

**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. 3520/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 Uttarkhand, Haryana, Chandigarh, Delhi, Uttar Pradesh, Rajasthan, Arunachal Pradesh, Assam & Meghalaya, Nagaland, Manipur, Mizoram, Tripura and north Konkan. Heavy rainfall at isolated places over Haryana, Chandigarh, West Uttar Pradesh, East Rajasthan, West Madhya Pradesh and heavy rainfall at isolated places over Uttarkhand, Delhi, East Uttar Pradesh, West Rajasthan, East Madhya Pradesh, Gujarat state, Andaman & Nicobar Islands, Assam & Meghalaya, Nagaland, Manipur, Mizoram & Tripura, north konkan.*

**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 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.

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

Daily Futures Price Listing Tuesday, Sep 14th, 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>	210914	19.06	19.18	18.80	18.96	-0.02	97,486	236,925	-29,161
<a href="#">Mar-22</a>	210914	19.75	19.90	19.51	19.66	-0.03	93,469	354,249	+18,884
<a href="#">May-22</a>	210914	19.30	19.42	19.07	19.23	-0.03	25,917	147,486	+6,553
<a href="#">Jul-22</a>	210914	18.75	18.85	18.54	18.70	-0.05	16,001	105,550	+2,507
<a href="#">Oct-22</a>	210914	18.58	18.64	18.36	18.44	-0.14	7,055	89,293	+1,221
<a href="#">Mar-23</a>	210914	18.59	18.64	18.34	18.40	-0.20	1,545	37,193	-29
<a href="#">May-23</a>	210914	17.48	17.48	17.26	17.33	-0.15	732	14,848	+32
<a href="#">Jul-23</a>	210914	16.57	16.62	16.38	16.47	-0.13	346	19,258	-204
Total Volume and Open Interest							242,990	1,027,569	-130

Source: MRCI

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

Daily Futures Price Listing Tuesday, Sep 14th, 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>	210914	486.60	496.50	483.20	495.60	+10.90	5,428	7,491	-2,307
<a href="#">Oct-21</a>	210914	497.50	501.70	493.30	499.20	+4.20	6,771	31,662	-270
<a href="#">Dec-21</a>	210914	505.50	507.20	500.20	504.10	+0.60	3,091	19,339	+904
<a href="#">Mar-22</a>	210914	502.50	503.80	498.90	500.80	Unch	780	9,224	-93
<a href="#">May-22</a>	210914	495.00	495.70	490.70	492.50	-0.80	339	6,386	-32
Total Volume and Open Interest							16,683	78,612	-1,823

Source: MRCI

DOMESTIC PRICES AND ARRIVAL

Sugar Prices at Key Spot Markets:					
Commodity	Centre	Variety	Prices (Rs/Qtl)		Change
Sugar			15-Sep-21	14-Sep-21	
Delhi	Delhi	M-Grade	3540	3625	-85
	Delhi	S-Grade	3520	3605	-85
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	3770	3760	10
	Mumbai	S-Grade	3640	3640	Unch
	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)	3960	4020	-60
	Vijayawada	S-Grade (With Duty)	4060	4120	-60
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)	3860	3820	40
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)			15-Sep-21	14-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)	3180	3160	20
	Mandya	Kurikatu (Medium)	3050	3000	50
	Mandya	Other (Medium)	2950	2960	-10
	Mandya	Yellow (Medium)	3150	3090	60
	Shimoga/Shivamogga	Achhu (Average)	NA	3650	-

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