

Domestic Market Highlights

Recent Updates:

Maharashtra government has urged the center to reduce the interest on delayed Fair and Remunerative Price (FRP) payments to the farmers from 15 percent to 7.5 percent. Earlier, as per Sugarcane Control Order, FRP to the farmers should be paid within 14 days of the procurement of sugarcane. Also, the failure to comply with the 14-day deadline would result in interest of 15 percent per annum. The State has also demanded a rise in the Minimum Selling Price of sugar from Rs. 3,100 per quintal to Rs. 3,600 for the 2022-23 season.

According to the Ministry of Agriculture and Farmer's Welfare data, till 02nd September 2022, the area under sugarcane cultivation has reached 55.65 lakh hectares as compared to 54.70 lakh hectares during the previous season. Good weather in the key sugar-producing states has resulted in an increase in acreage for the coming 2022-23 season.

The Indian Sugar Mills Association has urged the government to reconsider the monthly sugar sales quota for September month. Earlier, in a notification issued on 31st August 2022, the food ministry allocated higher monthly sales quota of 23.5 Lakh MT (LMT) for monthly September 2022, compared to 22 LMT allocated during August 2022.

Sugarcane Sowing (Lakh Hectares) As of 02 nd Sep 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	0.35
All-India	55.65	54.70

As per the Association, the increased sugar sales quota might lead to a drop in ex-mill prices. Currently, ex-mill price of sugar is at Rs. 3,400 -Rs. 3, 500 per quintal. In the previous month government has extended the monthly sugar sales quota of July month till 31st August 2022 due to lower monthly sales.

However, as per AgriWatch, the sugar prices were higher in the last week despite the higher sales quota released during the September month. Sugar prices in Kolhapur market are expected to come down slightly in the coming week due to slow demand in the domestic market, prices are further likely to range between Rs. 3350- Rs. 3450 per quintal.

Sugar Exports:

Sugar millers in Maharashtra have urged the Centre to announce an export policy for the 2022-23 sugar season. 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. Currently, sugar exports are under restriction till 31st October 2022.

The Indian Sugar Mills Association has demanded that the government should allow 80 lakh tonnes of exports in the coming 2022-23 season. As per the association, the sugar production in 2022-23 season is expected to be 355 lakh tonnes which is around 5 lakh tonnes lower from the 2021-22 season of 360 lakh tonnes. The exports of surplus sugar would also help in maintaining domestic sugar prices, which in turn boost the liquidity position of mills enabling them to pay (FRP) sugarcane farmers on time.

Sugarcane Crushing 2022-23

AgriWatch expects sugar crushing to start from 1st week of October 2022 for the coming 2022-23 season. As per the sources, currently the sugarcane crop condition is good in Maharashtra and Uttar Pradesh. No major crop damage has been reported so far.

Uttar Pradesh: Mill-wise Sugar List (09/09/2022)

S.no.	Mill Name	Opening Stock	Sold Stock	Balance Stock	Today Rate
		Quintals			Rs./Quintals
1	ANOOPSAHAR (ANOO)	307958	6346	301612	3445
2	BAGPAT (BAGP)	417989	12590	405399	3460
3	BELRAYAN (BELR)	698496	29480	669016	3495
4	BILASPUR (BILA)	135790	1800	133990	3420
5	BISALPUR (BISA)	370134	17260	352874	3465
6	BADAUN (BUDA)	191282	0	191282	3425
7	GAJRAULA (GAJR)	290829	250	290579	3500
8	GHOSI (GHOS)	91985	30	91955	3540
9	KAIMGANJ (KAIM)	84809	0	84809	3505
10	MAHMUDABAD (MAHM)	152981	200	152781	3510
11	MORNA (MORN)	486069	2070	483999	3475
12	NANAUTA (NANA)	889494	8020	881474	3455
13	NANAPRA (NANP)	425404.47	0	425404.47	3525
14	POWAYAN (POWA)	141962	250	141712	3525
15	PURANPUR (PURA)	273819	4160	269659	3465
16	RAMALA (RAMA)	902851	18365	884486	3485
17	SAMPORNANAGAR (SAMP)	488359	670	487689	3510
18	SARSAWA (SARS)	663882	1600	662282	3435

