



Greenleaf
UNLOCK THE WORLD OF COMMODITIES

INDIAN SUGAR

OND 24 OUTLOOK





Greenleaf
UNLOCK THE WORLD OF COMMODITIES

Introduction

At GreenLeaf we are dedicated to pioneering research in Indian Agricultural Commodities.

Our brand stands for innovation, integrity and insightful analysis, aimed at providing actionable intelligence to stakeholders across the agricultural value chain.



SUGARCANE & SUGAR



OILS & OILSEEDS



GRAINS, COTTON & PULSES

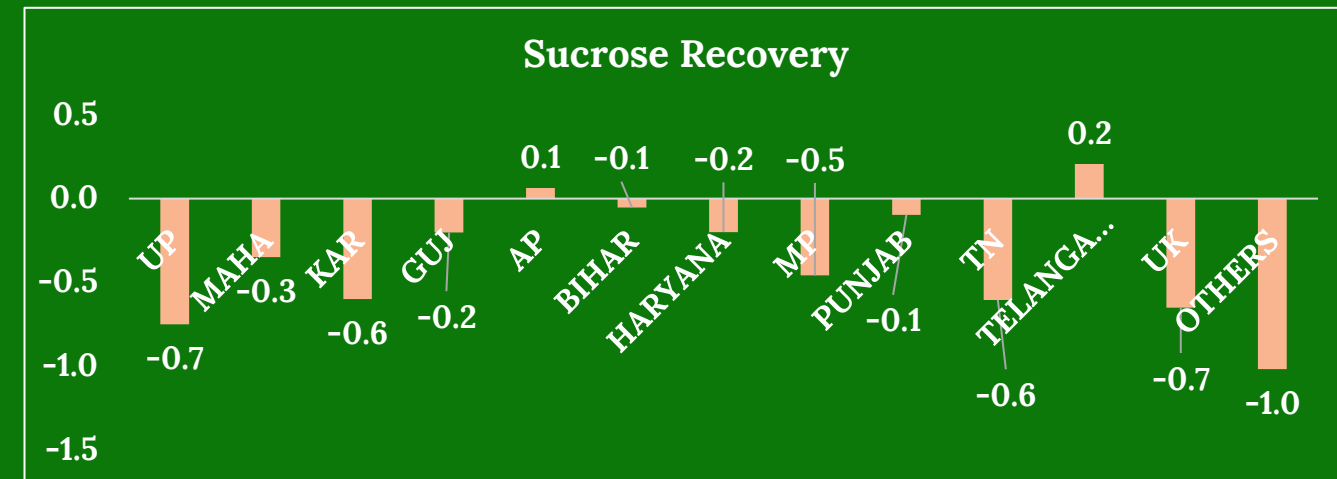
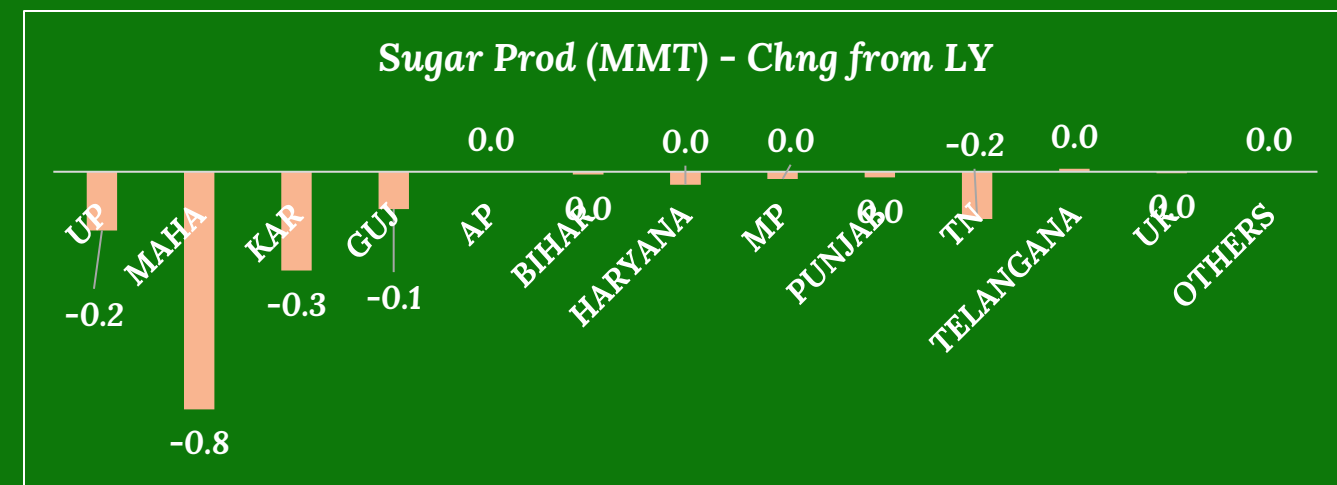
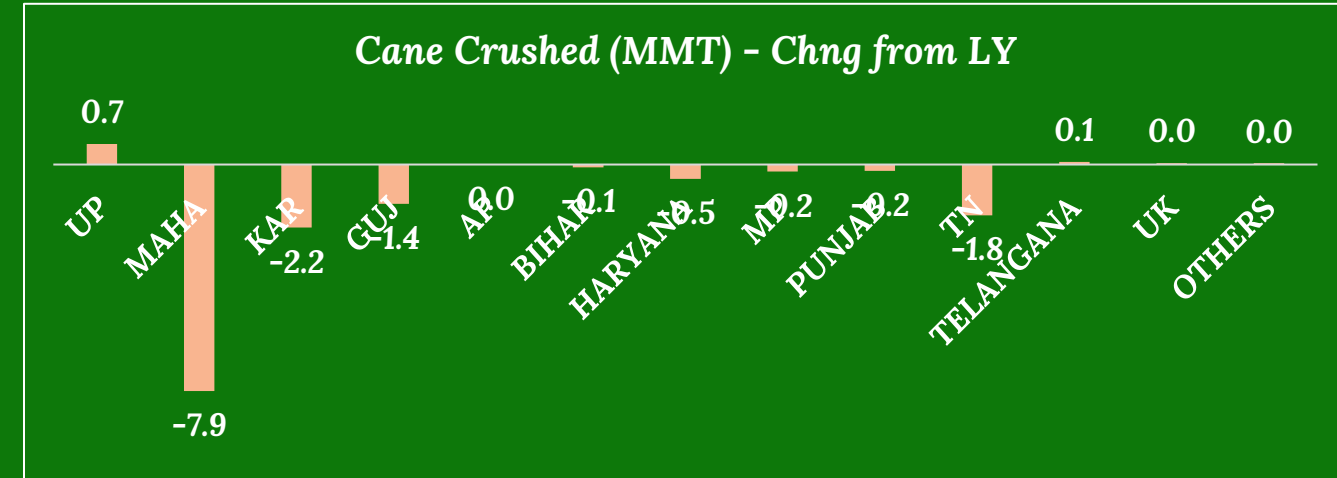
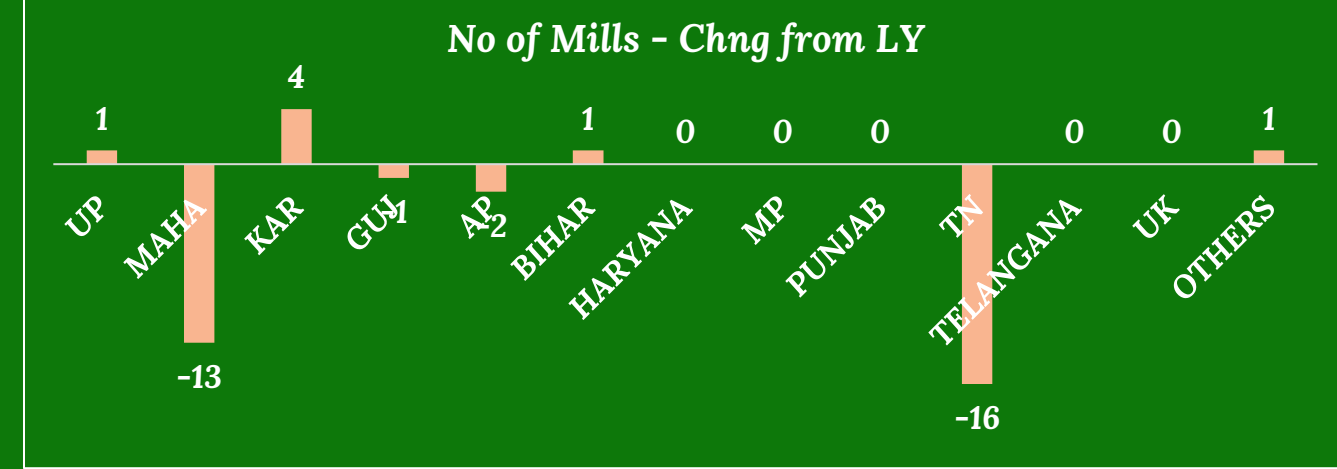


