

**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. 3605/q. Prices were higher in Kolhapur at Rs. 3550/q.***

***Brazil's sugar production has reached 2,55 million tons in the first half of September 2021. According to UNICA's latest harvest report for the first half of September 2021 for Central South. Brazil's sugar production has reached 2,55 million tons in the first half of September 2021. Since the beginning of the 2021/2022 harvest up to 16<sup>th</sup> September 2021, accumulated sugar production has reached 26,83 million tons while in the same period at 2020-2021 harvest season it was reported 29,19 million tons. The volume of ethanol produced has reached 2,06 billion liters in the first half of September. The accumulated production of ethanol reached 20,75 billion liters, with 8,05 billion liters of anhydrous ethanol and 12,70 billion liters of hydrous ethanol. Of the total fuel produced, 1,48 billion liters of biofuel were produced from corn.***

**Weather Forecast:**

*Thunderstorm accompanied with lightening & gusty winds very likely at isolated places over Gangetic West Bengal, Uttar Pradesh, East Rajasthan, Odisha, Madhya Maharashtra, Andaman & Nicobar Islands, Tamil Nadu, and Pondicherry & Karikal. Heavy rainfall at isolated places over Gujarat region, Konkan & Goa, and heavy rainfall at isolated places over Marthwada, Saurashtra & Kutuch, West Bengal, Odisha, Jharkhand and Madhya Maharashtra.*

**Previous Updates:**

***Uttar Pradesh government has increased the state advised price for sugarcane. The Uttar Pradesh government has announced a hike in the state advised price for sugarcane by Rs. 25 per quintal for the 2021-22 seasons that will begin this month. The government has raised the cane price for the early maturing variety from Rs. 325 quintal to Rs. 350 per quintal while the price for the common variety has been raised from Rs. 315 to Rs. 340 per quintal. Earlier, SAP was last increased by Rs.10 per quintal in 2017.***

***The food Ministry has allocated an additional 2.5 LMT monthly sugar sales quota for September month. The food ministry on 24<sup>th</sup> September 2021 under a notification has allocated an additional 2.5 LMT of monthly sales quota for September 2021 as due to good sugar demand in September 2021 and to ensure sufficient availability of sugar for domestic consumption. Earlier, the food ministry has allocated 22 LMT quota to 558 sugar mills in September 2021. Traders in the domestic market are afraid as the sugar prices may come down sharply after the food ministry decision. Sugar prices have reached a high after 7 months and are currently ranging between Rs. 3500- Rs. 3600 per quintal.***

***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.*

**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.

**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, Kahnuwan, Narto Jaimal Singh, Ajnala and Ludhiana has been affected.

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

Daily Futures Price Listing Monday, Sep 27th, 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>	210927	19.24	19.29	18.72	18.73	-0.37	30,693	65,700	-14,860
<a href="#">Mar-22</a>	210927	20.10	20.12	19.66	19.68	-0.25	37,040	410,869	+2,444
<a href="#">May-22</a>	210927	19.50	19.55	19.15	19.18	-0.18	9,646	155,095	+645
<a href="#">Jul-22</a>	210927	18.81	18.89	18.53	18.57	-0.12	5,079	108,577	+816
<a href="#">Oct-22</a>	210927	18.45	18.57	18.21	18.25	-0.11	2,560	91,526	-271
<a href="#">Mar-23</a>	210927	18.35	18.43	18.10	18.14	-0.12	1,345	39,093	+122
<a href="#">May-23</a>	210927	17.29	17.35	17.13	17.16	-0.07	1,033	16,278	+694
<a href="#">Jul-23</a>	210927	16.52	16.53	16.39	16.43	-0.05	1,282	20,065	+648
Total Volume and Open Interest							89,554	931,900	-9,425

Source: MRCI

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

Daily Futures Price Listing Monday, Sep 27th, 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>	210927	505.60	508.20	502.40	502.40	-1.90	1,789	28,347	+8
<a href="#">Oct-21</a>	210927	508.40	511.80	506.30	506.30	-2.50	739	23,416	+308
<a href="#">Dec-21</a>	210927	506.30	507.60	502.00	502.00	-2.40	255	9,302	-16
<a href="#">Mar-22</a>	210927	497.60	498.00	493.00	493.10	-1.40	151	6,511	+6
<a href="#">May-22</a>	210927	489.70	489.70	484.90	485.10	-1.00	39	3,518	+6
Total Volume and Open Interest							3,018	72,205	+356

Source: MRCI

DOMESTIC PRICES AND ARRIVAL

Sugar Prices at Key Spot Markets:					
Commodity	Centre	Variety	Prices (Rs/Qtl)		Change
Sugar			28-Sep-21	27-Sep-21	
Delhi	Delhi	M-Grade	3625	3660	-35
	Delhi	S-Grade	3605	3640	-35
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	3770	Unch
	Mumbai	S-Grade	3630	3630	Unch
	Nagpur	M-Grade	3675	3675	Unch
	Nagpur	S-Grade	3575	3575	Unch
	Kolhapur	M-Grade	3550	3550	Unch
	Kolhapur	S-Grade	3450	3450	Unch
Assam	Guhawati	S-Grade	3766	3766	Unch
Meghalaya	Shillong	S-Grade	3770	3770	Unch
Andhra Pradesh	Vijayawada	M-Grade (With Duty)	4100	4100	Unch
	Vijayawada	S-Grade (With Duty)	3920	3920	Unch
West Bengal	Kolkata	M-Grade	3950	3900	50
Tamil Nadu	Chennai	S-Grade (With GST)	3820	3820	Unch
	Dindigul	M-Grade (DCA)	3880	3880	Unch
	Coimbatore	M-Grade (DCA)	3860	3860	Unch
Chattisgarh	Ambikapur	M-Grade (Without Duty)	3700	3700	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)			28-Sep-21	27-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	4200	150
	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	2960	-
	Mandya	Kurikatu (Medium)	NA	3000	-
	Mandya	Other (Medium)	NA	2950	-
	Mandya	Yellow (Medium)	NA	3030	-
	Shimoga/Shivamogga	Achhu (Average)	3700	3650	50

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