19	SATHA (SATH)	12691.87	0	12691.87	0
20	SATHIAON (SATN)	165218	0	165218	3600
21	SEMIKHERA (SEMI)	210851	1550	209301	3500
22	SNEH ROAD (SNEH)	729527	25360	704167	3450
23	SULTANPUR (SULT)	25359.06	0	25359.06	3520
24	TILHAR (TILH)	348611	4740	343871	3475
	Total	8,506,351.40	134,741.00	8,371,610.40	

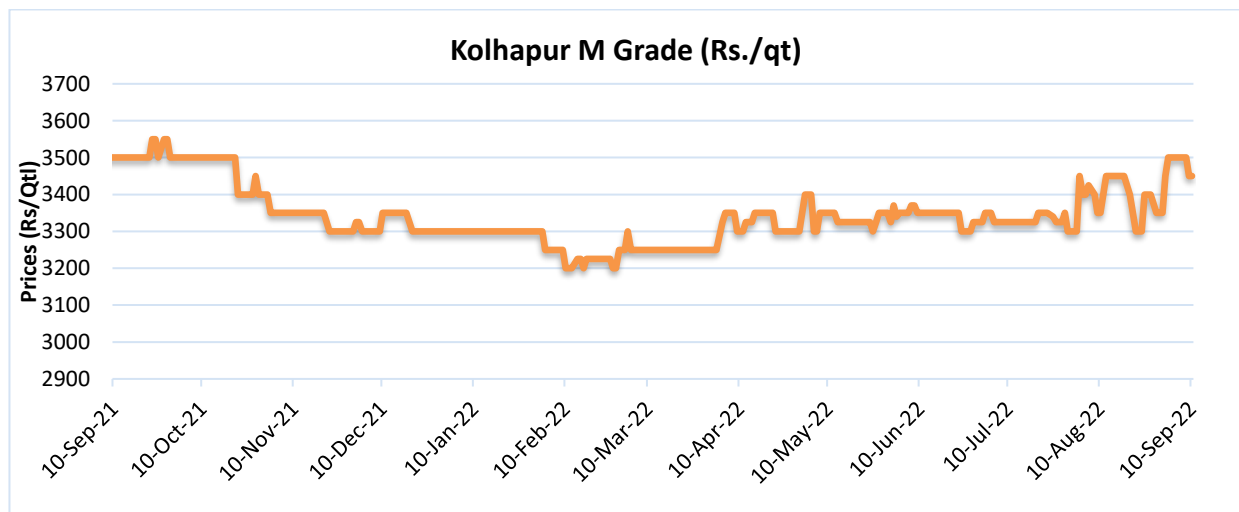
Source: Uttar Pradesh Sugar Cooperative Federation

Price Outlook:

- The average sugar prices were slightly lower at Rs. 3,503 per quintal during the past week from Rs.3,508 per quintal in Delhi market. Whereas, sugar prices in Maharashtra were higher at Rs.3640 per quintal.

Price Projection for the Next week

Agriwatch expects that spot Sugar prices (M grade) in the benchmark Kolhapur market are expected to come down slightly in the coming week due to slow demand in the domestic market, prices are further likely to range between Rs. 3350- Rs. 3450 per quintal.



Sugar Price at Kolhapur Market (Rs./Quintal)		
Forecast Date	Past Week	Coming week
12-Sept-22	3500	3350-3450

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
World	1,810	1,812	1,829

Source: USDA

Brazil Sugar production is expected to fall in the coming 2022-23 season. The major reason behind the fall in production is bad weather which is likely to affect the crop, along with it the expected shift in acreages as farmers have switched to more profitable crops like soya and corn. Brazil's Center-South region sugar production was down by around -12.8% year on year basis to 18.625 MMT in the 2022-23 season. Also, CONAB, Brazil has reduced its sugar production estimate to 33.9 MMT from its previous forecast of 40.3 MMT in anticipation of reduced acreages under the crop.

Also, the hot and dry weather conditions in France and Germany threaten to lower sugar beet yields in the European Union. However, the outlook for larger sugarcane crop in India and Thailand is bearish for sugar prices.

