

Recent Update:

A firm tone was witnessed in Sugar physical markets today in India. Sugar prices were lower in Delhi by Rs.10-20 at Rs. 3560/q. Prices were higher in Kolhapur at Rs. 3200/q.

Indian Sugar Industry is expecting a good export season. As the world sugar prices are bullish Indian sugar industry is expecting a good run in the overseas market in the coming 2021-22 season. According to Indian Sugar Mills Association, if the current raw sugar prices hold or rise, then India would end up exporting around 30-60 lakh tonnes of sugar in the coming season.

Weather Forecast:

Thunderstorm accompanied with lightening very likely at isolated places over Uttarakhand, Haryana, Uttar Pradesh, East Rajasthan, Madhya Pradesh, Bihar, Jharkhand, Coastal & North Interior Karnataka, Coastal Arunachal Pradesh, Tamil Nadu, Pondicherry & Karaikal. Heavy rainfall at isolated places over Uttarakhand, West Madhya Pradesh, Sub-Himalayana West Bengal & Sikkim, Haryana, Uttar Pradesh, East Rajasthan, Madhya Pradesh, Bihar, Gujarat region, Madhya Maharashtra, Konkan & Goa.

Previous Updates:

Sugarcane farmers from Punjab may launch a protest on 20th August 2021. According to the market sources, Punjab sugarcane farmers may launch protest as the sugar mills had not yet cleared their pending cane dues. The sugar mills including private and cooperative owe arrears worth Rs. 200 crore from the last crushing season. The private mills owe Rs. 145 crore and cooperative mills Rs. 55 crore.

Indian Sugar Mills Association has urged the government to increase the minimum selling price of sugar. ISMA has urged the government to immediately increase the MSP of sugar from the current Rs. 31 per kg to at least Rs. 34-35 per kg. According to ISMA this will not only improve the revenue realization of sugar mills from sale of sugar but also will help in clearing the cane arrears of the farmers. Minimum selling price was last increased in 2019.

Domestic sugar prices have increased up by Rs.300-400 per quintal in the last two weeks of August 2021. With the dawn of 'Shravan' month which brings in many auspicious days and prominent festivals across India and easing of state-wise lockdown across the country. The market has changed drastically and the country has started witnessing aggressive demand. Within the first 15 days of the announcement of August month sugar sales quota, sugar sales accounted for over 75 to 80 percent of the quota sale in Maharashtra and roughly 70-75 percent in Uttar Pradesh, leading to supply tightness in the market.

Area under sugarcane has increased in Purvanchal. According to the government officials, area under sugarcane has increased by 1.34 lakh hectares in the past four years, the cane cultivation in Purvanchal has was 4.39 lakh hectares which has increased to 5.37 lakh hectares. Farmer's income has also increased by Rs. 22,000 per hectares. The Average yield of sugarcane has also improved to 722 quintals per hectare from 652.72 quintals per hectare as compared to the past 4 years.

According to the Ministry of Agriculture advance estimate for 2020-21 season. Total production of Sugarcane during 2020-21 season is estimated at 399.25 million tonnes. The production of sugarcane during 2020-21 is higher by 37.18 million tonnes than the average sugarcane production of 362.07 million tonnes.

Sugarcane farmers from Saharanpur are demanding hike in sugarcane price. Sugarcane farmers under the banner of Bhartiya Kisan Sangh have demanded a hike in the sugarcane purchase price to Rs 400 per quintal. The farmers also demanded clearance of the cane dues of the previous crushing season with interest on it.

Around 250 sugar mills are non operational in India. According to the Minister of State and Rural Development, around 250 sugar mills are closed in India due to financial crunch and poor recovery from sugarcane. The highest numbers of closed sugar mill are from Maharashtra followed by Karnataka and Uttar Pradesh.

Brazil Sugar Production may fall to 32.5 million tonnes in 2021-22 season. Sugar production in the center-south region of Brazil is likely to fall to 32.5 million tonnes from an earlier estimate of 34.1 million tonnes due to drought and frost. Also, this provides opportunities for India to export raw sugar.