BIOFUELS



INDIAN SUGAR PRODUCTION AS OF 31ST DEC 24

	No of mills	Cane Crushed	Sugar prod	Sucrose Recovery
UP	121	36.6	3.3	8.9
MAHA	190	34.8	3.0	8.6
KAR	77	24.2	2.1	8.5
GUJ	15	3.0	0.3	8.8
AP	2	0.4	0.0	8.0
BIHAR	10	2.7	0.2	9.0
HARYANA	14	1.6	0.1	8.2
MP	18	0.9	0.1	8.0
PUNJAB	15	1.6	0.1	8.3
TN	9	1.1	0.1	8.3
TELANGANA	7	0.9	0.1	9.6
UK	8	1.5	0.1	8.5
OTHERS	7	0.4	0.0	8.5
ALL INDIA	493	109.6	9.5	8.7
<i>Last Year</i>	<i>518</i>	<i>122.9</i>	<i>11.28</i>	<i>9.17</i>
<i>Chng from LY</i>	<i>(25)</i>	<i>(13.4)</i>	<i>(1.8)</i>	<i>(0.5)</i>

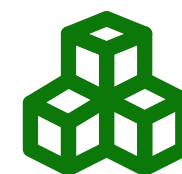




SUCROSE & SUGAR PRODUCTION OUTLOOK SEASON 2024/25

BEARISH FLAGS MATERIALISED RESULTING IN LOWER SUGAR PRODUCTION IN 24/25 SEASON

Fig in MMT	Sugar Prod Prev Est	Sugar Prod Rev Est	Diff
Karnataka	4.05	3.95	-0.10
Maharashtra	8.60	8.20	-0.40
UP	9.64	9.44	-0.20
Others	5.45	5.45	0.00
All India	27.75	27.05	-0.70
Ethanol	4.3	4.3	0.00
Sucrose Prod	32.05	31.35	-0.70



BASIS CROP TOUR CONDUCTED BY GREENLEAF, UP PRODUCTION HAS BEEN REVISED DOWN BY 200 KMT DUE TO RED ROT, TOP BORER AND LOWER RECOVERIES.



MAHARASHTRA CROP HAS BEEN REDUCED FURTHER BY 400 KMT ON ACCOUNT OF LOWER YIELDS LEADING TO LESS CANE AVAILABILITY



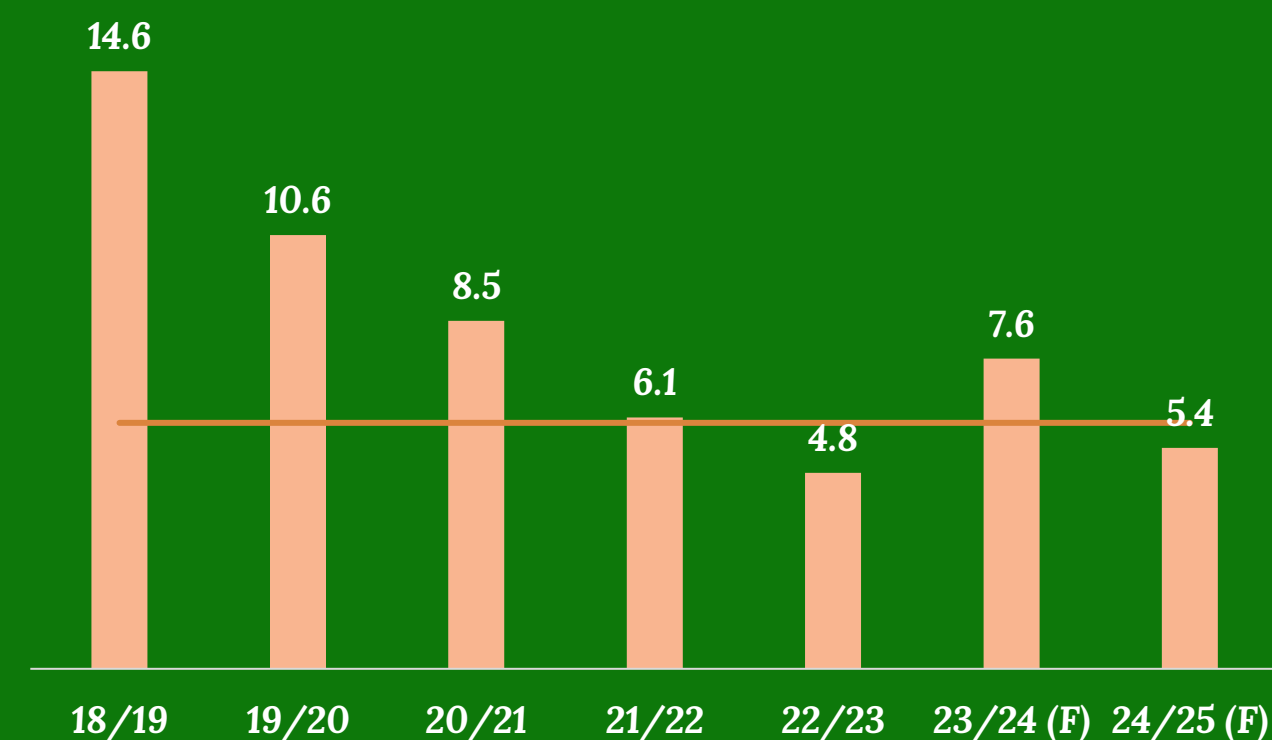
KARNATAKA CROP HAS BEEN REVISED LOWER BY 100 KMT ON ACCOUNT OF LOWER CANE PRODUCTION



SUGAR BALANCE SHEET OUTLOOK – Season 2024/25

Fig in MMT	22/23	23/24	24/25 (Prev)	24/25 (Prev)
Op Stock	6.1	4.8	7.6	7.6
Sucrose Prod	36.6	34.3	32.1	31.4
Ethanol	3.8	2.4	4.3	4.3
Sugar Crystal	32.8	31.9	27.8	27.1
Exports	6.5	0.0	0.0	0.0
Dom Demand	27.7	29.1	29.2	29.2
End Stocks	4.8	7.6	6.2	5.5
Stock Use (Months)	2.1	3.1	2.5	2.3