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

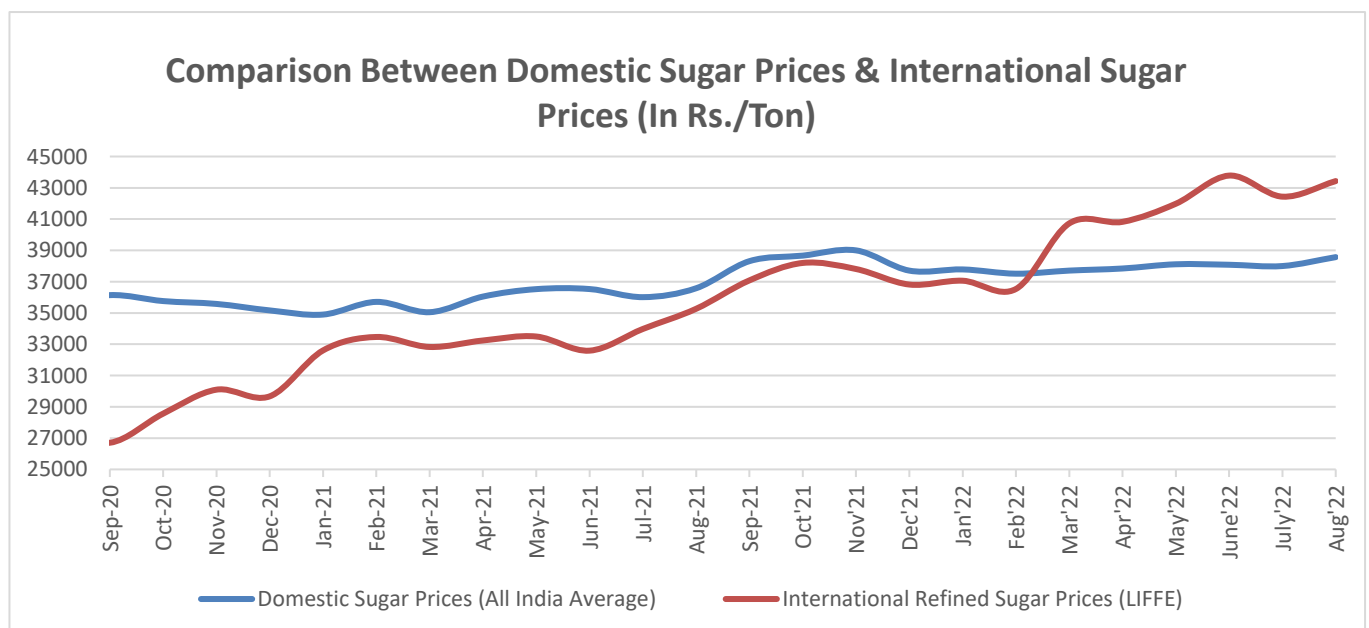
International Sugar Futures ICE					(Rs/Qtl)	
Futures month	% Change over previous year	Today	Week ago	Month Ago	Year Ago	RBI Dollar
		09-Sep-22	02-Sep-22	10-Aug-22	09-Sep-21	09-Sep-22
22-May	-6.16	3100	3116	3010	3291	79.63
22-Jul	-4.56	3070	3079	2962	3210	
22-Oct	-1.23	3079	3086	3254	3117	

(Source: mrci)

International Sugar Futures LIFFE					(Rs/Qtl)	
Futures month	% Change over previous year	Today	Week ago	Month Ago	Year Ago	RBI Dollar
		09-Sep-22	02-Sep-22	10-Aug-22	09-Sep-21	09-Sep-22
22-Aug	7.12	3948	3952	3952	3667	79.63
22-Oct	3.53	3876	3888	3873	3739	
22-Dec	14.96	4292	4259	4144	3650	

