

**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. 3440/q. Prices were higher in Kolhapur at Rs. 3250/q.

***According to the International Sugar Organization (ISO), the global sugar deficit in the 2021-22 sugar season is forecasted to be 3.8 million tonnes.*** ISO in its May report predicted the global sugar deficit to be 2 million tonnes but due to the unfavorable conditions in major sugar-producing countries led to an increase in sugar deficit to 3.8 million tonnes. It has also stated that the sugar production is rising by 0.2% to 170.6 million tonnes in the forthcoming season as against the consumption is increasing by 1.6% to 174.5

**Weather Forecast:**

***Thunderstorm accompanied with lightening very likely at isolated places over Punjab, Haryana, East Rajasthan, Coastal Andhra Pradesh & Yanam, Tamil Nadu, Pondicherry & Karikal. Heavy rainfall at isolated places over Madhya Pradesh, Gujarat state, Konkan & Goa, Madhya Maharashtra, & Telangana.***

**Previous Updates:**

***Government has fixed 22 lakh MT as the monthly sugar sales quota for September 2021:*** The Department of Food & Public Distribution has allocated 22 lakh MT monthly sugar sales quota for September 2021, which is same as that of September 2020. In the previous month, August 2021 the government had released 21 lakh MT sugar sales quota.

***Ethanol transported to Kadapa, Andhra Pradesh.*** The Loni terminal of Pune division has become the first terminal to load the ethanol rake to transport the fuel to Kadapa in Andhra Pradesh. According to the officials the rake was sent in a Bogie Tank Petrol Naptha rake on Tuesday.

***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).

**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.

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

Daily Futures Price Listing Friday, Aug 27th, 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>	210827	19.68	20.10	19.62	20.04	+0.36	37,508	406,861	-1,937
<a href="#">Mar-22</a>	210827	20.37	20.73	20.31	20.68	+0.34	19,631	270,506	-2
<a href="#">May-22</a>	210827	19.52	19.90	19.50	19.86	+0.34	7,778	124,822	+233
<a href="#">Jul-22</a>	210827	18.59	18.95	18.59	18.92	+0.32	4,210	99,178	+458
<a href="#">Oct-22</a>	210827	18.19	18.52	18.19	18.50	+0.29	2,900	75,928	+90
<a href="#">Mar-23</a>	210827	18.19	18.46	18.16	18.44	+0.26	2,200	32,454	+379
<a href="#">May-23</a>	210827	17.15	17.31	17.10	17.30	+0.16	618	14,615	+105
<a href="#">Jul-23</a>	210827	16.24	16.36	16.16	16.36	+0.14	114	19,121	+28
Total Volume and Open Interest							75,113	1,062,839	-539

Source: MRCI

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

Daily Futures Price Listing Friday, Aug 27th, 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>	210827	477.20	489.60	477.20	487.40	+10.20	2,806	28,468	-738
<a href="#">Oct-21</a>	210827	500.50	510.20	500.30	509.50	+9.10	2,431	24,288	-4
<a href="#">Dec-21</a>	210827	509.50	519.00	509.50	518.50	+9.00	729	15,513	+96
<a href="#">Mar-22</a>	210827	507.90	514.00	507.90	513.80	+8.50	242	8,867	-46
<a href="#">May-22</a>	210827	497.70	501.00	496.50	501.00	+6.40	86	6,390	+14
Total Volume and Open Interest							6,331	87,746	-676

Source: MRCI

DOMESTIC PRICES AND ARRIVAL

Sugar Prices at Key Spot Markets:					
Commodity	Centre	Variety	Prices (Rs/Qtl)		Change
Sugar			28-Aug-21	27-Aug-21	
Delhi	Delhi	M-Grade	3440	3430	10
	Delhi	S-Grade	3420	3410	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	3700	3700	Unch
	Mumbai	S-Grade	3536	3510	26
	Nagpur	M-Grade	3525	3525	Unch
	Nagpur	S-Grade	3425	3375	50
	Kolhapur	M-Grade	3400	3400	Unch
	Kolhapur	S-Grade	3300	3250	50
Assam	Guhawati	S-Grade	3613	3563	51
Meghalaya	Shillong	S-Grade	3620	3570	50
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	N/A	-
	Coimbatore	M-Grade (DCA)	NA	N/A	-
Chattisgarh	Ambikapur	M-Grade (Without Duty)	NA	N/A	-

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)			28-Aug-21	27-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	4100	-
	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)	3200	3200	Unch
	Mandya	Kurikatu (Medium)	3050	3050	Unch
	Mandya	Other (Medium)	3050	3050	Unch
	Mandya	Yellow (Medium)	3250	3150	100
	Shimoga/Shivamogga	Achhu (Average)	NA	3650	-

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