INDIAN SUGAR END STOCKS – MMT



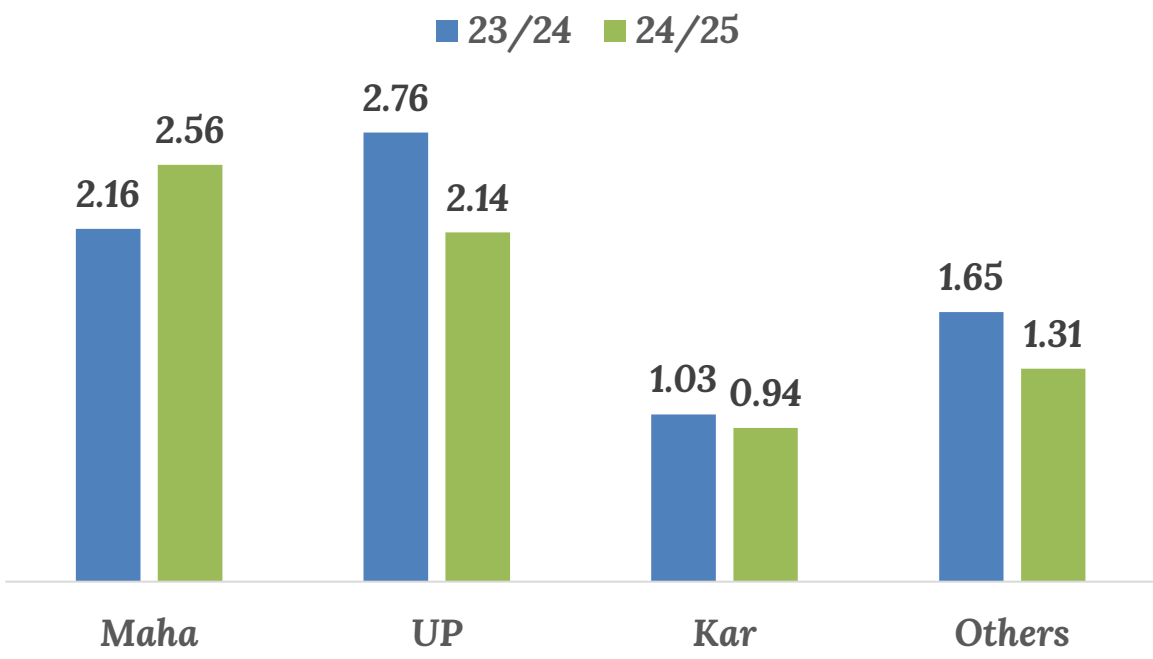
**POSSIBILITY OF EXPORTS IN
24/25 – EXTREMELY
BLEAK TILL MARCH 2025**



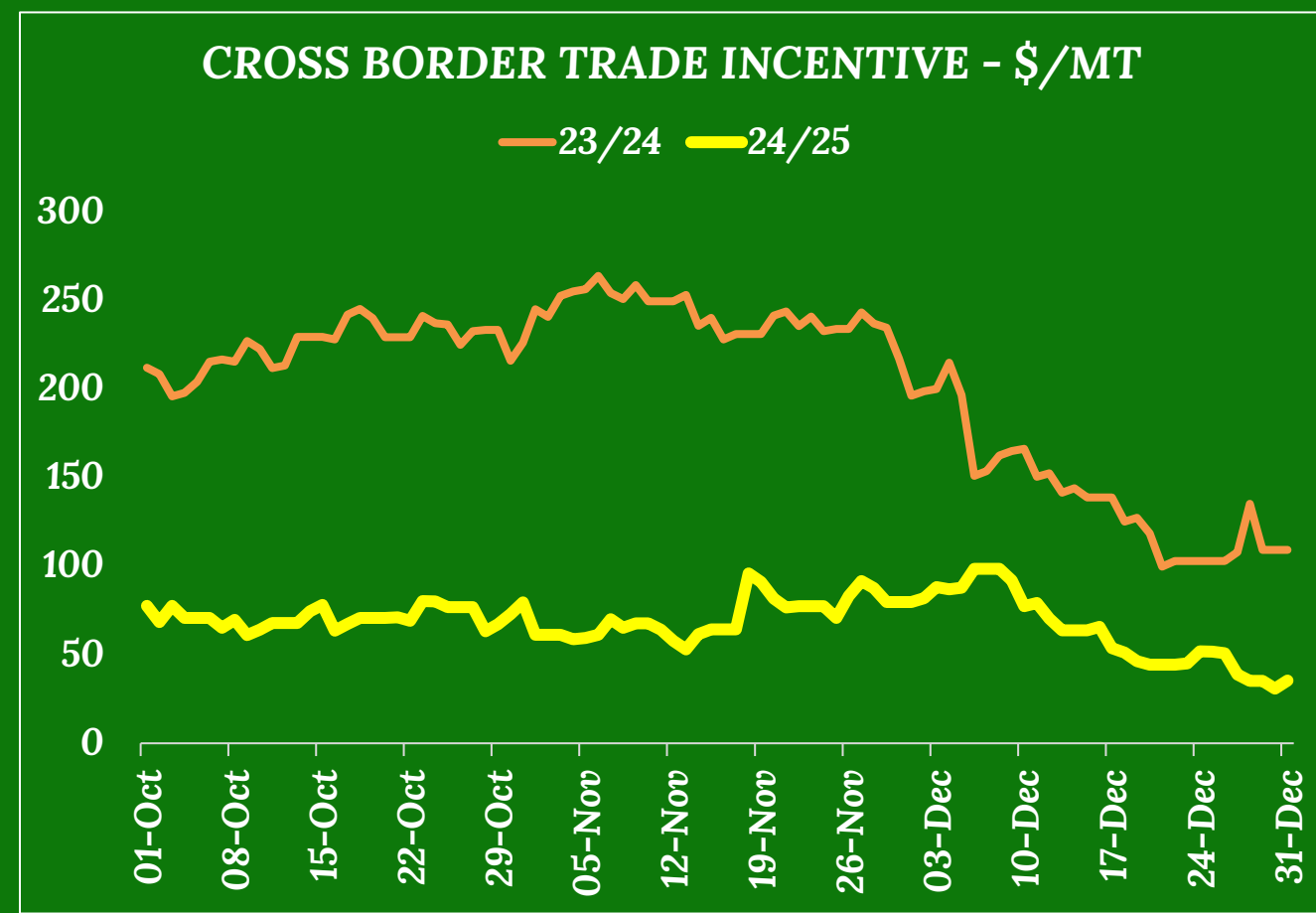
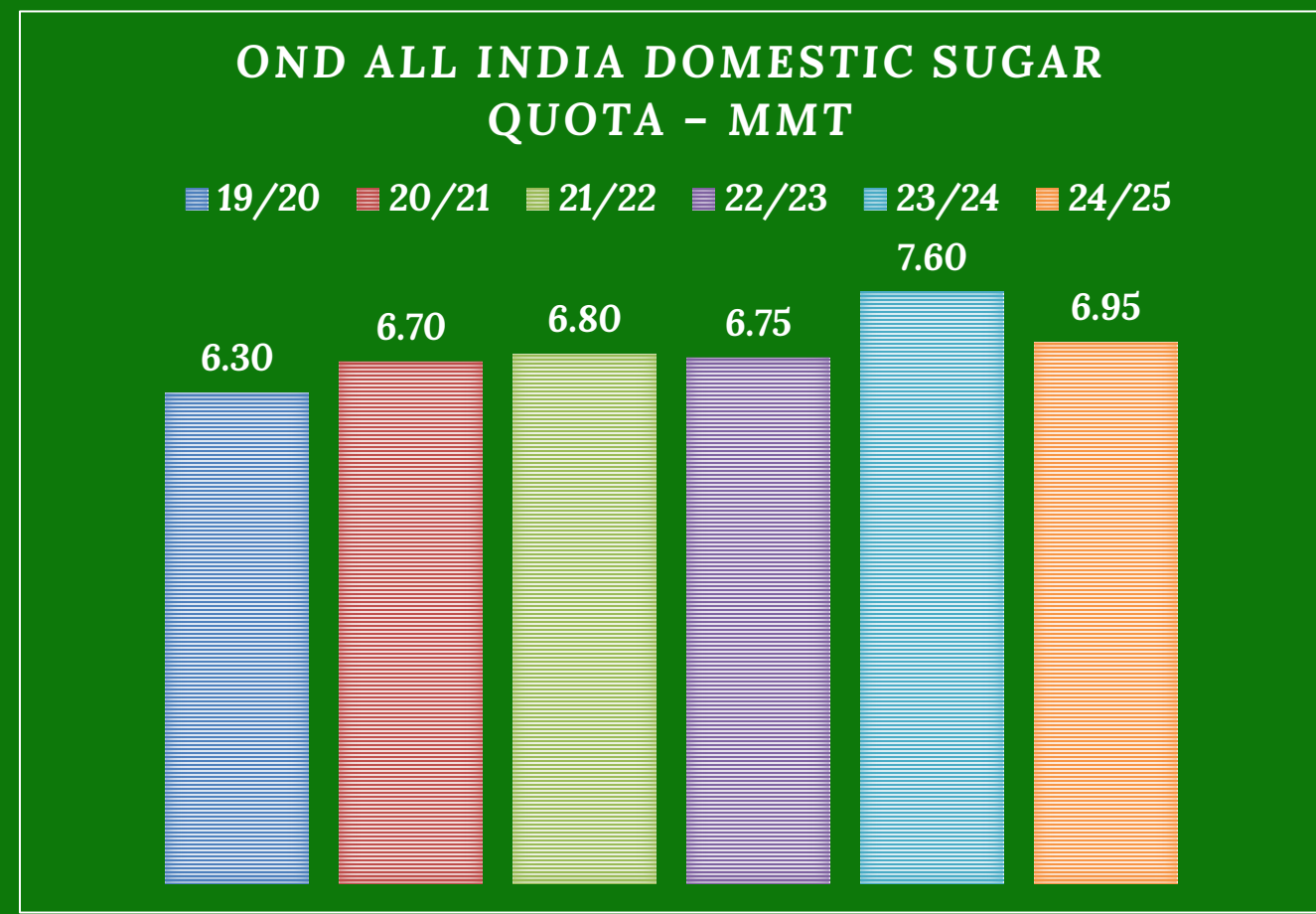
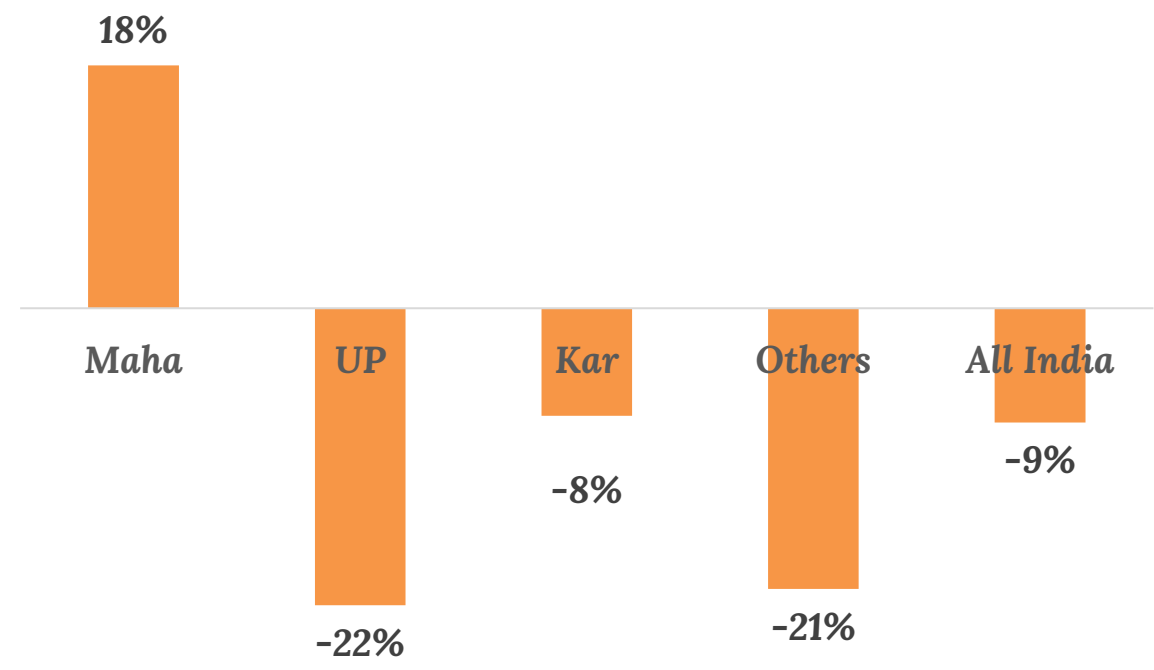
SUGAR DEMAND OUTLOOK

Domestic Sugar Quota

OND State wise Domestic Sugar Quota - MMT



% Change in Dom Quota from LY

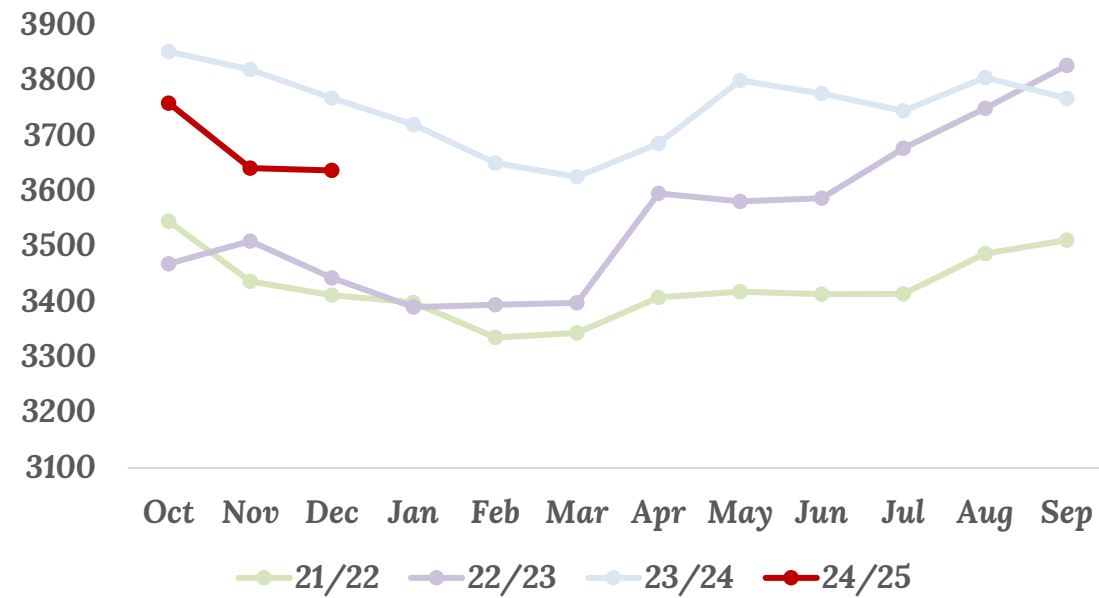


- Domestic quota announced for the current year 24/25 during OND quarter has been 6.95 MMT against 7.6 MMT last year.
- Reduction in quota allocation by 9% from Last year. Does it mean demand destruction?
- There have been mills who sell their sugar over and above quota for cash flow requirements which was finding its way to neighboring country by way of cross border but this time all sugar is getting consumed locally, thus putting pressure on the market
- GreenLeaf is still expecting demand of 29.2 MMT for the season 24/25 and will keep a close watch on the further quota releases and sugar price movement before making any changes to the demand number

