

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. 3580/q. Prices were higher in Kolhapur at Rs. 3400/q.

Fiji sugar production has reached 60,000 tonnes. According to the Fiji Sugar Corporation (FSC) sugar mills have crushed around 700,000 tonnes of cane and produced 60,000 tonnes of sugar so far. Despite the Covid pandemic challenges the sugar production is increasing in Fiji, the Labasa mill is leading the sugar production by supplying more than 250,000 tonnes of cane and producing 24,000 tonnes of sugar.

Weather Forecast:

Thunderstorm accompanied with lightening very likely at isolated places over Jharkhand, West Bengal & Sikkim, Coastal Andhra Pradesh & Yanam, Telangana, Interior Karnataka, Kerala & Mahe. Heavy rainfall at isolated places over north Konkan & Goa, Vidarbha, South Chattisgarh, Gujarat region, north Madhya Maharashtra, Marathwada, Himachal Pradesh, Uttrakhand, north Punjab, East Rajasthan, Madhya Pradesh, West Bengal & Sikkim, Odisha, Assam & Meghalaya, Nagaland, Manipur, Mizoram, Tripura, Saurashtra & Kutch, Coastal Andhra Pradesh & Yanam, Telangana, Karnataka, Kerala & Mahe.

Previous Updates:

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.

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 Friday, Sep 03rd, 2021									
Most Recent Information							Previous Day		
Mth	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
Sugar #11(ICE)									
Oct-21	210903	19.90	19.91	19.55	19.62	-0.28	58,848	385,760	-6,742
Mar-22	210903	20.60	20.60	20.24	20.32	-0.30	43,943	284,713	+11,898
May-22	210903	19.93	19.94	19.64	19.72	-0.25	19,273	131,113	+1,487
Jul-22	210903	19.18	19.20	18.93	19.03	-0.20	10,267	99,362	+84
Oct-22	210903	18.91	18.92	18.69	18.81	-0.16	3,913	78,168	+1,771
Mar-23	210903	18.82	18.82	18.61	18.75	-0.13	1,840	35,123	+666
May-23	210903	17.68	17.68	17.50	17.60	-0.15	527	14,495	+14
Jul-23	210903	16.72	16.79	16.62	16.71	-0.16	309	19,278	+19
Total Volume and Open Interest							139,540	1,068,438	+9,442

Source: MRCI

International Sugar Futures LIFFE(US \$/MT)

Daily Futures Price Listing Friday, Sep 03rd, 2021									
Most Recent Information							Previous Day		
Mth	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
London Sugar(LCE)									
Aug-21	210903	488.20	490.10	484.20	485.20	-3.80	5,703	20,507	-2,081
Oct-21	210903	509.10	510.70	503.60	503.60	-4.00	4,094	28,445	+1,674
Dec-21	210903	519.20	519.60	512.70	516.10	-3.80	924	16,708	+182
Mar-22	210903	515.40	515.70	509.10	512.20	-3.80	537	9,305	+99
May-22	210903	505.00	505.20	500.00	502.40	-3.20	149	6,544	+6
Total Volume and Open Interest							11,495	85,861	-133

Source: MRCI

DOMESTIC PRICES AND ARRIVAL

Sugar Prices at Key Spot Markets:					
Commodity	Centre	Variety	Prices (Rs/Qtl)		Change
Sugar			06-Sep-21	04-Sep-21	
Delhi	Delhi	M-Grade	3600	3570	30
	Delhi	S-Grade	3580	3550	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	3780	3790	-10
	Mumbai	S-Grade	3620	3630	-10
	Nagpur	M-Grade	3625	3625	Unch
	Nagpur	S-Grade	3525	3525	Unch
	Kolhapur	M-Grade	3500	3500	Unch
	Kolhapur	S-Grade	3400	3400	Unch
Assam	Guhawati	S-Grade	3715	3715	Unch
Meghalaya	Shillong	S-Grade	3720	3720	Unch
Andhra Pradesh	Vijayawada	M-Grade (With Duty)	4060	4060	Unch
	Vijayawada	S-Grade (With Duty)	4160	4160	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)			06-Sep-	04-Sep-	

			21	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)	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)	NA	3150	-
	Mandya	Kurikatu (Medium)	NA	3050	-
	Mandya	Other (Medium)	NA	3150	-
	Mandya	Yellow (Medium)	NA	3100	-
	Shimoga/Shivamogga	Achhu (Average)	NA	3650	-

Disclaimer

information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness, and correctness. The use of data and information contained in this report is at your own risk. This document is not, and should be construed as an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed, or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors, and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at <http://www.agriwatch.com/disclaimer.php> © 2021 Indian business Systems Ltd.