

1. World Sugar

1.1 Scenario

International Sugar Organization in its Quarterly Market Outlook-November 2023 has presented the first revision of sugar balance for 2023/24 crop cycle that underpins the following:

- Global production in 2023/24 is expected to reach 180 MMT, up 1.5 MMT YoY
- Consumption in 2023/24 is expected to reach a new high of 180 MMT
- Trade figures for 2022/23 and 2023/24 are neutral
- End stock 100 MMT – Stock to consumption ratio down from 56.57 to 55.86

1.2 Prices

The market melted 700 points within a short span of one-and-half month (from 28.14 c/lb high on 7th Nov'23 to 21.16 c/lb low on 14th Dec'23), a fall of almost 25% that had not occurred since the Covid-19 pandemic. In absolute values, a fall above 700 points over the same time interval occurred in Sep '2011 when New York traded at 24.84 c/lb after a recent high of USD 31.85 in August the same year.

The Nominal White Sugar Premium (the differential between the ISO White Sugar Price Index and the ISA Daily Price) rose to USD 159.52/t in August, thereby exceeding the July 2010 high and setting an all-time record, based on screen-traded futures. The markets have sustained an arbitrage level of over USD 100/ t since March 2022, this 20-month sequence is the longest on record. Limited spare refining capacity or restrictions on re-exports have also been a factor in the divergence seen over recent months.

2 Indian sugar

2.1 Sugar production estimate (Net of Ethanol diversion)

State	Oct-Dec '23	Oct-Dec'22
Uttar Pradesh	34.35	30.87
Maharashtra	38.20	46.78
Karnataka	24.02	26.70
Tamil Nadu	2.23	2.62
Others	13.00	14.23
Total	111.80	121.20

Source: ISMA

2.2 Sugar prices