Sugarcane crop in Haryana get affected due to pest attack. The Top Borer has affected the sugarcane crop in Yamunanagar, Karnal and Kurukshetra districts. Pest attack has currently been observed in Co-0238 variety of sugarcane. The farmers have grown CO 0238 variety of sugarcane in over 40 percent of the area, farmers are spending on pesticides to protect their crop.

International Sugar Futures ICE(US Cent/lb)

Daily Futures Price Listing Wednesday, Aug 18th, 2021									
Most Recent Information							Previous Day		
Mth	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
Sugar #11(ICE)									
Oct-21	210818	20.01	20.31	19.99	20.17	+0.15	48,091	406,390	+2,118
Mar-22	210818	20.63	20.88	20.57	20.78	+0.15	28,410	255,336	+4,142
May-22	210818	19.56	19.78	19.52	19.73	+0.16	12,304	118,785	-191
Jul-22	210818	18.39	18.60	18.37	18.58	+0.19	6,904	96,485	+534
Oct-22	210818	17.87	18.10	17.87	18.10	+0.23	7,285	69,741	+5,199
Mar-23	210818	17.75	17.97	17.75	17.97	+0.24	788	30,420	+171
May-23	210818	16.84	16.98	16.79	16.98	+0.20	418	14,421	+94
Jul-23	210818	15.90	16.01	15.80	15.99	+0.11	326	18,463	+137
Total Volume and Open Interest							104,980	1,027,493	+12,499

Source: MRCI

International Sugar Futures LIFFE(US \$/MT)

Daily Futures Price Listing Wednesday, Aug 18th, 2021									
Most Recent Information							Previous Day		
Mth	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
London Sugar(LCE)									
Aug-21	210818	502.00	510.30	501.40	504.50	+3.10	4,049	30,262	-207
Oct-21	210818	514.20	519.10	511.30	513.70	-0.50	2,421	19,712	+659
Dec-21	210818	520.10	523.90	517.60	520.30	-0.10	2,071	14,744	+738
Mar-22	210818	513.30	515.60	511.20	513.10	+0.70	860	9,032	+338
May-22	210818	498.00	499.00	495.20	497.30	+0.80	458	6,147	+267
Total Volume and Open Interest							9,932	84,089	+1,813

Source: MRCI

DOMESTIC PRICES AND ARRIVAL

Sugar Prices at Key Spot Markets:					
Commodity	Centre	Variety	Prices (Rs/Qtl)		Change
Sugar			19-Aug-21	18-Aug-21	
Delhi	Delhi	M-Grade	3580	3580	Unch
	Delhi	S-Grade	3560	3560	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	3680	3650	30
	Mumbai	S-Grade	3600	3570	30
	Nagpur	M-Grade	3425	3475	-50
	Nagpur	S-Grade	3325	3375	-50
	Kolhapur	M-Grade	3300	3350	-50
	Kolhapur	S-Grade	3200	3250	-50
Assam	Guhawati	S-Grade	3512	3563	-51
Meghalaya	Shillong	S-Grade	3520	3570	-50
Andhra Pradesh	Vijayawada	M-Grade (With Duty)	3740	3740	Unch
	Vijayawada	S-Grade (With Duty)	3840	3840	Unch
West Bengal	Kolkata	M-Grade	3480	3480	Unch
Tamil Nadu	Chennai	S-Grade (With GST)	3670	3670	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)			19-Aug-21	18-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)	NA	4650	-
	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	3400	-
	Mandya	Achhu (Medium)	3150	3200	-50
	Mandya	Kurikatu (Medium)	3100	3100	Unch
	Mandya	Other (Medium)	3050	3050	Unch
	Mandya	Yellow (Medium)	3280	3260	20
	Shimoga/Shivamogga	Achhu (Average)	3650	3650	Unch

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