

Recent Update:

A firm tone was witnessed in Sugar physical markets today in India. Sugar prices were higher in Delhi by Rs.10-50 at Rs. 3220/q. Prices were higher in Kolhapur at Rs. 3076/q.

NFCSF demands hike in minimum Selling Price of sugar. The National Federation of Cooperative Sugar Factories Limited (NFCSF) has demanded that the government to rise the minimum selling price of sugar from Rs. 31 per kg to above Rs. 37.50. They have also demanded grade wise pricing of sugar (small, medium and large size) to remove the current anomaly.

Weather Forecast:

Thunderstorm with lightening very likely at isolated places over Jharkhand, Gangetic West Bengal, Tamil Nadu, and Pondicherry & Karikal. Heavy rain falls at isolated places over East Rajasthan, Uttarakhand heavy to very heavy rainfalls at isolated places over Himachal Pradesh, West Uttar Pradesh, Punjab, Haryana, West Madhya Pradesh, Gangetic West Bengal, Odisha, and Andaman & Nicobar Islands.

Previous Updates:

Domestic Sugar prices have increased after 7 months. The domestic sugar prices have seen an uptrend since last 3 days by aggressive offerings and lifting. Demand is expected to increase with the dawn of the most auspicious Hindu month Shravan, the ease in many states imposed lockdown has also brought in demand. Prices have witnessed an upswing of average Rs. 80-100 per quintal nationwide after depressed prices for 7 constant months. Sugar prices in Maharashtra were at Rs. 3120 per quintal to Rs. 3155 per quintal for S grade whereas for M grade it was Rs. 3180 to Rs. 3250 per quintal.

Madhya Pradesh government is planning to boost ethanol production in the state. The state government along with the Central government is planning to boost ethanol production in Madhya Pradesh. The Private players are setting up 20 ethanol units in the state. Currently India's ethanol blending rate with petrol is 8 percent. Also, the central government with an aim to lower the expenditure on foreign exchange has set a target of blending 20 per cent ethanol with petrol by 2025.

The Odisha government has approved seven industrial projects worth Rs 2083.88 crore, including three grain-based ethanol plants. The State Level Single Window Clearance Authority (SLSWCA) headed by Chief Secretary Suresh Chandra Mahapatra have approved the proposals. As per the reports, the Indian Oil Corporation Limited (IOCL) will invest Rs 870 crore to set up a 500 KLPD grain based ethanol plant and 8MW power plant at Balgopalpur near Balasore. The SLSWCA has also given permission to the Hindustan Petroleum Corporation Limited (HPCL) to set up a 500 KLPD capacity ethanol plant at Umerkote in Nabarangpur. HPCL will invest Rs 500 crore for setting up the plant. Similarly, another 100 KLPD plant along with a biogas plant and co-gen power plant by Mumbai-based Newalt Energy Private Limited at Nuakheta near Bantala in Angul district was also approved.

Government has fixed 21 lakh MT as the monthly sugar sales quota for August 2021: The Department of Food & Public Distribution has allocated 21 lakh MT monthly sugar sales quota for August which is 0.50 lakh MT higher than that of August 2020. In the previous month, July 2021 the government had released a 22 lakh MT sugar sales quota.

Brazil Sugar Production have decreased in July 2021. According to data released by the trade association, UNICA Sugar production in the center-south region of Brazil has lowered by 2.8 percent in the first half of July compared with last year. The mills in the region have produced 2.94 million tonnes of sugar. As per the information shared by the 24 mills, agriculture yield of sugarcane was 14% lower in the first half of July compared to last year. The mills have in the first half of July crushed 45.6 million tonnes of cane which was 2.3% less compared to last year. At the same time, ethanol production increased by 1.1% to 2.16 billion litres.

Over 2.5 lakh hectares area is estimated to be damaged in Maharashtra due to rains and Floods. The recent spate of rains and floods which have ravaged Maharashtra over past few days, has seen over 2.5 lakh hectares of crop area bearing the brunt of it. Many parts of Maharashtra have faced torrential rains, which have led to more than 100 deaths across the state. Konkan, Kolhapur, Sangli, Satara, Parbhani, Akola, Washim, Nagpur and Wardha are some of the districts which have reported damage to the crop. By far, the cane capital of Kolhapur has seen the maximum damage with 50,000 hectares of cropped area reportedly destroyed. Sangli, Pune and Satara have reported around 4,000 hectares each damaged, while Washim, Akola, Nagpur and few other districts in Vidharbha have reported 30,000 hectares of damage. As per the Sugar industry experts, unlike crops like soybean, groundnut and vegetables, chances of complete crop loss is minimal in cane due to the physiology of the crop, which allows it to survive extremes in terms of drought and floods better than any other crop, as even if the top portion of the crop is submerged in flood waters for 10 day, the crop can regenerate and revive. Also, the final figure is expected to raise as more flood waters recede, allowing officials to reach remote areas that have been cut off so far.

Brazil Sugarcane crop may get affected due to upcoming new polar air mass. The sugarcane crop in Brazil was affected due to frost in Brazil last week and is likely to get affected further due to new polar air mass that will move over the country's agricultural areas this week, this is the third cold wave that will impact the crops in Brazil. According to the forecast, the air mass will reach southern Brazil by Wednesday.

Uttar Pradesh leads in ethanol production in India. The state has produced 58 crore litres of ethanol and the total operated distillers were 54, the average ethanol blending rate has reached 7.93 percent. Ethanol output is likely to increase in the upcoming season 2021-22 as government has emphasized its production.

