

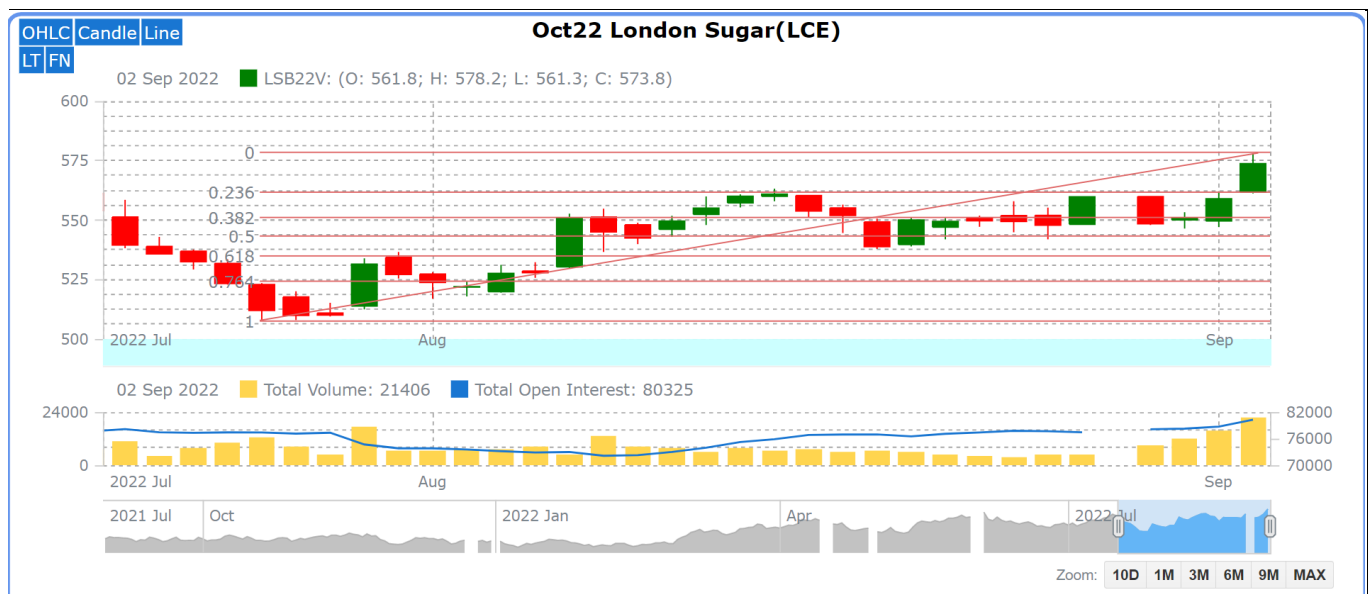
ICE & LIFE Future Prices

International Sugar Futures ICE					(Rs/Qtl)	
Futures month	% Change over previous year	Today	Week ago	Month Ago	Year Ago	RBI Dollar
		02-Sep-22	26-Aug-22	03-Aug-22	02-Sep-21	02-Sep-22
22-May	14.70	3952	3999	3840	3371	79.39
22-Jul	16.02	3888	3926	3779	3265	
22-Oct	26.18	4259	4237	3988	3144	

(Source: mrci)

International Sugar Futures LIFFE					(Rs/Qtl)	
Futures month	% Change over previous year	Today	Week ago	Month Ago	Year Ago	RBI Dollar
		02-Sep-22	26-Aug-22	03-Aug-22	02-Sep-21	02-Sep-22
22-Aug	-19.61	3116	3156	3141	3727	79.39
22-Oct	-23.22	3079	3100	2988	3794	
22-Dec	-19.57	3086	3106	2986	3690	

(Source: mrci)

