

Recent Update:

A firm tone was witnessed in Sugar physical markets today in India. Sugar prices were higher in Delhi by Rs.10-20 at Rs. 3505/q. Prices were higher in Kolhapur at Rs. 3250/q.

Karnal sugar mill will be producing sulphur free sugar. Sugar mill set up in Karnal will be producing sulphur free sugar from this season. The trial of the sugar mill was started in April and it will commence the crushing operations in November. The sugar mill capacity has also increased from 2,200 TCD to 3,500 TCD.

Weather Forecast:

Thunderstorm accompanied with lightening very likely at isolated places over Uttarakhand, Uttar Pradesh, Gangetic West Bengal, Odisha, Coastal Andhra Pradesh & Yanam, Telangana, Kerala & Mahe and Tamil Nadu, Pondicherry & Karikal. Heavy rainfall at isolated places over Uttarakhand, Sub-Himalayan, West Bengal & Sikkim, Bihar, Odisha, Arunachal Pradesh, Assam & Meghalaya, East Uttar Pradesh.

Previous Updates:

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.

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 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 been 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 Monday, Aug 23rd, 2021									
Most Recent Information							Previous Day		
Mth	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
Sugar #11(ICE)									
Oct-21	210823	19.58	19.79	19.50	19.58	Unch	57,189	408,690	-1,114
Mar-22	210823	20.26	20.44	20.17	20.29	+0.04	34,038	260,543	-513
May-22	210823	19.36	19.50	19.25	19.40	+0.07	9,566	122,883	+1,084
Jul-22	210823	18.27	18.44	18.23	18.35	+0.06	6,090	97,838	+1,041
Oct-22	210823	17.84	17.98	17.77	17.94	+0.10	2,153	75,663	+407
Mar-23	210823	17.70	17.90	17.65	17.86	+0.16	1,110	31,174	+191
May-23	210823	16.68	16.90	16.60	16.87	+0.19	708	14,919	+111
Jul-23	210823	15.72	15.95	15.65	15.94	+0.21	741	18,968	+212
Total Volume and Open Interest							112,223	1,049,127	+1,842

Source: MRCI

International Sugar Futures LIFFE(US \$/MT)

Daily Futures Price Listing Monday, Aug 23rd, 2021									
Most Recent Information							Previous Day		
Mth	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
London Sugar(LCE)									
Aug-21	210823	486.00	486.70	475.30	479.10	-4.40	3,688	30,506	+299
Oct-21	210823	497.70	499.40	490.30	496.10	-0.40	3,304	20,899	-404
Dec-21	210823	506.80	507.20	499.10	504.70	+0.40	1,725	15,295	+149
Mar-22	210823	501.70	502.70	496.30	501.70	+2.00	682	8,951	-86
May-22	210823	487.20	490.80	485.40	490.80	+3.70	248	6,355	-59
Total Volume and Open Interest							9,706	86,189	-94

Source: MRCI

DOMESTIC PRICES AND ARRIVAL

Sugar Prices at Key Spot Markets:					
Commodity	Centre	Variety	Prices (Rs/Qtl)		Change
Sugar			24-Aug-21	23-Aug-21	
Delhi	Delhi	M-Grade	3525	3490	35
	Delhi	S-Grade	3505	3470	35
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	3710	3720	-10
	Mumbai	S-Grade	3520	3536	-16
	Nagpur	M-Grade	3475	3475	Unch
	Nagpur	S-Grade	3375	3375	Unch
	Kolhapur	M-Grade	3350	3350	Unch
	Kolhapur	S-Grade	3250	3250	Unch
Assam	Guhawati	S-Grade	3563	3563	Unch
Meghalaya	Shillong	S-Grade	3570	3570	Unch
Andhra Pradesh	Vijayawada	M-Grade (With Duty)	3820	3820	Unch
	Vijayawada	S-Grade (With Duty)	3920	3920	Unch
West Bengal	Kolkata	M-Grade	3850	3850	Unch
Tamil Nadu	Chennai	S-Grade (With GST)	3750	3670	80
	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)			24-Aug-21	23-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	Closed	-
	Hapur	Balti	NA	Closed	-
Andhra Pradesh	Chittur	Gold	NR	NR	-
		White	NR	NR	-
		Black	NR	NR	-
Maharashtra	Latur	Lal Variety	NR	NR	-
Karnataka	Bangalore	Mudde (Average)	4100	4650	-550
	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	3170	Unch
	Mandya	Kurikatu (Medium)	3150	3140	10
	Mandya	Other (Medium)	3060	3030	30
	Mandya	Yellow (Medium)	3260	3340	-80
	Shimoga/Shivamogga	Achhu (Average)	3650	3650	Unch

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