

**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. 3625/q. Prices were higher in Kolhapur at Rs. 3500/q.

***Maharashtra Sugar mills will start the cane crushing operation from 15<sup>th</sup> October 2021.*** For the coming 2021-22 sugar season, sugar mills in Maharashtra will start the cane crushing operation from 15<sup>th</sup> October 2021. About 12.32 lakh hectares of area is under sugarcane cultivation in the state for the coming 2021-22 season and around 97 tonnes per hectare of sugarcane production is expected in the state. Mills are expected to crush 109.6 million tonnes of sugarcane to produce an estimated 11.2 million tonnes of sugar. About 193 sugar mills are expected to participate in the cane crushing operation during 2021-22 seasons.

**Weather Forecast:**

Thunderstorm accompanied with lightening very likely at isolated places over Uttarakhand, Haryana, Chandigarh, Delhi, Uttar Pradesh, East Rajasthan, Madhya Pradesh, Tamil Nadu, Pondicherry & Karikal. Heavy rainfall at isolated places over West Madhya Pradesh, Gujarat State and heavy rainfall at isolated places over East Rajasthan, East Madhya Pradesh, Andaman & Nicobar Islands, Chhattisgarh, Konkan & Goa, north konkan, Coastal Karnataka, Tamil Nadu, Pondicherry & Karikal.

**Previous Updates:**

***Sugarcane crop in Punjab get affected due to red rot diseases.*** According to a survey conducted by Punjab government some areas of Gurdaspur, Hoshiarpur, Amritsar, Jalandhar, Pathankot have witnessed the red rot diseases in the sugarcane crop. About 50,000-acre area in 36 villages in Mukerian, Pathankot, Shri Hargobindpur, Gurdaspur, Kahnuwan, Narto Jaimal Singh, Ajnala and Ludhiana has been affected.

***Bangladesh has fixed the Maximum retail price of sugar at TK 75 per kg.*** The prices of packed sugar were fixed at TK 75 per kg and loose sugar at TK 74 per kg. Despite the government has fixed the maximum retail price of sugar the prices of sugar in the domestic market continue to increase, the sugar is sold at TK 80-88 per kg in the retail market.

***Haryana government has increased the sugarcane price to Rs. 362 per quintal.*** Punjab and Haryana government has increased the Sugarcane price from Rs. 310/quintal to Rs. 360/ quintal in Punjab and from Rs. 350/ quintal to Rs. 362 per quintal in Haryana.

***India has exported around 66.70 lakh tonnes of sugar till 31<sup>st</sup> 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. 1<sup>st</sup> October, 2020 to 31<sup>st</sup> 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 31<sup>st</sup> 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.

**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 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), 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.

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

| Daily Futures Price Listing Monday, Sep 13th, 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>                             | 210913 | 18.81 | 19.02 | 18.57 | 18.98 | +0.19  | 113,303      | 266,086   | -40,343 |
| <a href="#">Mar-22</a>                             | 210913 | 19.54 | 19.75 | 19.31 | 19.69 | +0.18  | 91,411       | 335,365   | +18,690 |
| <a href="#">May-22</a>                             | 210913 | 19.09 | 19.32 | 18.92 | 19.26 | +0.18  | 25,950       | 140,933   | +1,611  |
| <a href="#">Jul-22</a>                             | 210913 | 18.55 | 18.80 | 18.41 | 18.75 | +0.19  | 17,044       | 103,043   | +1,401  |
| <a href="#">Oct-22</a>                             | 210913 | 18.35 | 18.62 | 18.27 | 18.58 | +0.19  | 13,675       | 88,072    | +2,126  |
| <a href="#">Mar-23</a>                             | 210913 | 18.38 | 18.63 | 18.29 | 18.60 | +0.20  | 2,187        | 37,222    | -115    |
| <a href="#">May-23</a>                             | 210913 | 17.30 | 17.48 | 17.28 | 17.48 | +0.15  | 1,312        | 14,816    | +184    |
| <a href="#">Jul-23</a>                             | 210913 | 16.42 | 16.63 | 16.42 | 16.60 | +0.13  | 900          | 19,462    | +49     |
| Total Volume and Open Interest                     |        |       |       |       |       |        | 266,714      | 1,027,699 | -16,159 |

Source: MRCI

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

| Daily Futures Price Listing Monday, Sep 13th, 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>                             | 210913 | 465.00 | 488.90 | 464.50 | 484.70 | +20.20 | 7,452        | 9,798    | -2,873 |
| <a href="#">Oct-21</a>                             | 210913 | 488.00 | 496.00 | 485.20 | 495.00 | +7.40  | 6,166        | 31,932   | -658   |
| <a href="#">Dec-21</a>                             | 210913 | 496.70 | 504.50 | 495.00 | 503.50 | +6.50  | 2,896        | 18,435   | +769   |
| <a href="#">Mar-22</a>                             | 210913 | 494.50 | 501.40 | 493.00 | 500.80 | +6.10  | 893          | 9,317    | -134   |
| <a href="#">May-22</a>                             | 210913 | 486.70 | 493.30 | 485.30 | 493.30 | +6.00  | 476          | 6,418    | +8     |
| Total Volume and Open Interest                     |        |        |        |        |        |        | 18,174       | 80,435   | -2,955 |

Source: MRCI

DOMESTIC PRICES AND ARRIVAL

| Sugar Prices at Key Spot Markets: |            |                        |                 |           |        |
|-----------------------------------|------------|------------------------|-----------------|-----------|--------|
| Commodity                         | Centre     | Variety                | Prices (Rs/Qtl) |           | Change |
| Sugar                             |            |                        | 14-Sep-21       | 13-Sep-21 |        |
| Delhi                             | Delhi      | M-Grade                | 3625            | 3600      | 25     |
|                                   | Delhi      | S-Grade                | 3605            | 3580      | 25     |
| 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                | 3640            | 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)    | 4020            | 4020      | Unch   |
|                                   | Vijayawada | S-Grade (With Duty)    | 4120            | 4120      | Unch   |
| West Bengal                       | Kolkata    | M-Grade                | 3850            | 3850      | Unch   |
| Tamil Nadu                        | Chennai    | S-Grade (With GST)     | 3900            | 3900      | Unch   |
|                                   | Dindigul   | M-Grade (DCA)          | 3670            | 3670      | Unch   |
|                                   | Coimbatore | M-Grade (DCA)          | 3820            | 3820      | Unch   |
| Chattisgarh                       | Ambikapur  | M-Grade (Without Duty) | 3600            | 3600      | Unch   |

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)                              |               |             | 14-Sep-21       | 13-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   | Closed | -    |
|                | Hapur              | Balti                    | NA   | Closed | -    |
| 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   | 3359   | -    |
|                | Mandya             | Achhu (Medium)           | 3160 | 3180   | -20  |
|                | Mandya             | Kurikatu (Medium)        | 3000 | 3000   | Unch |
|                | Mandya             | Other (Medium)           | 2960 | 2950   | 10   |
|                | Mandya             | Yellow (Medium)          | 3090 | 3160   | -70  |
|                | Shimoga/Shivamogga | Achhu (Average)          | NA   | 3650   | -    |

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