

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. 3320/q. Prices were higher in Kolhapur at Rs. 3120/q.

Fiji sugar production has reached 24,000 tonnes till 1st August 2021. According to the Fiji Sugar Corporation (FSC) sugar mills have crushed around 283,000 tonnes of cane and produced 24,000 tonnes of sugar till 1st August 2021. The mills have crushed the sugarcane with an average TCTS (tonnes cane to tonnes sugar) of 11.91. As per National Farmer Union, all the three sugar mills are under performing due to mechanical and processing problems that are hampering the performance of the mills. This is causing huge loss to farmers and the sugar industry as a whole. Whereas on the other hand Fiji Sugar Corporation said that there is an issue of cane supply at Labasa sugar mill and there were minor issues at the Lautoka and Rarawai mills in the first 2 weeks of the season which have been resolved and all mills are operating well now.

Weather Forecast:

Thunderstorm accompanied with lightening & gusty winds at isolated places over Bihar, Jharkhand, West Bengal & Sikkim, Tamil Nadu, and Pondicherry & Karikal. Heavy rain falls at isolated places over Uttarakhand, West Uttar Pradesh, Madhya Pradesh, Bihar, Sub-Himalayana West Bengal & Sikkim, Assam & Meghalaya, Arunachal Pradesh, Nagaland, Manipur, Mizoram & Tripura, Tamil Nadu, Pondicherry & Karikal.

Previous Updates:

Assam has approved ethanol production policy. The Assam government has approved ethanol production promotion policy, 2021 and it shall be valid up to 31st March 2021. The policy will increase ethanol production in the state; also the standalone green field ethanol producing industrial units will be provided incentives under the policy.

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.

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 Friday, Aug 06th, 2021									
Most Recent Information							Previous Day		
Mth	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
Sugar #11(ICE)									
Oct-21	210806	18.56	18.92	18.50	18.68	+0.06	45,998	428,810	-4,778
Mar-22	210806	19.15	19.44	19.08	19.23	+0.05	33,575	235,399	+4,529
May-22	210806	18.23	18.41	18.17	18.31	+0.03	8,551	104,929	+1,678
Jul-22	210806	17.40	17.50	17.34	17.45	Unch	4,938	87,650	+802
Oct-22	210806	16.90	17.00	16.86	16.97	-0.04	1,020	60,578	+93
Mar-23	210806	16.84	16.92	16.80	16.91	-0.04	1,369	28,469	+483
May-23	210806	16.03	16.13	15.95	16.10	-0.03	799	13,132	+418
Jul-23	210806	15.28	15.37	15.18	15.34	-0.03	891	16,536	+504
Total Volume and Open Interest							98,042	991,388	+4,278

Source: MRCI

International Sugar Futures LIFFE(US \$/MT)

Daily Futures Price Listing Friday, Aug 06th, 2021									
Most Recent Information							Previous Day		
Mth	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
London Sugar(LCE)									
Aug-21	210806	461.70	465.00	458.50	459.60	-2.20	2,437	34,755	+305
Oct-21	210806	477.80	481.10	475.40	477.70	+0.20	601	13,361	+135
Dec-21	210806	483.50	487.50	482.60	483.90	+0.30	225	11,431	+90
Mar-22	210806	480.50	483.50	480.00	481.10	-0.10	227	7,803	+56
May-22	210806	471.20	472.20	469.50	473.60	-0.30	91	4,997	+48
Total Volume and Open Interest							3,655	76,237	+692

Source: MRCI

DOMESTIC PRICES AND ARRIVAL

Sugar Prices at Key Spot Markets:					
Commodity	Centre	Variety	Prices (Rs/Qtl)		Change
Sugar			07-Aug-21	06-Aug-21	
Delhi	Delhi	M-Grade	3340	3360	-20
	Delhi	S-Grade	3320	3340	-20
Uttar Pradesh	Khatauli	M-Grade	NR	NR	-
	Ramala	M-Grade	NR	NR	-
	Dhampur	M-Grade Ex-Mill	NR	NR	-
	Dhampur	S-Grade Ex-Mill	NR	NR	-
	Dhampur	L-Grade Ex-Mill	NR	NR	-
Maharashtra	Mumbai	M-Grade	3450	3450	Unch
	Mumbai	S-Grade	3306	3306	Unch
	Nagpur	M-Grade	3345	3345	Unch
	Nagpur	S-Grade	3245	3245	Unch
	Kolhapur	M-Grade	3220	3220	Unch
	Kolhapur	S-Grade	3120	3120	Unch
Assam	Guhawati	S-Grade	3431	3431	Unch
Meghalaya	Shillong	S-Grade	3440	3440	Unch
Andhra Pradesh	Vijayawada	M-Grade (With Duty)	3600	3600	Unch
	Vijayawada	S-Grade (With Duty)	3680	3680	Unch
West Bengal	Kolkata	M-Grade	3480	3480	Unch
Tamil Nadu	Chennai	S-Grade (With GST)	3600	3600	Unch
	Dindigul	M-Grade (DCA)	3520	3520	Unch
	Coimbatore	M-Grade (DCA)	3540	3540	Unch
Chattisgarh	Ambikapur	M-Grade (Without Duty)	NA	NA	-

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

*DCA: Department of consumer affairs

Jaggery (Gur) Prices at Key Spot Markets:					
Commodity	Centre	Variety	Prices (Rs/Qtl)		Change
Jaggery(Gur)			07-Aug-21	06-Aug-21	
Uttar Pradesh	Muzaffarnagar	Chaku Fresh	NA	NA	-
	Muzaffarnagar	Chaku(Arrival)(40kg Bag)	NA	NA	-
	Muzaffarnagar	Khurpa (Fresh)	NA	NA	-
	Muzaffarnagar	Laddoo (Fresh)	NA	NA	-

	Muzaffarnagar	Rascut (Fresh)	NA	NA	-
	Hapur	Chaursa	NA	NA	-
	Hapur	Balti	NA	NA	-
Andhra Pradesh	Chittur	Gold	NR	NR	-
		White	NR	NR	-
		Black	NR	NR	-
Maharashtra	Latur	Lal Variety	NR	NR	-
Karnataka	Bangalore	Mudde (Average)	4500	4500	Unch
	Belgaum	Mudde (Average)	NA	NA	-
	Belthangadi	Yellow (Average)	NA	NA	-
	Bijapur/Vijayapura	Achhu	NA	NA	-
	Gulbarga/Kalaburgi	Other (Average)	NA	NA	-
	Mahalingapura	Penti (Average)	NA	3353	-
	Mandya	Achhu (Medium)	NA	NA	-
	Mandya	Kurikatu (Medium)	NA	NA	-
	Mandya	Other (Medium)	NA	NA	-
	Mandya	Yellow (Medium)	NA	NA	-
	Shimoga/Shivamogga	Achhu (Average)	3650	3650	Unch

Disclaimer

information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness, and correctness. The use of data and information contained in this report is at your own risk. This document is not, and should be construed as an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed, or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors, and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at <http://www.agriwatch.com/disclaimer.php> © 2021 Indian Business Systems Ltd.