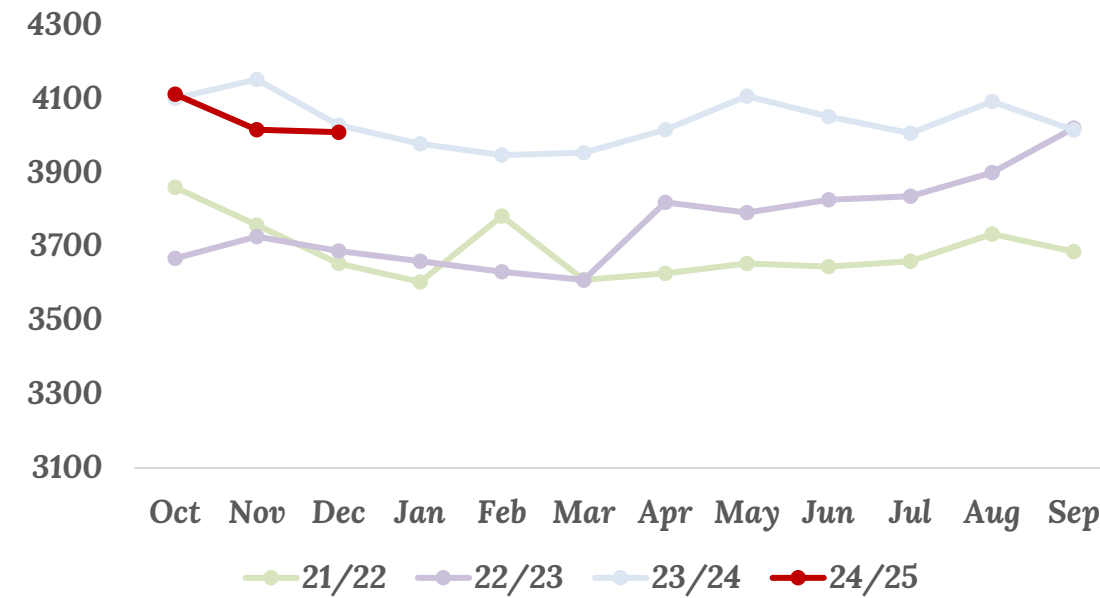


SUGAR MARKET PERFORMANCE

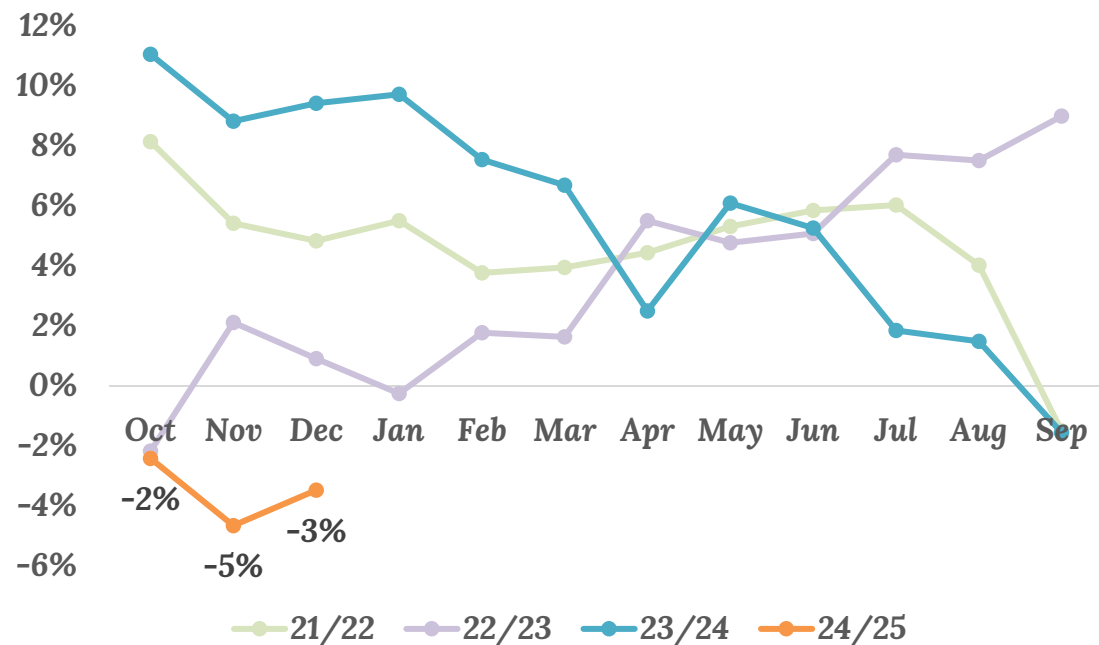
Avg Monthly Prices - Maharashtra (Inr/Qtl)
(inc of Taxes)



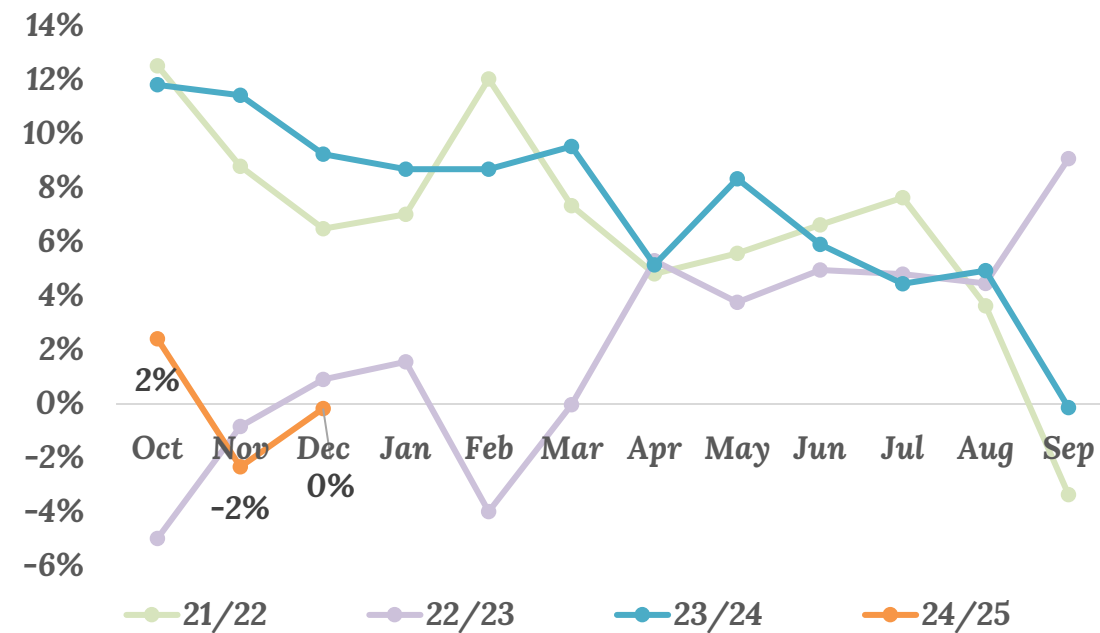
Avg Monthly Prices - Uttar Pradesh (Inr/Qtl)
(inc of Taxes)



