



# **MONTHLY SUGAR REPORT NOVEMBER 2024**



# IS REAL THE REAL CULPRIT

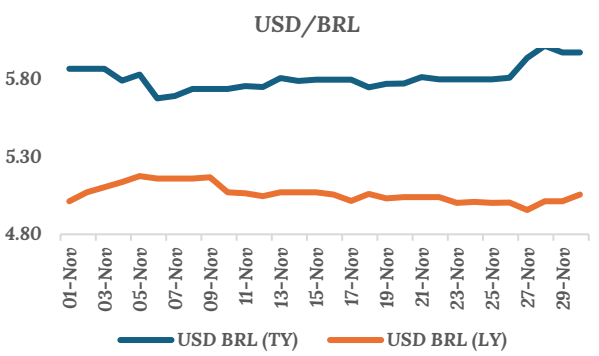
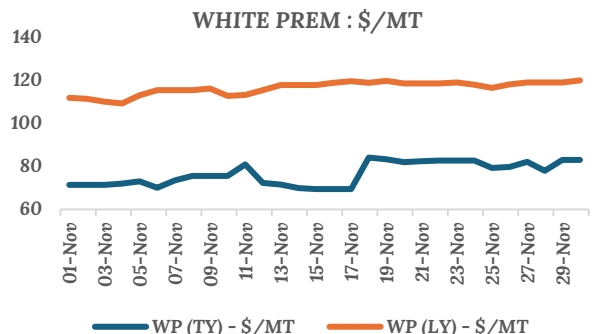
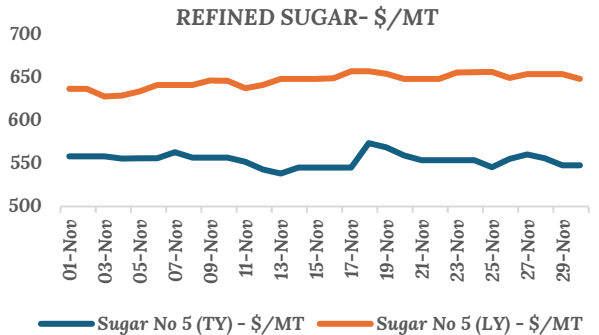
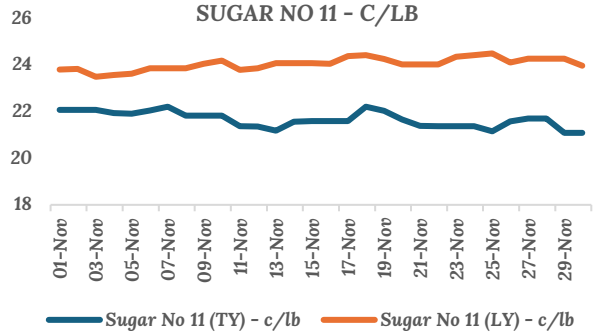
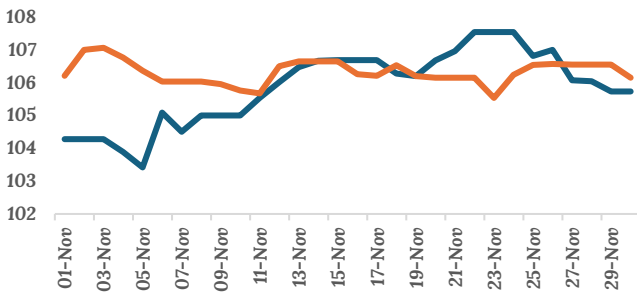
TRUMP shall take over the reins of the US for the second time and its time for Biden to Bid good bye from the White House.

The flamboyancy of the President elect can be seen from his speeches before taking over the office and making sure US is on the path of Greatness again. But does it have to do with the fall of the Sugar prices.

