

Recent Update:

A firm tone was witnessed in Sugar physical markets today in India. Sugar prices were lower in Delhi by Rs.05-10 at Rs. 3300/q. Prices were higher in Kolhapur at Rs. 3140/q.

Sugar mills in Maharashtra have paid 99 percent of the FRP. As the crushing season is over in Maharashtra the sugar mills have started clearing cane dues till 31st July 2021 sugar mills in Maharashtra have paid Rs. 30,418.01 crore net fair and remunerative price (FRP) to sugarcane farmers compared to the last year this year's FRP is 222 percent higher with an overall rise of Rs. 16,689 crore. According to the Maharashtra Sugar Commissioner Report, in July 2020 last year the sugar mills had paid Rs.13,728.94 crore net FRP that was about 95 per cent of the total payable FRP. However, this year, mills have set a record by paying 99 per cent of the total Rs.30,809.91 crore payable FRP. Only 1.28 per cent, that is Rs.391.90 crore FRP arrears are pending.

Weather Forecast:

Thunderstorm accompanied with lightening very likely at isolated places over Jammu & Kashmir, Gigit-Baltistan & Muzzafarabad, Himachal Pradesh, Uttarakhand, East Uttar Pradesh, Rayalaseema, Coastal Andhra Pradesh, Yanam, Tamil Nadu, and Pondicherry & Karikal. Heavy rain falls at isolated places over Himachal Pradesh, Uttarakhand, East Uttar Pradesh, Bihar, Arunachal Pradesh, Bihar, Jharkhand, Sub-Himalayana West Bengal & Sikkim, Assam & Meghalaya, Arunachal Pradesh, Nagaland, Manipur, Andaman & Nicobar Islands, Mizoram & Tripura, Tamil Nadu, Pondicherry & Karikal.

Previous Updates:

Under the Ethanol Blending Program, Ethanol suppliers have contracted to supply 343.16 crore litres of ethanol for 2020-21 seasons. According to the Minister of State for Petroleum and Natural gas, the Oil Marketing Companies are selling 10 percent ethanol blended petrol which contains 90 percent petrol and 10 percent ethanol from their retail outlets. Under the Ethanol Blended Petrol Program, ethanol suppliers have contracted to supply 343.16 crore litre of ethanol to Public Sector OMC for the ongoing Ethanol Supply Year 2020-21, against which 209.67 crore litres has been received till 02nd August 2021.

According to the report on Socio-economic vulnerability to climate change, 11 out of 36 districts area are prone to extreme weather events. As per the study, Nandurbar is the most vulnerable district to cyclones, floods, droughts, changing rainfall patterns and extreme temperatures. The other districts include Parbhani, Jalna, Hingoli, Amravati, Buldhana, Beed, Aurangabad, Nanded, Akola, and Washim.

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.

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.

International Sugar Futures ICE(US Cent/lb)

Daily Futures Price Listing Tuesday, Aug 10th, 2021									
Most Recent Information							Previous Day		
Mth	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
Sugar #11(ICE)									
Oct-21	210810	18.63	19.75	18.54	19.59	+1.12	40,123	420,575	-6,764
Mar-22	210810	19.12	20.21	19.08	19.94	+0.93	24,881	237,426	+363
May-22	210810	18.26	19.13	18.20	18.89	+0.78	12,648	108,913	+2,643
Jul-22	210810	17.35	18.14	17.34	17.86	+0.61	9,924	90,619	+878
Oct-22	210810	16.84	17.42	16.84	17.24	+0.46	2,909	61,779	+187
Mar-23	210810	16.77	17.20	16.77	17.08	+0.35	2,112	29,262	+212
May-23	210810	16.00	16.30	16.00	16.22	+0.27	599	13,520	+75
Jul-23	210810	15.37	15.38	15.19	15.38	+0.17	466	17,154	+139
Total Volume and Open Interest16.00							94,167	995,409	-2,124

Source: MRCI

International Sugar Futures LIFFE(US \$/MT)

Daily Futures Price Listing Tuesday, Aug 10th, 2021									
Most Recent Information							Previous Day		
Mth	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
London Sugar(LCE)									
Aug-21	210810	456.60	470.00	455.80	468.20	+18.00	3,422	34,680	+112
Oct-21	210810	474.90	488.40	474.90	487.20	+17.30	1,983	14,755	+770
Dec-21	210810	483.60	494.40	483.60	493.50	+15.70	582	11,903	+218
Mar-22	210810	482.30	490.90	481.60	490.00	+13.80	242	8,100	+76
May-22	210810	473.60	480.00	473.60	479.20	+12.50	205	5,360	+70
Total Volume and Open Interest							6,538	78,728	+1,346

Source: MRCI

DOMESTIC PRICES AND ARRIVAL

Sugar Prices at Key Spot Markets:					
Commodity	Centre	Variety	Prices (Rs/Qtl)		Change
Sugar			11-Aug-21	10-Aug-21	
Delhi	Delhi	M-Grade	3320	3320	Unch
	Delhi	S-Grade	3300	3300	Unch
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	3490	3476	14
	Mumbai	S-Grade	3326	3326	Unch
	Nagpur	M-Grade	3345	3375	-30
	Nagpur	S-Grade	3245	3265	-20
	Kolhapur	M-Grade	3220	3250	-30
	Kolhapur	S-Grade	3120	3140	-20
Assam	Guhawati	S-Grade	3431	3451	-20
Meghalaya	Shillong	S-Grade	3440	3460	-20
Andhra Pradesh	Vijayawada	M-Grade (With Duty)	3640	3600	40
	Vijayawada	S-Grade (With Duty)	3740	3700	40
West Bengal	Kolkata	M-Grade	3480	3480	Unch
Tamil Nadu	Chennai	S-Grade (With GST)	3550	3550	Unch
	Dindigul	M-Grade (DCA)	3520	3520	Unch
	Coimbatore	M-Grade (DCA)	3600	3600	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)			11-Aug-21	10-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	Chaurasa	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	3298	-
	Mandya	Achhu (Medium)	3180	3150	30
	Mandya	Kurikatu (Medium)	3100	3150	-50
	Mandya	Other (Medium)	3120	3050	70
	Mandya	Yellow (Medium)	3150	3200	-50
	Shimoga/Shivamogga	Achhu (Average)	3650	3650	Unch

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