International Sugar Futures ICE(US Cent/lb)

Daily Futures Price Listing Tuesday, Aug 03rd, 2021									
Most Recent Information							Previous Day		
Mth	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
Sugar #11(ICE)									
Oct-21	210803	17.92	18.24	17.74	17.98	+0.03	58,615	436,615	-5,155
Mar-22	210803	18.48	18.75	18.31	18.55	+0.05	31,802	230,649	+3,077
May-22	210803	17.60	17.84	17.48	17.70	+0.08	8,663	99,401	-554
Jul-22	210803	16.82	17.05	16.95	16.95	+0.07	3,206	86,080	+195
Oct-22	210803	16.44	16.65	16.55	16.55	+0.03	1,080	60,621	-218
Mar-23	210803	16.49	16.61	16.54	16.54	-0.01	907	27,519	+166
May-23	210803	15.70	15.77	15.74	15.74	-0.01	271	12,631	+132
Jul-23	210803	15.01	15.06	14.89	15.05	unch	298	15,215	+72
Total Volume and Open Interest							105,103	982,113	-2,138

Source: MRCI

International Sugar Futures LIFFE(US \$/MT)

Daily Futures Price Listing Tuesday, Aug 03rd, 2021									
Most Recent Information							Previous Day		
Mth	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
London Sugar(LCE)									
Aug-21	210803	445.50	454.50	442.60	449.60	+2.30	4,790	34,825	-522
Oct-21	210803	464.60	471.90	461.70	466.70	+0.50	1,581	12,748	+121
Dec-21	210803	472.80	479.50	470.70	475.70	+0.50	1,029	11,167	+243
Mar-22	210803	469.70	477.20	469.20	474.70	+1.90	569	7,682	+197
May-22	210803	460.50	466.90	460.50	466.00	+2.70	147	4,944	+101
Total Volume and Open Interest							8,153	75,163	+175

Source: MRCI

DOMESTIC PRICES AND ARRIVAL

Spot Sugar Prices Scenario (Monthly-Average)					
Commodity	Centre	Variety	Average Prices (Rs/Qtl)		Change
			July'21	June'21	
Sugar					
Delhi	Delhi	M-Grade	3240	3230	10
	Delhi	S-Grade	3220	3210	10
Uttar Pradesh	Khatauli	M-Grade	NA	3235	-
	Ramala	M-Grade	NA	3178	-
	Dhampur	M-Grade Ex-Mill	NA	3133	-
	Dhampur	S-Grade Ex-Mill	NA	3113	-
	Dhampur	L-Grade Ex-Mill	NA	3183	-
Maharashtra	Mumbai	M-Grade	3368	3314	54
	Mumbai	S-Grade	3211	3206	5
	Nagpur	M-Grade	3201	3202	-1
	Nagpur	S-Grade	3139	3134	5
	Kolhapur	M-Grade	3076	3077	-1
	Kolhapur	S-Grade	3014	3009	5
Assam	Guhawati	S-Grade	3274	3269	5
Meghalaya	Shillong	S-Grade	3334	3318	16
Andhra Pradesh	Vijayawada	M-Grade (With Duty)	3533	3571	-38
	Vijayawada	S-Grade (With Duty)	3523	3560	-37
West Bengal	Kolkata	M-Grade	3504	3600	-96
Tamil Nadu	Chennai	S-Grade (With GST)	3531	3571	-40
	Dindigul	M-Grade (DCA)	3536	3580	-44
	Coimbatore	M-Grade (DCA)	3579	3620	-41
Chattisgarh	Ambikapur	M-Grade (Without Duty)	3600	3600	Unch

Sugar Prices are in INR/Quintal. (1 Quintal=100 kg)

*DCA: Department of consumer affairs

Spot Jaggery(Gur) Prices Scenario (Monthly-Average)					
Commodity	Centre	Variety	Prices (Rs/Qtl)		Change
			July'21	June'21	
Jaggery(Gur)					
Uttar Pradesh	Muzaffarnagar	Chaku Sukha(Cold)	NA	3243	-
	Muzaffarnagar	Chaku(Arrival)(40kg Bag)	NA	11400	-

	Muzaffarnagar	Khurpa (Fresh)	NA	3154	-
	Muzaffarnagar	Laddoo (Fresh)	NA	3296	-
	Muzaffarnagar	Rascut (Fresh)	NA	NA	-
	Hapur	Chaurasa	NA	NA	-
	Hapur	Balti	NA	NA	-
Andhra Pradesh	Chittur	Gold	NA	NA	-
		White	NA	NA	-
		Black	NA	NA	-
Maharashtra	Latur	Lal Variety	NA	NA	-
Karnataka	Bangalore	Mudde (Average)	4596	4361	235
	Belgaum	Mudde (Average)	NA	NA	-
	Belthangadi	Yellow (Average)	NA	NA	-
	Bijapur	Achhu	NA	NA	-
	Gulbarga	Other (Average)	NA	NA	-
	Mahalingapura	Penti (Average)	3236	3290	-54
	Mandya	Achhu (Medium)	3198	3432	-234
	Mandya	Kurikatu (Medium)	3069	3279	-210
	Mandya	Other (Medium)	3014	3228	-214
	Mandya	Yellow (Medium)	3145	3334	-189
	Shimoga	Achhu (Average)	3624	3600	24

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