

1. World Sugar

1.1 Scenario

Production units in the Center-South region of Brazil concluded the 2023/24 harvest with 654.43 MMT of processed sugar cane, an increase of 19.29% over the 548.62 MMT recorded in 2022/23 season. This amount represents a historic record in the supply of raw materials in the Centre-South region. For the first time, CS Brazil recorded records in crushing, ethanol manufacturing and sugar manufacturing in the same year. Expectations at the beginning of the harvest already indicated an increase in production, but the values recorded at the end of the cycle were surprising.

Sugar production reached a historic record of 42.42 MMT in 2023/24 harvest, an increase of 25.7% over the 33.75 MMT recorded in the last cycle, and growth of 10.3% compared to the previous production record, seen in the 2020/21 harvest (38.46 MMT).

1.2 Prices

A sharp drop in the ISA daily price around the February month-end, associated with the NY March expiry, was not overcome until the last days of March. The raw sugar average price consequently declined for a second consecutive month, while weak white sugar prices in early March also resulted in a month-on-month decline.

FAO Sugar Price Index went down 5.4% to 133.1 index points in March 2024, after two consecutive monthly increases, driven by the upward revision to the 2023/24 sugar production forecast in India and improved pace of sugar harvest in Thailand at the final stage of the season. Large exports from Brazil also weighed on world sugar prices. However, persisting concerns over cane crop in Brazil, negatively affected by prolonged dry weather conditions, continued to exacerbate seasonal trends and limited the price decline. Likewise, higher international crude oil prices also contributed to containing the decrease in world sugar prices.

2 Indian sugar

2.1 Sugar production

Sugarcane crushing season 2023/24 in India has entered its last leg as large number of sugar mills have resorted ending operations. According to data released by ISMA, sugar production till 15/04/24 in the current 2023/24 sugar season reached 311 lakh tons, a tad lower than 312 lakh ton Y-o-Y.

Indian Sugar Mills Association in mid-March had revised its net sugar output estimate for 2023/24 season to be 320 lakh tons. Domestic consumption is set to grow to 290 lakh tons as per Department of Food & Public Distribution. Closing stock by end of the season would be healthy.

2.2 Sugar prices

On 10th April 2024, India's average market price of sugar across all grades totalled ₹ 3580 per quintal and increased ₹ 90 per quintal compared to the previous year's corresponding period.