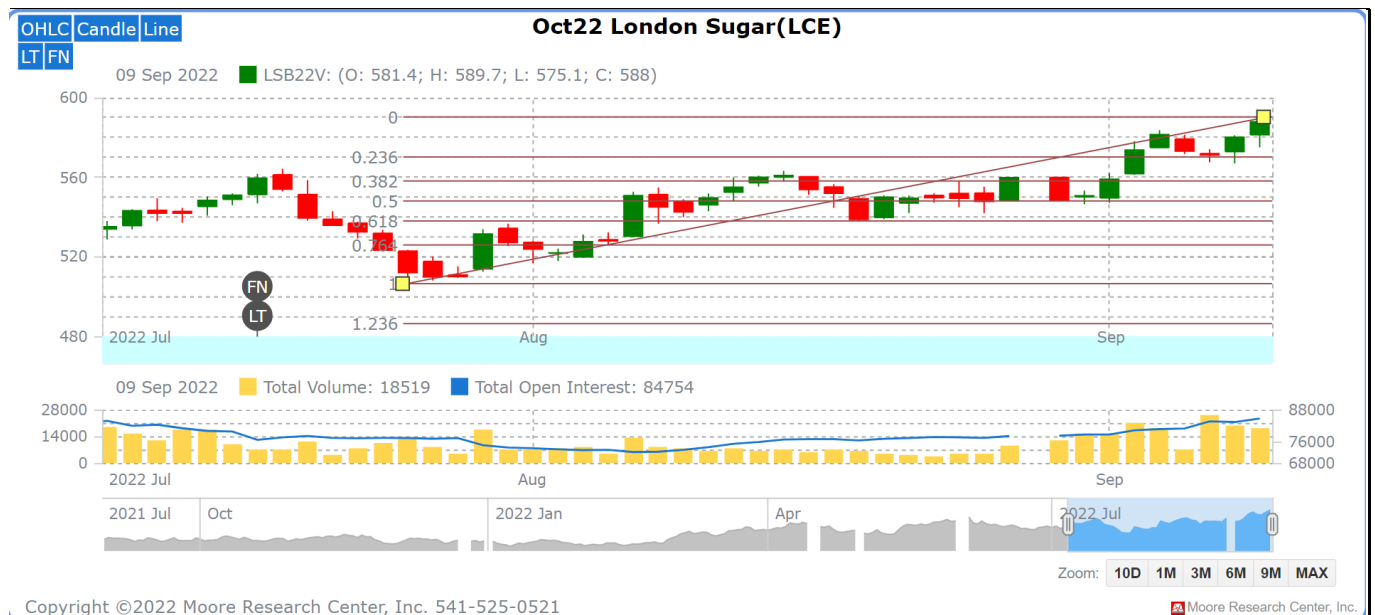
(Source: mrci)

The Raw Sugar futures ICE traded lower by 6 percent at Rs. 3100 per Quintal. The LIFE Sugar traded higher at Rs. 3948 per Quintal as compared to the previous season of Rs. 3667 per Quintal.

Domestic v/s International Price Comparison:

Domestic sugar prices stood higher during August'2022. Domestic prices stood at Rs. 38,569 per tonne in Aug'22 compared to Rs. 38,000 per tonne in July'2022. The average international sugar prices have increased around 2 percent in Aug'2022 to Rs.43,430 per tonnes from Rs. 42,434 per tonnes in July 2022. Mainly due to increased demand from the international market particularly from China, Indonesia and European Union. Also, domestic prices have increased due to improved festive demand during August month.