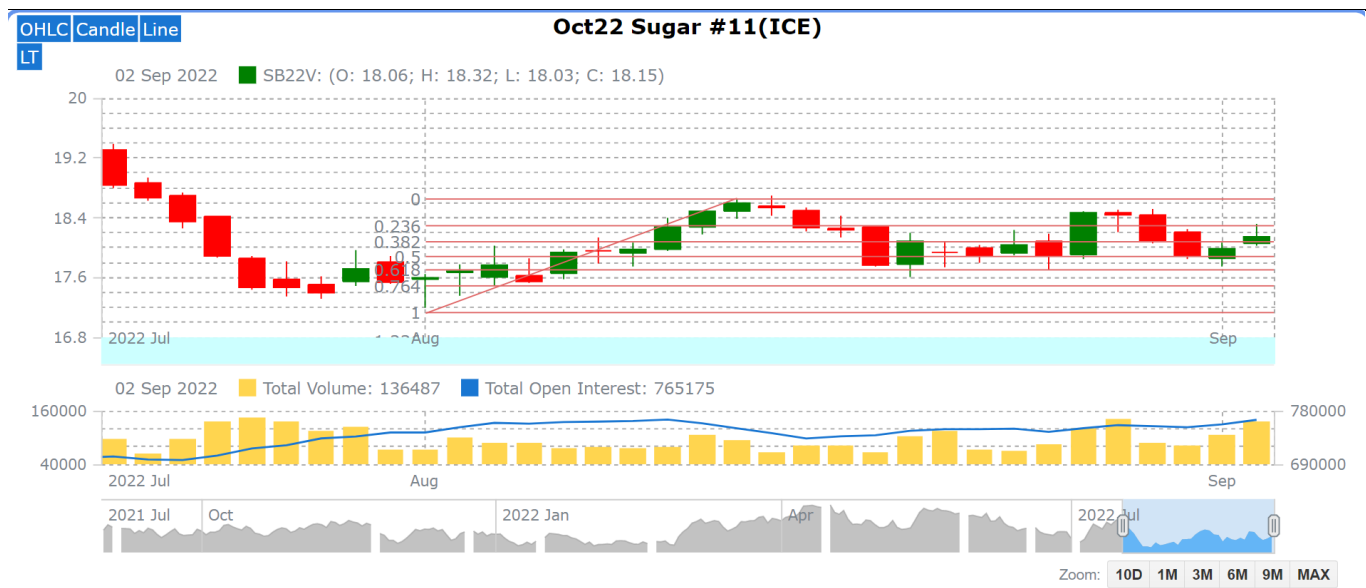
International Sugar Futures Price Projection

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

- As depicted in the above chart, the overall trend remains up and intact during the last week.
- Volume has increased in the market which further indicates slight buying strength.
- Overall, the prices are expected to gain in the coming week.

**International Sugar Futures Price Projection**

	Contract Month	Present Quote	The expected Price level for next week
<b>LIFFE Sugar (US \$/MT)</b>	<b>Oct'22</b>	578	565-585

**ICE (Raw Sugar Exchange) Future Market Scenario (Oct'22 Contract)****Technical Commentary:**

- ☐ As depicted in the above chart, market has regained and had reached a high of 18 US Cents/lb.
- ☐ Market is currently indicating some fresh buying strength.
- ☐ Prices have currently broken to 23% Fibonacci retracement level.
- ☐ 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	18.30	18.45-18.65

## Spot Sugar Prices Scenario (Weekly) (Average)

Commodity	Centre	Variety	Average Prices (Rs/Qtl)		Change
			29th Aug'22 to 03rd Sep'22	22nd Aug'22 to 27th Aug'22	
Sugar					
Delhi	Delhi	M-Grade	3508	3513	-6
	Delhi	S-Grade	3488	3513	-26
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	3646	3652	-6
	Mumbai	S-Grade	3550	3523	26
	Nagpur	M-Grade	3555	3475	80
	Nagpur	S-Grade	3535	3575	-40
	Kolhapur	M-Grade	3430	3350	80
	Kolhapur	S-Grade	3410	3450	-40
Assam	Guhawati	S-Grade	3725	3710	15
Meghalaya	Shillong	S-Grade	3730	3770	-40
Andhra Pradesh	Vijayawada	M-Grade (With Duty)	4000	3990	10
	Vijayawada	S-Grade (With Duty)	3900	3890	10
West Bengal	Kolkata	M-Grade	3900	3900	Unch
Tamil Nadu	Chennai	S-Grade (With GST)	3550	3550	Unch
	Dindigul	M-Grade (DCA)	3820	3840	-20
	Coimbatore	M-Grade (DCA)	NA	NA	-
Chattisgarh	Ambikapur	M-Grade (Without Duty)	3850	3850	Unch

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

## Spot Jaggery(Gur) Prices Scenario (Weekly) (Average)

Commodity	Centre	Variety	Prices (Rs/Qtl)		Change
			29th Aug'22 to 03rd Sep'22	22nd Aug'22 to 27th Aug'22	
Jaggery(Gur)					

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	2990	3073	-83
	Hapur	Balti	3093	3073	20
Andhra Pradesh	Chittur	Gold	NA	NA	-
		White	NA	NA	-
		Black	NA	NA	-
Maharashtra	Latur	Lal Variety	NA	NA	-
Karnataka	Bangalore	Mudde (Average)	3620	4500	-880
	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)	2824	3488	-664
	Mandya	Kurikatu (Medium)	2758	3383	-625
	Mandya	Other (Medium)	2622	3355	-733
	Mandya	Yellow (Medium)	2798	3515	-717
	Shimoga	Achhu (Average)	3150	3838	-688

