

**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.

***Government increases Fair and Remunerative price of sugarcane for the coming 2021-22 season.*** The Fair & remunerative price of sugar has been increased to Rs. 290 per quintal for 2021-22 season, which will be based on 10 percent recovery, providing a premium of Rs. 2.90 per quintal for each 0.1 percent increase in recovery over and above 10 percent & reduction in FRP by Rs. 2.90 per quintal for every 0.1 percent decrease in recovery. If the recovery is less than 9.5 percent then farmers will be given Rs. 275 per quintal for sugarcane against the previous season of Rs. 270.75 per quintal in 2020-21 season. This is the highest ever FRP approved by the government to the cane farmers.

***Around 54.63 lakh hectares of area has been sown under sugarcane till 19<sup>th</sup> Aug'21.*** About 54.63 lakh hectares area was sown in India compared to normal of corresponding week 51.44 lakh hectares last year. Thus 3.19 lakh hectare more area has been covered as compared to corresponding week of last year. Higher area was reported from the states of Maharashtra (3.01 lakh hectares), Karnataka (0.62 lakh hectares), Gujarat (0.49 lakh hectares), Uttar Pradesh (0.41 lakh hectares), Haryana (0.60 lakh hectares), Madhya Pradesh (0.04 lakh hectares), Uttarakhand (0.04 lakh hectares), Assam (0.04 lakh hectares), Odisha (0.03 lakh hectares), and Punjab (0.03 lakh hectares). Less area was reported from the states of Tamil Nadu (0.86 lakh hectares), Andhra Pradesh (0.47 lakh hectares), Chhattisgarh (0.21 lakh hectares), Telangana (0.05 lakh hectares), and West Bengal (0.20 lakh hectares).

**Weather Forecast:**

Thunderstorm accompanied with lightening very likely at isolated places over Uttarakhand, East Uttar Pradesh, East Madhya Pradesh, Vidarbha, Chhattisgarh, Bihar, Jharkhand, West Bengal & Sikkim, Odisha, Coastal Andhra Pradesh & Yanam, Telangana, 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, Gangetic West Bengal, Odisha, Nagaland, Manipur, Mizoram & Tripura, Kerala & Mahe and Tamil Nadu, Pondicherry & Karaikal.

**Previous Updates:**

***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.

***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 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 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.

## International Sugar Futures ICE(US Cent/lb)

Daily Futures Price Listing Tuesday, Aug 24th, 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>	210824	19.68	19.88	19.51	19.58	Unch	45,253	409,048	+358
<a href="#">Mar-22</a>	210824	20.30	20.54	20.23	20.31	+0.02	27,950	263,209	+2,666
<a href="#">May-22</a>	210824	19.40	19.62	19.35	19.44	+0.04	10,206	123,704	+821
<a href="#">Jul-22</a>	210824	18.42	18.59	18.33	18.46	+0.11	4,382	98,519	+681
<a href="#">Oct-22</a>	210824	17.97	18.13	17.91	18.06	+0.12	1,745	76,072	+409
<a href="#">Mar-23</a>	210824	17.91	18.00	17.82	17.99	+0.13	935	31,425	+251
<a href="#">May-23</a>	210824	16.91	16.99	16.89	16.97	+0.10	689	14,675	-244
<a href="#">Jul-23</a>	210824	15.97	16.08	15.93	16.03	+0.09	444	19,022	+54
Total Volume and Open Interest							93,094	1,054,734	+5,607

Source: MRCI

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

Daily Futures Price Listing Tuesday, Aug 24th, 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>	210824	480.00	483.70	476.20	477.50	-1.60	3,340	29,941	-565
<a href="#">Oct-21</a>	210824	497.30	502.00	493.90	498.30	+2.20	2,171	21,646	+747
<a href="#">Dec-21</a>	210824	506.00	511.00	503.70	507.70	+3.00	601	15,255	-40
<a href="#">Mar-22</a>	210824	503.00	507.00	501.00	504.50	+2.80	320	8,902	-49
<a href="#">May-22</a>	210824	491.00	495.00	491.00	493.70	+2.90	159	6,327	-28
Total Volume and Open Interest							6,774	86,340	+151

Source: MRCI

DOMESTIC PRICES AND ARRIVAL

Sugar Prices at Key Spot Markets:					
Commodity	Centre	Variety	Prices (Rs/Qtl)		Change
Sugar			25-Aug-21	24-Aug-21	
Delhi	Delhi	M-Grade	3525	3525	Unch
	Delhi	S-Grade	3505	3505	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	3710	3710	Unch
	Mumbai	S-Grade	3520	3520	Unch
	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	3750	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)			25-Aug-21	24-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)	4100	4100	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)	NA	3170	-
	Mandya	Kurikatu (Medium)	NA	3150	-
	Mandya	Other (Medium)	NA	3060	-
	Mandya	Yellow (Medium)	NA	3260	-
	Shimoga/Shivamogga	Achhu (Average)	NA	3650	-

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