Maharashtra % Price Change Year on Year



Uttar Pradeh - % Price Change Year on Year



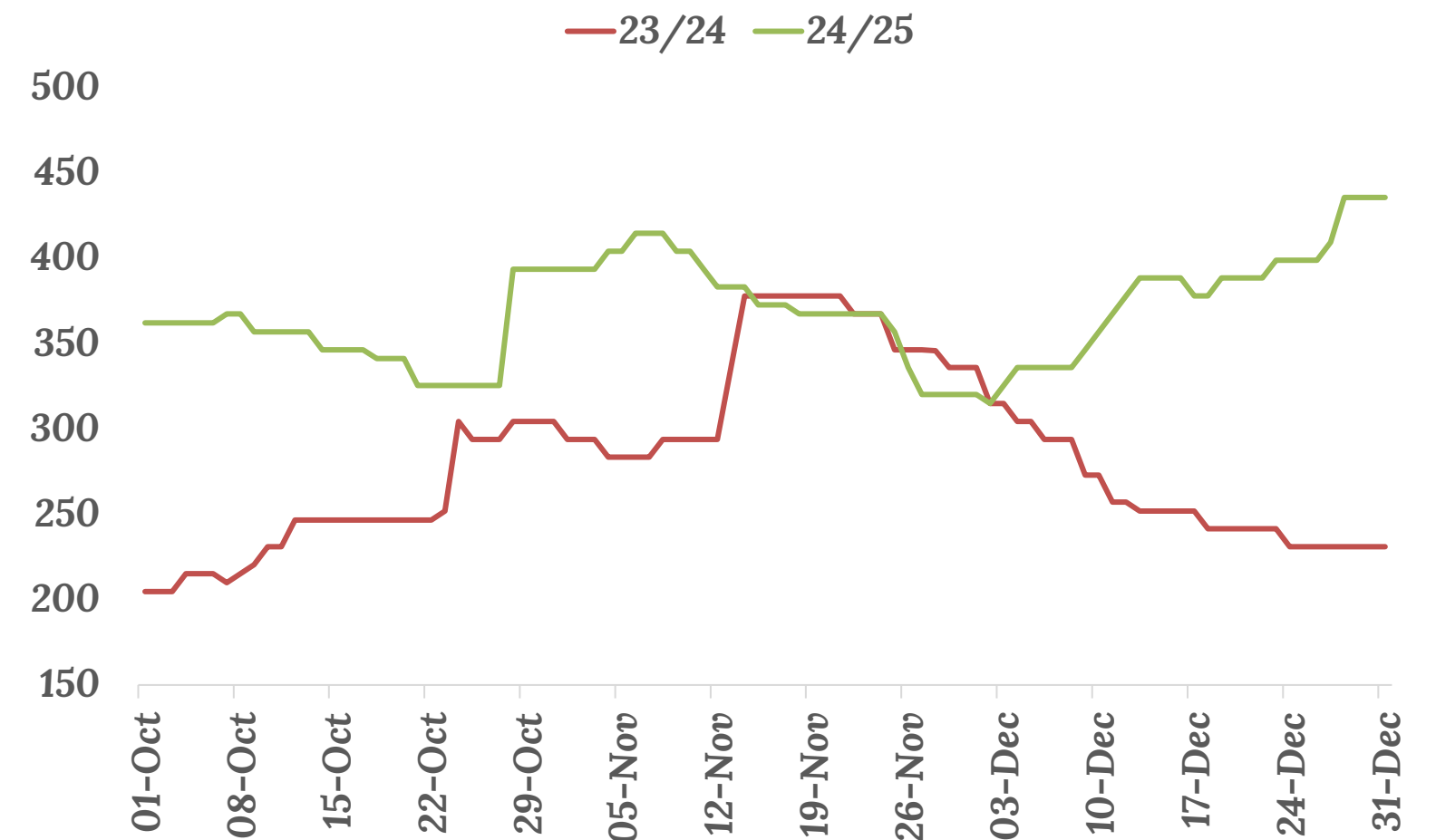
- Indian Sugar prices recorded a very poor quarter of OND in terms of prices
- The new supplies burdened the markets with almost NIL movement of sugar to the NE region for onward movement across the border to Bangladesh.
- The extra supplies from the millers which was initially finding its way to the neighboring nation, was meant to be consumed within the country thus increasing supplies in the domestic market, leading to price collapse.
- The mills, for want of cash flow to make the payment to the farmers, sold sugar over and above quota, pulling the prices down and market reported negative price growth in the Qtr OND.
- Maharashtra and Karnataka were impacted more than UP, which increased the spread between Western and Northern mills.



GAME OF SPREADS : UP & MAHARASHTRA SUGAR PRICES

- UP sugar prices did not report the same kind of fall as Maharashtra and Karnataka
- This increased the spread between Northern and Western sugar mills
- The price spread as can be seen has made a new high if compared with last year.
- How long will this spread sustain? Not for long as the Maharashtra and Karnataka mills will start to find demand in North and East India basis these prices.
- Thus, the spread should come down in coming months to bring equilibrium in the market,
- This spread can sustain in case, there is acute shortage of sugar in western region, pushing demand to Northern Millers or opening of Exports which allows sugar from Western region to move out, taking out surplus sugar from domestic market. Latter looks to be a distant

UP - MAHARASHTRA SUGAR SPREAD (RS/QTL)