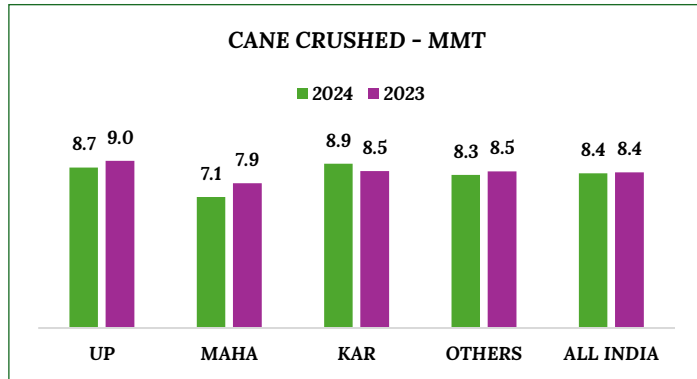
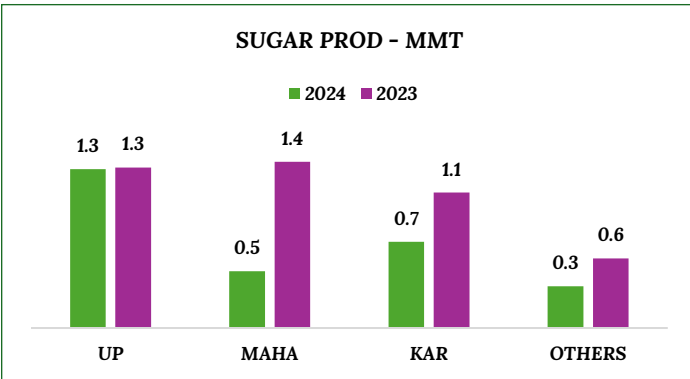
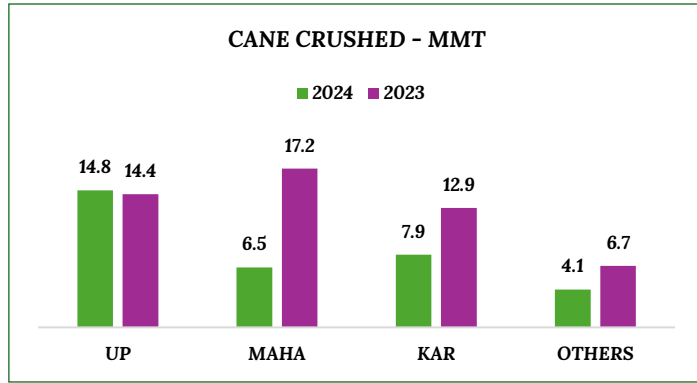
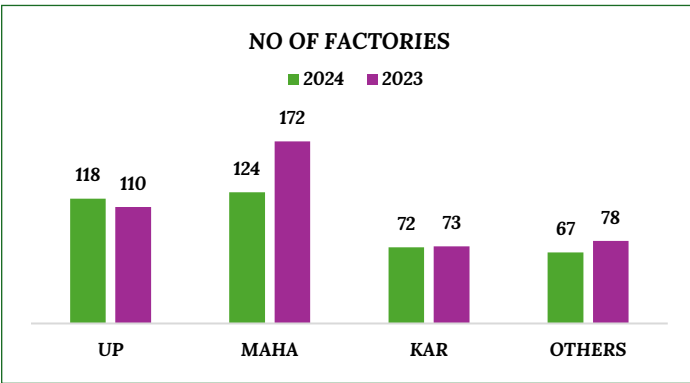
## Some Facts

- The Raw sugar and Refined sugar market has lost 4% and 2% respectively in the last one month.
- Raw Sugar prices are down 10% from last year whereas Refined Sugar prices are down 14% from last year.
- Due to the higher loss of White Refined Sugar prices, the White Premium has come down drastically from USD 116 per mt to USD 77 per mt.
- The Brazilian Real has lost 2% during the month of November and approached the magical mark of 6 against the USD, depreciated by a massive 15% from last year.
- UNICA gave a surprise to the market by reducing their stocks by 2 MMT and with Sugar production season almost done in the region producing sub 38 MMT of sugar, one of the trade house has been talking about the stocks in Brazil getting to negative territory by the end of the 24/25 season.
- Price movement of Raw sugar though does not portray the same.
- Rains have been good in Brazil which is expected to support the production for the upcoming 25/26 crop and weather outlook calls for further rains in coming week.