Spot Sugar Prices Scenario (Weekly)						
Commodity	Centre	Variety	Today	Week Ago	Month Ago	Year Ago
Sugar			3-Sep-22	27-Aug-22	4-Aug-22	3-Sep-21
Delhi	Delhi	M-Grade	3510	3530	3510	3570
	Delhi	S-Grade	3490	3510	3490	3550
Uttar Pradesh	Khatauli	M-Grade	3540	3540	NA	NA
	Ramala	M-Grade	3500	3485	NA	NA
	Dhampur	M-Grade Ex-Mill	3560	3545	NA	NA
	Dhampur	S-Grade Ex-Mill	3560	3545	NA	NA
	Dhampur	L-Grade Ex-Mill	NA	NA	NA	NA
Maharashtra	Mumbai	M-Grade	3646	3646	3646	3850
	Mumbai	S-Grade	3550	3540	3516	3700
	Nagpur	M-Grade	3625	3525	3525	3575
	Nagpur	S-Grade	3525	3625	3425	3475
	Kolhapur	M-Grade	3500	3400	3400	3450
	Kolhapur	S-Grade	3400	3500	3300	3350
Assam	Guhawati	S-Grade	3715	3816	3613	3664
Meghalaya	Shillong	S-Grade	3720	3820	3620	3670

Andhra Pradesh	Vijayawada	M-Grade (With Duty)	4000	4000	3940	4160
	Vijayawada	S-Grade (With Duty)	3900	3900	3840	4000
West Bengal	Kolkata	M-Grade	3900	3900	3810	3850
Tamil Nadu	Chennai	S-Grade	3550	3550	3550	3950
	Dindigul	M-Grade (DCA)	3820	3840	3810	3520
	Coimbatore	M-Grade (DCA)	3840	3840	NA	NA
Chattisgarh	Ambikapur	M-Grade (Without Duty)	3850	3850	3900	NA
Sugar Prices are in INR/Quintal. (1 Quintal=100 kg)						

Spot Jaggery(Gur) Prices Scenario (Weekly)						
Commodity	Centre	Variety	Today	Week Ago	Month Ago	Year Ago
Jaggery(Gur)			3-Sep-22	27-Aug-22	4-Aug-22	3-Sep-21
Uttar Pradesh	Muzaffarnagar	Chaku Sukha	NA	NA	NA	NA
	Muzaffarnagar	Chaku(Arrival)(40kg Bag)	NA	NA	NA	NA
	Muzaffarnagar	Khurpa	NA	NA	NA	NA
	Muzaffarnagar	Laddoo	NA	NA	NA	NA
	Muzaffarnagar	Rascut	NA	NA	NA	NA
	Hapur	Chaurasa	2970	3000	2900	NA
	Hapur	Balti	3080	3140	3040	NA
Andhra Pradesh	Chittur	Gold	NR	NA	NA	NA
		White	NR	NA	NA	NA
		Black	NR	NA	NA	NA
Maharashtra	Latur	Lal Variety	NR	NA	NA	NA
Karnataka	Bangalore	Mudde (Average)	NA	NA	NA	NA
	Belgaum	Mudde (Average)	NA	4000	4000	0
	Belthangadi	Yellow (Average)	NA	NA	NA	NA
	Bijapur	Achhu	NA	NA	NA	NA
	Gulbarga	Other (Average)	3000	NA	2810	0
	Mahalingapura	Penti (Average)	NA	0	3534	3462
	Mandya	Achhu (Medium)	NA	3410	3600	3150
	Mandya	Kurikatu (Medium)	NA	3450	3300	3050
	Mandya	Other (Medium)	NA	3280	3350	3000
	Mandya	Yellow (Medium)	NA	3510	3400	3100
	Shimoga	Achhu (Average)	3800	NA	3750	3650



## International Sugar Prices (Weekly Average)

	Contract Month	29th Aug'22 to 03rd Sep'22	22nd Aug'22 to 27th Aug'22	Change
ICE Sugar #11 (US Cent/lb)	22-May	17.50	17.35	0.15
	22-Jul	17.20	17.08	0.12
	22-Oct	17.20	17.11	0.09
LIFFE Sugar (US \$/MT)	22-May	500.68	485.18	15.50
	22-Aug	489.64	551.32	-61.68
	22-Oct	544.30	519.64	24.66

## Weekly Sugar Prices (\$/Tonne)

Date	Thailand FOB	Brazil FOB	Indian White Sugar FOB
29-Aug-22	497	451	575
30-Aug-22	504	457	578
31-Aug-22	496	450	427
01-Sep-22	495	447	426
02-Sep-22	493	448	428

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