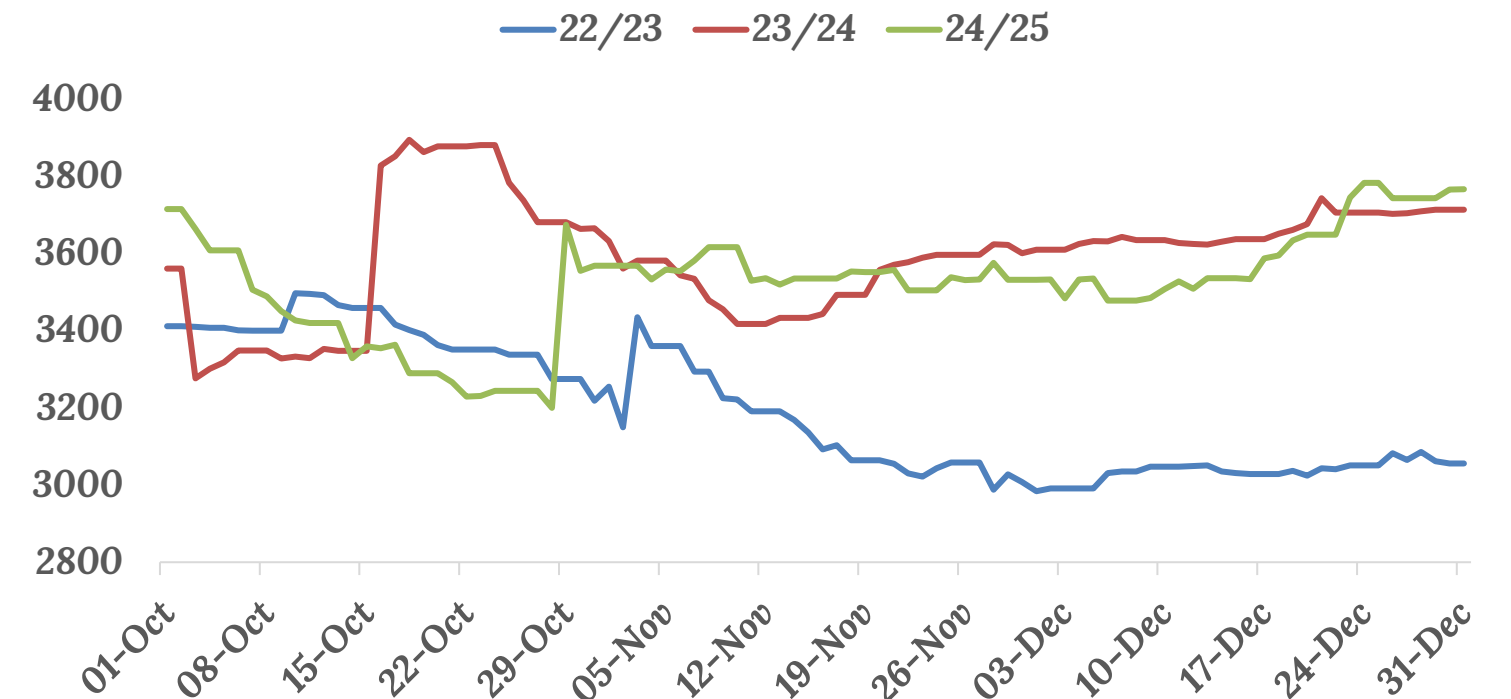




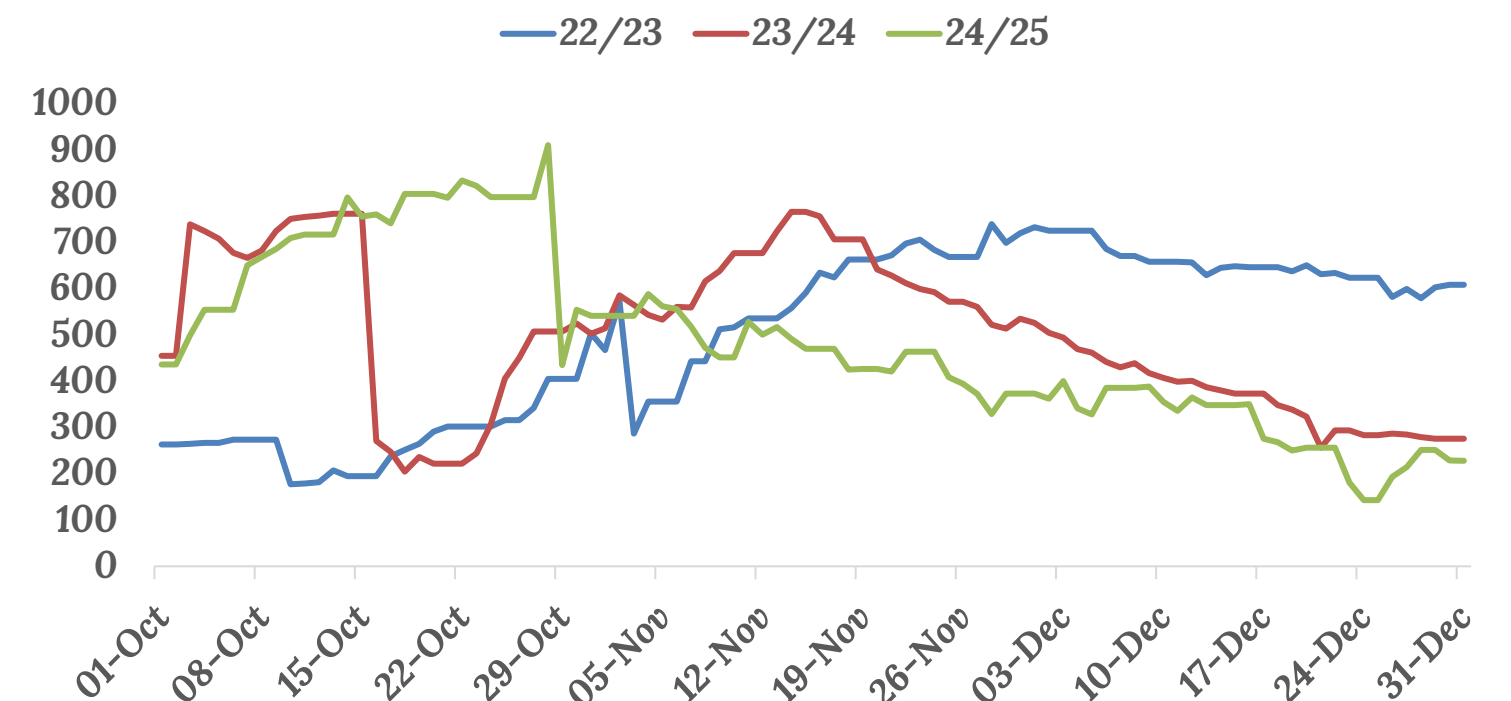
ALTERNATE SWEETNER

- UP Gur prices posted a strong performance in the Quarter of OND just as it did last year.
- The Gur prices have moved in the same trajectory as last year with little change from last year prices.
- Due to the subdued Sugar prices in the OND quarter and strong Gur prices, the spread between the two commodities has narrowed and is trading at lowest levels during the quarter.
- Gur production will face challenge as the Sugarcane production is down and gur producers will have to bid away cane from the Millers to produce gur.
- The cost of production of Gur will be more this season, thus expecting a strong price performance from Gur during the ongoing 24/25 season as low cane production and high costs shall push gur for storage and will be released when prices are lucrative.

UP : GUR PRICES (RS/QTL)



