

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. 3570/q. Prices were higher in Kolhapur at Rs. 3450/q.

West Bengal is focusing on ethanol production. The West Bengal government has announced a policy to promote ethanol production and promotion in the state. An investment of Rs. 1,500 crore may come up in the next one year. The government will also encourage industry to procure broken rice kernels from farmers and produce ethanol.

Weather Forecast:

Thunderstorm accompanied with lightening very likely at isolated places over Andaman & Nicobar Islands, Madhya Maharashtra, Marathwada, Coastal Karnataka, Coastal Andhra Pradesh & Yanam, Tamil Nadu, Pondicherry & Karikal. Heavy rainfall at isolated places over Odisha, Andaman & Nicobar Islands, Sub-Himalayan West Bengal & Sikkim, Nagaland, Manipur, Mizoram & Tripura, Chhattisgarh, South Konkan & Goa, Coastal Andhra Pradesh & Yanam, Telangana, Tamil Nadu, Pondicherry & Karikal.

Previous Updates:

The 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. Since Rs. 31/ kg of sugar price is not adequate for sugar mills to be able to pay the fair and remunerative price on time to the farmers and the cane arrears are also getting accumulated continuously. Minimum selling price for sugar was last increased in 2019.

Government is planning to setup ethanol pump in India. According to the Union Road and Transport Minister, the government is aiming to set up a network of ethanol pumps across the country in the next 6 months as advocating the use of ethanol as an alternative fuel to petrol and diesel. The government has also assured the auto industry that the ethanol will be made available across the country.

Tamil Nadu has witnessed lower cane arrivals during this season. Due to the non-availability of high yielding new varieties, vagaries of monsoon increase in cost of cultivation, paucity of farm labour and stagnant sugarcane price during the last four seasons has resulted in lower availability of cane in Tamil Nadu. As a result, only 28 sugar mills had operated in the cane crushing this season 2020-21 out of which 12 are from co-operative sector and 14 from public sector. Sugar mills in the State had crushed 72.49 lakh tonnes of cane, with an average recovery of 9.12 per cent and had produced 6.67 lakh tonnes of sugar up to May 31, 2021 for the 2020-21 season.

According to the CACP, Price Policy for Sugarcane Report for 2021-22, the payment of FRP being made part of the order. As per the statutory provision of Sugarcane (Control) Order, 1966, the mandates payment to farmers within 14 days from the date of supply of sugarcane but it is rarely compiled by the mills as the sale of sugar is spread throughout the year. For this, the mills take a loan from the banks to make payments to farmers and incur a huge interest cost. As a result, the commission has recommended Sugarcane (Control)

Order, 1966, to allow cane payment in installments and payment of additional cane price to growers on account of interest cost saving by sugar mills. Before the CACP, the Niti Aayog has also recommended the payment of FRP in installments, which was met with stiff resistance from farmer's bodies. Niti Aayog in its March 2020 report had recommended payment of FRP in three installments, i.e. 60 percent within 14 days of cane delivery 20 percent within the next two weeks, and the rest within another one month or upon sale of sugar whichever is earlier.

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

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 Naphtha 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.

International Sugar Futures ICE(US Cent/lb)

Daily Futures Price Listing Thursday, Sep 02nd, 2021									
Most Recent Information							Previous Day		
Mth	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
Sugar #11(ICE)									
Oct-21	210902	19.67	19.94	19.62	19.90	+0.23	59,735	392,502	-2,378
Mar-22	210902	20.45	20.64	20.37	20.62	+0.18	40,211	272,815	+4,341
May-22	210902	19.76	19.99	19.71	19.97	+0.20	17,330	129,626	+1,827
Jul-22	210902	19.00	19.25	18.92	19.23	+0.26	9,008	99,278	+184
Oct-22	210902	18.65	18.99	18.59	18.97	+0.36	3,058	76,397	+689
Mar-23	210902	18.55	18.89	18.48	18.88	+0.38	1,195	34,457	+416
May-23	210902	17.50	17.75	17.38	17.75	+0.33	557	14,481	+14
Jul-23	210902	16.62	16.87	16.87	16.87	+0.32	249	19,259	+13
Total Volume and Open Interest							131,854	1,058,996	+5,416

Source: MRCI

International Sugar Futures LIFFE(US \$/MT)

Daily Futures Price Listing Thursday, Sep 02nd, 2021									
Most Recent Information							Previous Day		
Mth	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
London Sugar(LCE)									
Aug-21	210902	484.30	489.80	482.20	488.90	+5.60	5,803	22,588	-2,011
Oct-21	210902	506.60	511.40	504.00	510.70	+4.80	4,396	26,771	+1,343
Dec-21	210902	515.80	520.50	513.30	519.90	+4.60	513	16,526	+186
Mar-22	210902	511.80	516.20	509.90	516.00	+4.30	275	9,206	+115
May-22	210902	499.80	505.60	499.40	505.60	+5.20	160	6,538	-8
Total Volume and Open Interest							11,208	85,994	-332

Source: MRCI

DOMESTIC PRICES AND ARRIVAL

Sugar Prices at Key Spot Markets:					
Commodity	Centre	Variety	Prices (Rs/Qtl)		Change
Sugar			03-Sep-21	02-Sep-21	
Delhi	Delhi	M-Grade	3570	3600	-30
	Delhi	S-Grade	3550	3580	-30
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	3850	3850	Unch
	Mumbai	S-Grade	3700	3700	Unch
	Nagpur	M-Grade	3575	3575	Unch
	Nagpur	S-Grade	3475	3475	Unch
	Kolhapur	M-Grade	3450	3450	Unch
	Kolhapur	S-Grade	3350	3350	Unch
Assam	Guhawati	S-Grade	3664	3664	Unch
Meghalaya	Shillong	S-Grade	3670	3670	Unch
Andhra Pradesh	Vijayawada	M-Grade (With Duty)	4000	4000	Unch
	Vijayawada	S-Grade (With Duty)	4100	4100	Unch
West Bengal	Kolkata	M-Grade	3850	3850	Unch
Tamil Nadu	Chennai	S-Grade (With GST)	3950	3950	Unch
	Dindigul	M-Grade (DCA)	3520	3520	Unch
	Coimbatore	M-Grade (DCA)	NA	NA	-
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)			03-Sep-21	02-Sep-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)	4350	4350	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)	3150	3150	Unch
	Mandya	Kurikatu (Medium)	3050	3050	Unch
	Mandya	Other (Medium)	3000	3000	Unch
	Mandya	Yellow (Medium)	3100	3200	-100
	Shimoga/Shivamogga	Achhu (Average)	NA	3650	-

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