DOLLAR INDEX



# INDIAN SUGAR MARKET UPDATE

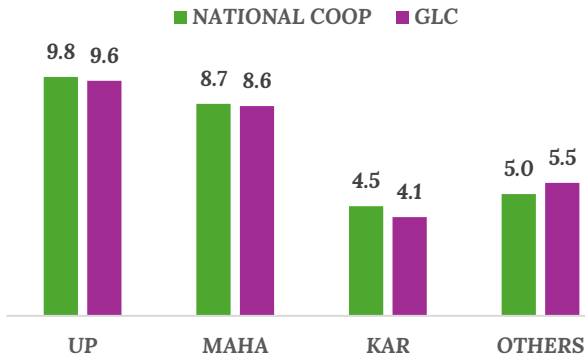


- Indian sugar production has been reported to have reached 2.8 MMT as of 30<sup>th</sup> Nov 2024
- The production is lower than last year by 1.5 MMT, (4.3 MMT in 2023).
- Lower production has been reported in all the key producing regions on account of
  - Delayed crushing in Maharashtra due to elections
  - Delayed crushing in Karnataka. Started from 8<sup>th</sup> Nov 24, which usually starts mid Oct.
  - Lower sucrose recovery in UP.
  - Sucrose recovery in UP is due to the poor health of the cane as mills have reported lower POL in cane as compared to last year.
  - Coupled with higher diversion of Sucrose towards Ethanol production in the current 24/25 season is also aiding loss of sugar production in the state.
  - This year, the Ethanol diversion as projected by GreenLeaf is 4.3 MMT which was around 2.2 MMT last year.
  - With 2 MMT of additional sucrose going for Ethanol production and projected lower sucrose production in 24/25, the sugar production numbers should continue to come out lower than last year.
  - The gap of 1.5 MMT has to expand to 4 MMT, as we are projecting 4 MMT lower sugar production in the country from 2023-24 season.
- GreenLeaf also did the survey of the red rot and top borer impacted region of UP and reduced their crop production estimates for the state of UP basis their finding.
- The top borer is one major issue which has impacted the height of cane as the stick has not grown as tall it should have, which is loss of yield.
- The same shall be seen in the final production numbers in coming months.
  - Maharashtra and Karnataka sugar production on the other hand might see some upside as the crop has got some extra time to grow and develop which might add to the yield and sucrose content,
  - But with the higher sucrose diversion towards Ethanol, we shall still find sugar production struggling to reach the domestic consumption requirement level, thus forcing some stock reduction by the end of 2024/25 season.



## GREENLEAF PRODUCTION ESTIMATE

### SUGAR PRODUCTION COMPARISON



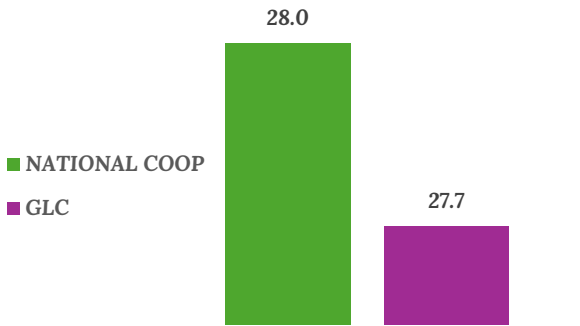
GreenLeaf & National cooperative sugar production is almost the same in terms of total sugar production for the country.

The difference is in state wise split with major difference between the 2 in state of Karnataka and Others.

Crushing has just started and is picking up pace which shall add more sugar per day to the system.

With the supplies increasing in the country, the sugar prices have been trading on lower side and have lost almost 5% of its value.

### ALL INDIA SUGAR PRODUCTION EST.

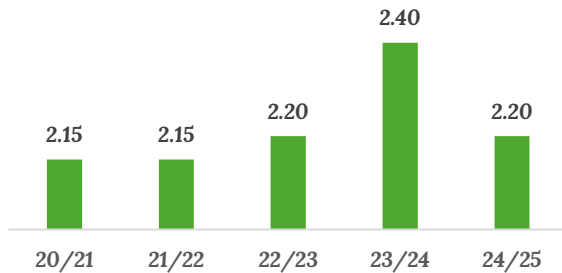


Prices continue to come down due to which the Govt has reduced their release of sugar and given quota of 2.2 MMT of sugar for Dec 2024. (2.4 MMT LY)

Total quota released by the Govt for OND is 6.95 MMT down, from 7.6 MMT last year. 8.6% lower.

Basis the same quota released for remaining quarters, we shall reach consumption of 27.8 MMT, add to it excess supply in the market through certain mills, we are looking at consumption close to 28.4 MMT.

### Dec Sugar Quota - MMT



Demand of sugar need to be watched carefully as we projecting demand of 29.3 MMT for domestic market which calls for higher quota release in coming months or excess supply of sugar over and above quota, which shall be reflected in prices in coming months.

Cross border trade which was a saviour last time and was absorbing excess supply of sugar during the crushing period is not where to be seen.

The border forces are standing tall and not letting free flow of commodities across the border which is restricting the dispatch of sugar only for the domestic market.

The spread between the UP and Maharashtra has also narrowed from high of INR 375 per Qtl to INR 300 per qtl and is expected to come down further as crushing season progress.

The respite in prices shall come when the crushing starts to wind up which may start earlier this season due to crop loss in all 3 major states from last season.

Gur prices in UP have been flat, lost 1% of its value during the moth and also as compared to last season.

With the sugar prices also down and Gur prices holding themselves, spread between Sugar and Gur prices in UP has narrowed by 14% from last year.

### MAHARASHTRA SUGAR PRICES

