

**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. 3470/q. Prices were higher in Kolhapur at Rs. 3250/q.***

***Sugar mills have contracted 7 million tonnes of sugar for 2020-21 season. According to the market sources, around 6 million tonnes have already been exported under the ongoing sugar season, sugar mills have now entered into contracts for about 7 million tonnes in the current sugar season. Some sugar mills are also signing forward contracts for export in ensuring sugar season starting October.***

**Weather Forecast:**

*Thunderstorm accompanied with lightening very likely at isolated places over Uttarakhand, Uttar Pradesh, Jharkhand, Sub- Himalaya West Bengal & Sikkim, Coastal Andhra Pradesh & Yanam and Tamil Nadu, Pondicherry & Karaikal. Heavy rainfall at isolated places over Uttarakhand, Sub-Himalaya West Bengal & Sikkim, Bihar, Arunachal Pradesh, Assam & Meghalaya, Uttar Pradesh, Coastal Andhra Pradesh & Yanam, and Tamil Nadu, Pondicherry & Karaikal.*

**Previous Updates:**

***Uttar Pradesh government assured farmers to clear the cane dues before starting of the new season. The government has cleared 80 percent of the cane dues so far and has assured the cane farmers that the sugar mills will clear 100 percent dues before starting the new crushing season 2021-22. Despite the low sugar sales in the previous sugar mills made 100 percent payment for the season 2019-20.***

***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.***

***Sugarcane farmers from Punjab may launch a protest on 20<sup>th</sup> 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 Friday, Aug 20th, 2021									
Most Recent Information							Previous Day		
Mth	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
Sugar #11(ICE)									
<a href="#">Oct-21</a>	210820	19.79	19.98	19.47	19.58	-0.21	40,894	409,804	+1,399
<a href="#">Mar-22</a>	210820	20.41	20.59	20.14	20.25	-0.16	21,282	261,056	+3,730
<a href="#">May-22</a>	210820	19.44	19.59	19.23	19.33	-0.12	7,672	121,799	+1,488
<a href="#">Jul-22</a>	210820	18.38	18.51	18.21	18.29	-0.10	4,477	96,797	+957
<a href="#">Oct-22</a>	210820	17.96	18.05	17.77	17.84	-0.13	7,415	75,256	+5,153
<a href="#">Mar-23</a>	210820	17.85	17.91	17.64	17.70	-0.16	1,692	30,983	+327
<a href="#">May-23</a>	210820	16.84	16.86	16.63	16.68	-0.20	928	14,808	+352
<a href="#">Jul-23</a>	210820	15.85	15.87	15.67	15.73	-0.18	1,070	18,756	+231
Total Volume and Open Interest							86,697	1,047,285	+14,108

Source: MRCI

## International Sugar Futures LIFFE(US \$/MT)

Daily Futures Price Listing Friday, Aug 20th, 2021									
Most Recent Information							Previous Day		
Mth	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
London Sugar(LCE)									
<a href="#">Aug-21</a>	210820	496.60	497.20	482.90	483.50	-11.00	5,887	30,207	+1
<a href="#">Oct-21</a>	210820	506.10	508.00	496.00	496.50	-8.10	3,887	21,303	+714
<a href="#">Dec-21</a>	210820	513.60	515.30	503.70	504.30	-7.70	1,015	15,146	+126
<a href="#">Mar-22</a>	210820	508.00	509.70	499.20	499.70	-6.70	1,121	9,037	-65
<a href="#">May-22</a>	210820	494.20	495.40	487.10	487.10	-5.50	467	6,414	+180
Total Volume and Open Interest							12,440	86,283	+939

Source: MRCI

DOMESTIC PRICES AND ARRIVAL

Sugar Prices at Key Spot Markets:					
Commodity	Centre	Variety	Prices (Rs/Qtl)		Change
Sugar			23-Aug-21	21-Aug-21	
Delhi	Delhi	M-Grade	3490	3500	-10
	Delhi	S-Grade	3470	3480	-10
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	3720	3740	-20
	Mumbai	S-Grade	3536	3640	-104
	Nagpur	M-Grade	3475	3425	50
	Nagpur	S-Grade	3375	3325	50
	Kolhapur	M-Grade	3350	3300	50
	Kolhapur	S-Grade	3250	3200	50
Assam	Guhawati	S-Grade	3563	3512	51
Meghalaya	Shillong	S-Grade	3570	3520	50
Andhra Pradesh	Vijayawada	M-Grade (With Duty)	3820	3740	80
	Vijayawada	S-Grade (With Duty)	3920	3840	80
West Bengal	Kolkata	M-Grade	3850	3480	370
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)			23-Aug-21	21-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	Closed	NA	-
	Hapur	Balti	Closed	NA	-
Andhra Pradesh	Chittur	Gold	NR	NR	-
		White	NR	NR	-
		Black	NR	NR	-
Maharashtra	Latur	Lal Variety	NR	NR	-
Karnataka	Bangalore	Mudde (Average)	4650	4650	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	NA	-
	Mandya	Achhu (Medium)	3170	3150	20
	Mandya	Kurikatu (Medium)	3140	3100	40
	Mandya	Other (Medium)	3030	3000	30
	Mandya	Yellow (Medium)	3340	3250	90
	Shimoga/Shivamogga	Achhu (Average)	3650	3650	Unch

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