UP : SUGAR & GUR PRICE SPREAD





FACTORS TO WATCH BEFORE ALLOWING EXPORT OF SUGAR FROM INDIA 24/25 AND 25/26 SEASON

01



FINAL SUGAR PRODUCTION FOR 24/25

02



CLARITY ON OPENING STOCKS OF SUGAR

03



AREA UNDER CANE FOR 25/26 SEASON

04



WEATHER OUTLOOK FOR 2025 MONSOON

05



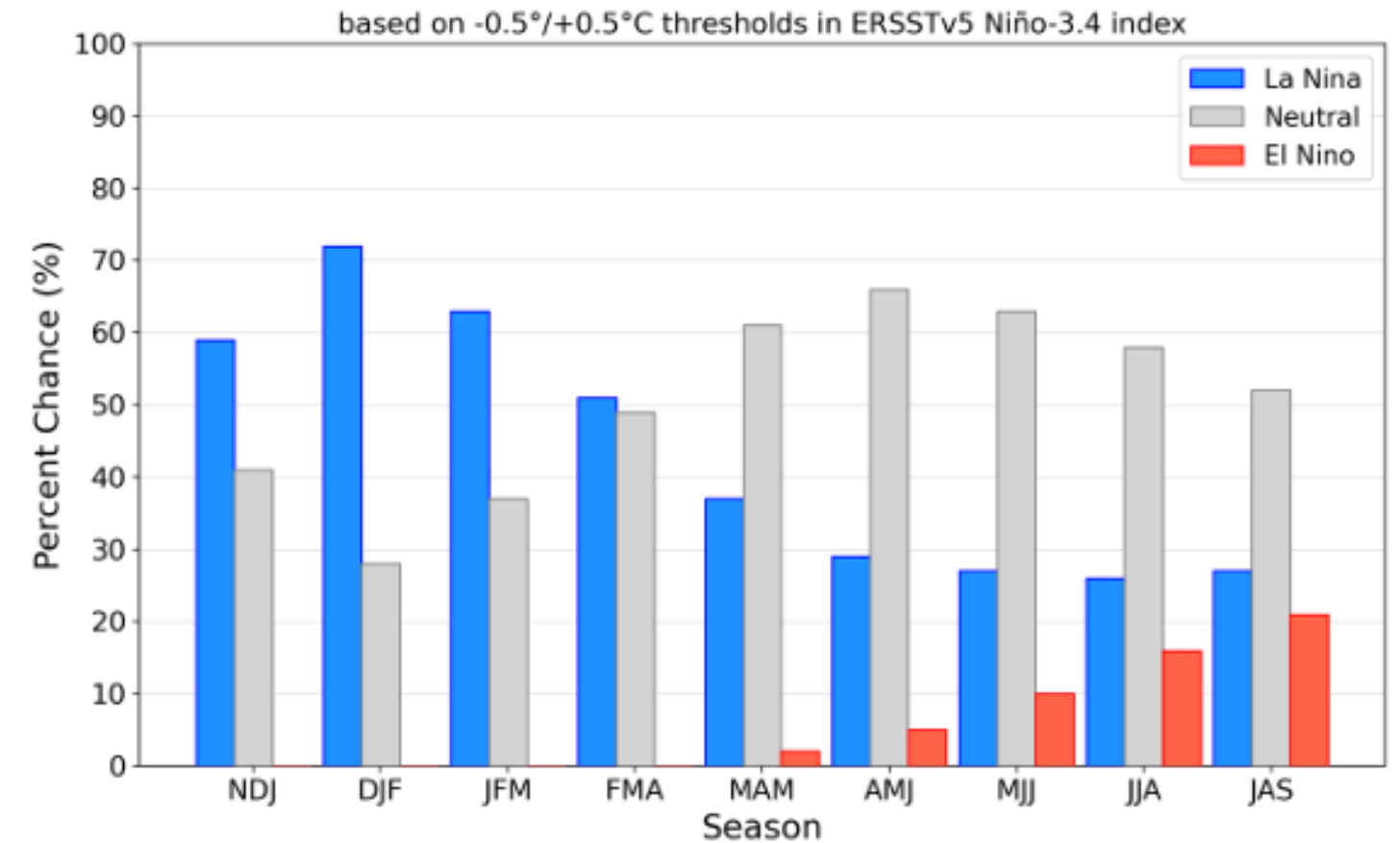
SUCROSE DEMAND FOR ETHANOL FOR 25/26 SEASON TO MEET 20% BLEND RATE



WEATHER SHALL BE CRUCIAL FOR 25/26 & 26/27 SUGARCANE PRODUCTION IN INDIA

- **ENSO Status – LA NINA WATCH**
- *La Nina conditions most likely between Nov 24-Jan 25 (59% Chance), with a transition to ENSO neutral mostly likely by March – May 2025*
- *ENSO probability showing the emergence of El NINO MAM Qtr onwards which shall be before the Indian monsoon sets in*
- *Probability of El Nino rising to 20% by JAS qtr which shall be peak of Indian monsoon.*
- *Will have to keep a close watch on transition of La Nina to El Nino, crucial for Indian production*
- *Not only for 25/25 but for 26/27 too*

Official NOAA CPC ENSO Probabilities (issued December 2024)



Aus Govt : Bureau of Meteorology

Month	Niño3.4 probabilities					
	Jan 2025	Feb 2025	Mar 2025	Apr 2025	May 2025	Jun 2025
Niño3.4	-0.7 °C	-0.4 °C	-0.2 °C	-0.1 °C	0 °C	0.3 °C
below -0.8 °C	13.1%	6.1%	8.1%	2.0%	2.0%	0%
neutral	86.9%	93.9%	91.9%	98.0%	96.0%	91.9%
above 0.8 °C	0%	0%	0%	0%	2.0%	8.1%



ETHANOL DEMAND TO DECIDE IF THERE WILL BE ANY SUCROSE SURPLUS FOR EXPORTS TO WORLD MARKET FROM INDIA

CANE BASED FEEDSTOCK



Qtr	Sugarcane Juice	BHM	CHM	GRAIN BASED FEEDSTOCK		TOTAL
				Damaged Food Grains	Maize	
Q1	1110	140	30	220	960	2460
Q2	740	300	30	210	920	2200
Q3	20	510	20	240	1300	2090
Q4	80	370	20	400	1680	2550
TOTAL	1950	1320	100	1070	4860	9300
Feedstock Requirement	2.8	1.2	0	2.7	12.8	19.4

- BASIS OMC TENDER - 4 MMT OF SUCROSE FOR ETHANOL
- ADD DEMAND OF PVT PLAYER, TOTAL SHOULD REACH APPROX 4.3 MMT AD PROJECTED BY GREENLEAF
- NEED TO WATCH THE GRAINS ETHANOL PERFORMANCE FOR ITS INCAPACITY TO MEET THE PROJECTED DEMAND, MIGHT PUT MORE PRESSURE ON SUGAR FEEDSTOCK TO MEET DEMAND FOR 20% BLEND IN 2025-26



PENDING GOVT POLICIES

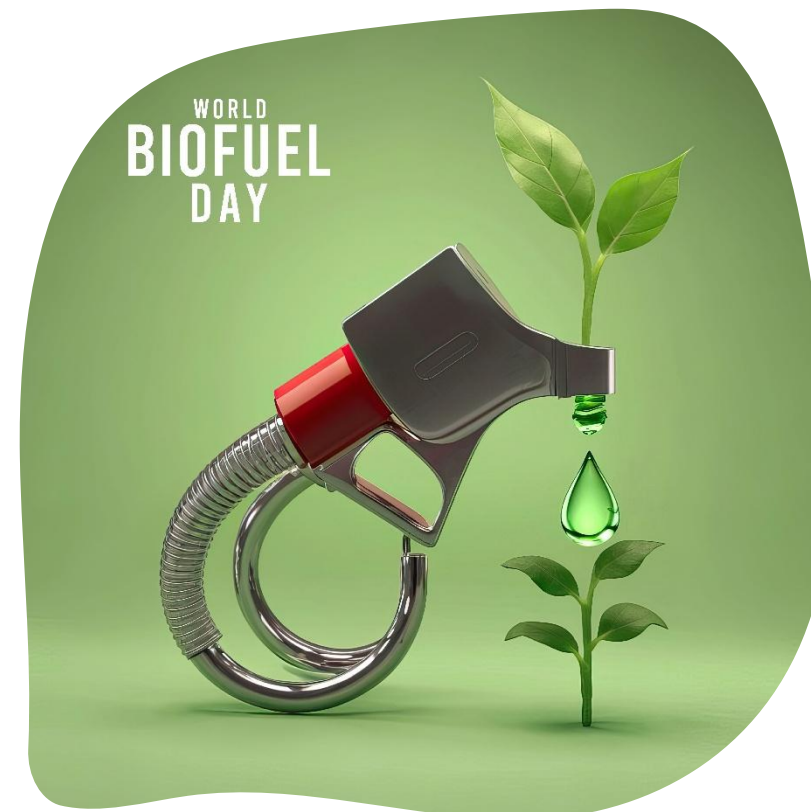
ETHANOL PRICE REVISION

Again, pending since long & industry expecting announcement soon. Hike may be moderate in range of INR 1.50 – 3 per ltr for Juice and BHM.



MSP OF SUGAR

Long awaited, likelihood of it coming soon. Tentatively between INR 35-35.50 per kg from current INR 31 per kg.



SUGAR EXPORTS

Demand from Industry body continues, least possible unless Govt thinks otherwise. Potentially to be discussed during Q2/3 of 2024.

**THANK YOU &
WISHING ALL A VERY
HAPPY NEW YEAR**



Greenleaf
UNLOCK THE WORLD OF COMMODITIES

www.leaf.in



Contact Us:
GL Agro Research Pvt. Ltd.
605, Bhikaji Bhawan
Bhikaji Cama Place
New Delhi - 110022
info@leaf.in
harsh@leaf.in
+91 9318419553, 9718257591

