

**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. 3610/q. Prices were higher in Kolhapur at Rs. 3500/q.***

***Indian Sugar Mills are holding on signing new sugar export contracts for the coming season 2021-22. As the domestic sugar prices are increasing in the local market Indian sugar mills are holding off on signing new export contracts. The rise in prices has widened the gap between local and global sugar rates. Although, Indian sugar mills have exported around 7.5 million tonnes of sugar during the current 2020-21 season and have also signed 1.2 million tonnes of export contract so far for the coming 2021-22 season.***

*According to the Ministry of Agriculture and farmer's welfare, India's food grain production in Kharif 2021-22 seasons has estimated at a record of 150.5 million tonnes. Last year's Kharif production was estimated at 149.56 million tonnes for 2020-21 seasons. Among the Cash crops, Sugar production for this year is likely to increase to 5 percent at 419.25 MT.*

**Weather Forecast:**

*Thunderstorm accompanied with lightening very likely at isolated places over Jharkhand, Kerala & Mahe, Tamil Nadu, and Pondicherry & Karikal. Heavy rainfall at isolated places over East Rajasthan, Uttarkhand, East Uttar Pradesh, Madhya Pradesh, Vidarbha, Chattisgarh, Odisha, Madhya Maharashtra, Marathwada, Tamil Nadu, Pondicherry & Karikal.*

**Previous Updates:**

***Government has cleared sugar export subsidy of Rs. 1,800 crore.*** According to the senior food ministry official, about Rs. 3,500 crore budgets was earlier allocated towards export subsidy for the 2020-21 season. Out of which Rs. 1,800 crore had been spent on clearing the subsidy claims, the balance subsidy will be paid to the mills soon. The mills have already exported the entire 6 million tonnes of quota during the current season.

***Malaysia sugar demand has increased by 5-10 percent in the first half of 2021.*** Due to ease in the lockdown restrictions and industries continuing to open, the sugar demand had picked up by 5-10 percent in the first half of this year and is expected to increase further in the second half of 2021. Earlier the pandemic has impacted the sugar consumption in Malaysia lowering the consumption from 1.5 million tonnes to 1.2 -1.3 million tonnes.

***West Bengal has received 15 proposals to produce ethanol.*** West Bengal government aims to increase ethanol production in the state by setting up new plants to achieve the target of blending ethanol with petrol set by the centre. The state so far has received 15 proposals to produce ethanol. The total investment involved is Rs. 2,666 crore and around 4,000 direct employment is expected through this in the state.

*According to the All India Crop Situation Report issued by the Ministry of Agriculture and Farmer's Welfare shows a slight increase in sown area of sugarcane this year. Till 10<sup>th</sup> September 2021, about 54.70 lakh hectares area has been sown under sugarcane crop compared with the normal of the corresponding week at*

51.61 lakh hectares. Thus 3.09 lakh hectares more area has been covered compared to the normal of the corresponding week. Higher acreage is 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). Minor rise in acreage has also been reported from 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). Lower acreage is reported from the states of Tamil Nadu (0.86 lakh hectares), Andhra Pradesh (0.47 lakh hectares), Chhattisgarh (0.21 lakh hectares), Bihar (0.04 lakh hectares), Telangana (0.05 lakh hectares), and West Bengal (0.02 lakh hectares).

**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.

**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, Kahnawan, 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.

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

Daily Futures Price Listing Tuesday, Sep 21st, 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>	210921	18.89	19.24	18.82	18.97	+0.11	30,195	119,248	-8,770
<a href="#">Mar-22</a>	210921	19.66	19.97	19.56	19.75	+0.16	51,327	393,926	+3,968
<a href="#">May-22</a>	210921	19.08	19.39	19.07	19.24	+0.19	12,860	152,642	+194
<a href="#">Jul-22</a>	210921	18.45	18.71	18.45	18.59	+0.19	10,145	107,867	-1,190
<a href="#">Oct-22</a>	210921	18.16	18.41	18.16	18.29	+0.18	2,853	91,093	+205
<a href="#">Mar-23</a>	210921	18.06	18.29	18.06	18.18	+0.17	703	38,054	+20
<a href="#">May-23</a>	210921	17.14	17.24	17.05	17.16	+0.14	71	15,235	+6
<a href="#">Jul-23</a>	210921	16.45	16.45	16.18	16.31	+0.10	30	19,415	+11
Total Volume and Open Interest							108,643	961,396	-5,322

Source: MRCI

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

Daily Futures Price Listing Tuesday, Sep 21st, 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>	210921	499.80	505.70	497.50	501.20	+3.30	4,146	29,014	-211
<a href="#">Oct-21</a>	210921	505.10	510.10	500.70	505.20	+3.20	1,938	22,418	+177
<a href="#">Dec-21</a>	210921	499.90	505.40	496.80	501.10	+3.20	446	9,338	+13
<a href="#">Mar-22</a>	210921	492.90	495.70	488.00	491.80	+2.70	256	6,479	-60
<a href="#">May-22</a>	210921	485.50	488.30	482.90	484.40	+2.10	94	3,462	-64
Total Volume and Open Interest							6,897	71,672	-143

Source: MRCI

DOMESTIC PRICES AND ARRIVAL

Sugar Prices at Key Spot Markets:					
Commodity	Centre	Variety	Prices (Rs/Qtl)		Change
Sugar			22-Sep-21	21-Sep-21	
Delhi	Delhi	M-Grade	3610	3620	-10
	Delhi	S-Grade	3590	3600	-10
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	3796	3796	Unch
	Mumbai	S-Grade	3650	3660	-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)	3960	3960	Unch
	Vijayawada	S-Grade (With Duty)	4060	4060	Unch
West Bengal	Kolkata	M-Grade	3850	3850	Unch
Tamil Nadu	Chennai	S-Grade (With GST)	3930	3930	Unch
	Dindigul	M-Grade (DCA)	3860	3670	190
	Coimbatore	M-Grade (DCA)	3860	3860	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)			22-Sep-21	21-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)	3070	3080	-10
	Mandya	Kurikatu (Medium)	3000	3060	-60
	Mandya	Other (Medium)	2950	3030	-80
	Mandya	Yellow (Medium)	3100	3150	-50
	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 remove any such commodities (or investment). Please see the detailed disclaimer at <http://www.agriwatch.com/disclaimer.php> © 2021 Indian Business Systems Ltd.