International Sugar Futures Price Projection



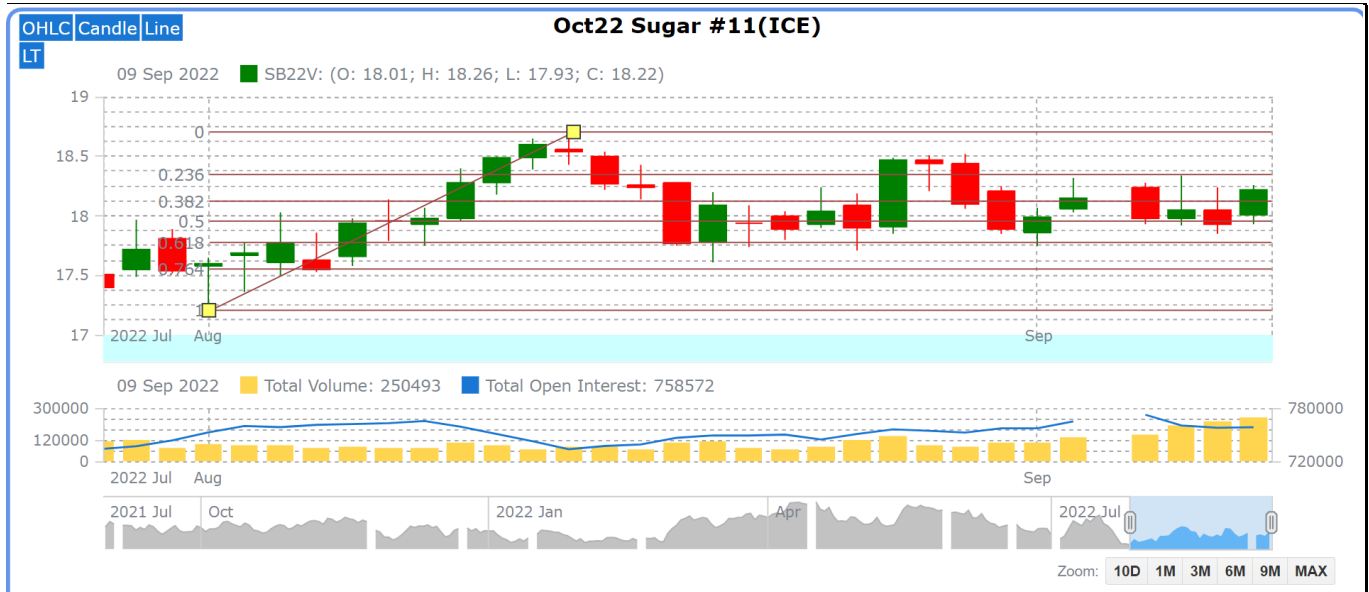
LIFFE (White Sugar Exchange) Future Market Sugar Scenario (Oct'22 Contract)

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 remain firm 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	588	575-595



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.
- ☐ Market has 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	18.25	18.20-18.45

Spot Sugar Prices Scenario (Weekly) (Average)

Commodity	Centre	Variety	Average Prices (Rs/Qtl)		Change
Sugar			05th Sep'22 to 10th Sep'22	29th Aug'22 to 03rd Sep'22	
Delhi	Delhi	M-Grade	3503	3508	-4
	Delhi	S-Grade	3483	3488	-4
Maharashtra	Mumbai	M-Grade	3640	3646	-6
	Mumbai	S-Grade	3560	3550	11
	Nagpur	M-Grade	3608	3555	53
	Nagpur	S-Grade	3508	3535	-27
	Kolhapur	M-Grade	3483	3430	53
	Kolhapur	S-Grade	3383	3410	-27
Assam	Guhawati	S-Grade	3698	3725	-27
Meghalaya	Shillong	S-Grade	3703	3730	-27
Andhra Pradesh	Vijayawada	M-Grade (With Duty)	4000	4000	Unch
	Vijayawada	S-Grade (With Duty)	3900	3900	Unch
West Bengal	Kolkata	M-Grade	3900	3900	Unch
Tamil Nadu	Chennai	S-Grade (With GST)	3550	3550	Unch
	Dindigul	M-Grade (DCA)	3820	3820	Unch
	Coimbatore	M-Grade (DCA)	3840	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
Jaggery(Gur)			05th Sep'22 to 10th Sep'22	29th Aug'22 to 03rd Sep'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	2933	2990	-57
	Hapur	Balti	3063	3093	-30
Andhra Pradesh	Chittur	Gold	NA	NA	-
		White	NA	NA	-
		Black	NA	NA	-
Maharashtra	Latur	Lal Variety	NA	NA	-

Karnataka	Bangalore	Mudde (Average)	4550	4530	20
	Belgaum	Mudde (Average)	4000	4001	-1
	Belthangadi	Yellow (Average)	NA	NA	-
	Bijapur	Achhu	NA	NA	-
	Gulbarga	Other (Average)	3088	3000	88
	Mahalingapura	Penti (Average)	NA	NA	-
	Mandya	Achhu (Medium)	3567	3548	19
	Mandya	Kurikatu (Medium)	3432	3448	-16
	Mandya	Other (Medium)	3368	3294	74
	Mandya	Yellow (Medium)	3527	3500	27
	Shimoga	Achhu (Average)	3840	3780	60

