

Recent Update:

A firm tone was witnessed in Sugar physical markets today in India. Sugar prices were lower in Delhi by Rs.50-100 at Rs. 3560/q. Prices were higher in Kolhapur at Rs. 3500/q.

India has exported around 66.70 lakh tonnes of sugar till 31st August 21. As per port information and market sources, about 66.70 lakh tons of sugar has been physically exported during the current 2020-21 sugar season i.e. 1st October, 2020 to 31st August, 2021 period. This is almost 11 lakh tons more as compared to 55.78 lakh tons exported during the corresponding period last season. This also includes about 4.49 lakh tons of exports done under MAEQ of 2019-20 SS, which was extended upto 31st December, 2020. In other words, about 62.21 lakh tons of sugar has been physically exported during January – August, 2021 period, mostly under MAEQ of 2020-21 SS and some quantity under OGL. The overall exports are expected to be around 70 lakh tonnes.

Weather Forecast:

Thunderstorm accompanied with lightening very likely at isolated places over Andaman & Nicobar Islands, Jammu & Kashmir, Ladakh, Gilgit-Baltistan, Muzaffarabad, Himachal Pradesh, Punjab, Haryana, Chandigarh, Delhi, Rajasthan, Uttar Pradesh, Kerala & Mahe. Heavy rainfall at isolated places over Gujarat region, Himachal Pradesh, Uttarakhand, East Rajasthan, Jammu & Kashmir, Ladakh, Gilgit-Baltistan, Muzaffarabad, Himachal Pradesh, Punjab, Haryana, West Rajasthan, West Madhya Pradesh, Odisha, Pradesh, Odisha, Andaman & Nicobar Islands, Coastal Karnataka, Konkan & Goa.

Previous Updates:

The All India Crop Situation Report issued by the Ministry of Agriculture and Farmer's Welfare shows a slight increase in sowing area this year. Till 03rd September 2021, about 54.70 lakh hectares area has been sown under sugarcane crop compared with the normal of corresponding week. Thus 3.09 lakh hectares more area has been covered compared to normal of corresponding week. Higher area was reported from the states of Maharashtra (3.01 lakh hectares), Karnataka (0.66 lakh hectares), Gujarat (0.49 lakh hectares), and Uttar Pradesh (0.32 lakh hectares), Haryana (0.06 lakh hectares), Madhya Pradesh (0.04 lakh hectare), 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), Bihar (0.04 lakh hectares) and West Bengal (0.02 lakh hectares).

Sugar production is expected to be lower in 2021-22 season. India's sugar production is expected to fall to 30.5 million tonnes in 2021-22 season as more sugarcane will be diverted for ethanol making. During the current season 2 million tonnes of cane was diverted for ethanol making while in 2021-22 season around 3.5 million tonnes of sugarcane is expected to be diverted for ethanol making. However, the sugar production will be sufficient to meet the domestic consumption which is expected to increase by 3,00,000 – 4,00,000 tonnes at 26.3-26.5 million tonnes in the 2021-22 season.

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.

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.*

International Sugar Futures ICE(US Cent/lb)

Daily Futures Price Listing Wednesday, Sep 08th, 2021									
Most Recent Information							Previous Day		
Mth	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
Sugar #11(ICE)									
Oct-21	210908	19.50	19.76	19.45	19.49	+0.01	59,296	363,025	-12,833
Mar-22	210908	20.18	20.37	20.06	20.08	-0.07	36,946	286,691	-2,202
May-22	210908	19.58	19.82	19.52	19.54	-0.04	16,376	132,955	+1,121
Jul-22	210908	18.87	19.15	18.90	18.90	-0.02	13,819	100,015	+517
Oct-22	210908	18.67	18.94	18.71	18.71	-0.01	12,772	83,495	+559
Mar-23	210908	18.63	18.87	18.66	18.66	-0.03	1,941	36,406	+504
May-23	210908	17.47	17.70	17.45	17.45	-0.10	672	14,548	+99
Jul-23	210908	16.65	16.81	16.50	16.55	-0.12	336	19,415	-44
Total Volume and Open Interest							142,852	1,058,031	-11,789

Source: MRCI

International Sugar Futures LIFFE(US \$/MT)

Daily Futures Price Listing Wednesday, Sep 08th, 2021									
Most Recent Information							Previous Day		
Mth	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
London Sugar(LCE)									
Aug-21	210908	484.00	488.20	480.60	481.50	-1.10	1,705	17,366	-583
Oct-21	210908	505.80	508.40	501.80	502.80	-1.80	1,522	30,787	+256
Dec-21	210908	515.00	517.80	511.60	512.20	-1.70	374	17,085	+198
Mar-22	210908	510.90	513.40	508.00	508.50	-1.40	88	9,451	+60
May-22	210908	500.50	503.00	499.00	499.00	-1.20	15	6,472	-8
Total Volume and Open Interest							3,705	85,903	-77

Source: MRCI

DOMESTIC PRICES AND ARRIVAL

Sugar Prices at Key Spot Markets:					
Commodity	Centre	Variety	Prices (Rs/Qtl)		Change
Sugar			09-Sep-21	08-Sep-21	
Delhi	Delhi	M-Grade	3580	3680	-100
	Delhi	S-Grade	3560	3660	-100
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	3760	3760	Unch
	Mumbai	S-Grade	3590	3600	-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)	3980	3980	Unch
	Dindigul	M-Grade (DCA)	3610	3610	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)			09-Sep-21	08-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)	3432	3398	34
	Mandya	Achhu (Medium)	3180	3210	-30
	Mandya	Kurikatu (Medium)	3100	3000	100
	Mandya	Other (Medium)	3000	3080	-80
	Mandya	Yellow (Medium)	3200	3150	50
	Shimoga/Shivamogga	Achhu (Average)	3650	3650	Unch

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