Spot Sugar Prices Scenario (Weekly)						
Commodity	Centre	Variety	Today	Week Ago	Month Ago	Year Ago
Sugar			10-Sep-22	3-Sep-22	12-Aug-22	10-Sep-21
Delhi	Delhi	M-Grade	3510	3510	3540	3570
	Delhi	S-Grade	3490	3490	3520	3550
Uttar Pradesh	Khatauli	M-Grade	NA	3540	3575	NA
	Ramala	M-Grade	NA	3500	3515	NA
	Dhampur	M-Grade Ex-Mill	NA	3560	3545	NA
	Dhampur	S-Grade Ex-Mill	NA	3560	3545	NA
	Dhampur	L-Grade Ex-Mill	NA	NA	NA	NA
Maharashtra	Mumbai	M-Grade	3640	3646	3646	Closed
	Mumbai	S-Grade	3562	3550	3520	Closed
	Nagpur	M-Grade	3575	3625	3575	Closed
	Nagpur	S-Grade	3475	3525	3475	Closed
	Kolhapur	M-Grade	3450	3500	3450	Closed
	Kolhapur	S-Grade	3350	3400	3350	Closed
Assam	Guhawati	S-Grade	3664	3715	3664	Closed
Meghalaya	Shillong	S-Grade	3670	3720	3670	Closed
Andhra Pradesh	Vijayawada	M-Grade (With Duty)	4000	4000	3960	4160
	Vijayawada	S-Grade (With Duty)	3900	3900	3860	4060
West Bengal	Kolkata	M-Grade	3900	3900	3810	3850
Tamil Nadu	Chennai	S-Grade	3550	3550	3550	3980
	Dindigul	M-Grade (DCA)	3820	3820	3810	3610
	Coimbatore	M-Grade (DCA)	3840	3840	0	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)			10-Sep-22	3-Sep-22	12-Aug-22	10-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	2970	2900	NA
	Hapur	Balti	3080	3080	3040	NA
Andhra Pradesh	Chittur	Gold	NR	NR	NA	NA
		White	NR	NR	NA	NA
		Black	NR	NR	NA	NA
Maharashtra	Latur	Lal Variety	NR	NR	NA	NA
Karnataka	Bangalore	Mudde (Average)	NA	4550	4500	NA
	Belgaum	Mudde (Average)	NA	NA	4000	NA
	Belthangadi	Yellow (Average)	NA	NA	NA	NA
	Bijapur	Achhu	NA	NA	NA	NA
	Gulbarga	Other (Average)	NA	3000	NA	NA
	Mahalingapura	Penti (Average)	NA	NA	3515	NA
	Mandya	Achhu (Medium)	3480	3620	NA	NA
	Mandya	Kurikatu (Medium)	3400	3450	NA	NA
	Mandya	Other (Medium)	3360	3360	NA	NA
	Mandya	Yellow (Medium)	3510	3510	NA	NA
	Shimoga	Achhu (Average)	NA	3800	3800	NA

*NA Arrivals has decreased in the market as the season is close to its end.

International Sugar Prices (Weekly Average)				
	Contract Month	05th Sep'22 to 10th Sep'22	29th Aug'22 to 03rd Sep'22	Change
ICE Sugar #11 (US Cent/lb)	22-May	17.33	17.50	-0.17
	22-Jul	17.13	17.20	-0.07
	22-Oct	17.18	17.20	-0.02
LIFFE Sugar (US \$/MT)	22-May	485.80	489.64	-3.84
	22-Aug	578.82	544.30	34.52
	22-Oct	535.12	517.92	17.20

International Sugar Prices FOB (USD/mT)				
Date	Thailand FOB	Brazil FOB	Indian White Sugar FOB	INR
05-Sep-22	503	459	568	79.89
06-Sep-22	501	458	568	79.88
07-Sep-22	504	459	567	79.93
09-Sep-22	504	459	564	79.63

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