

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. 3650/q. Prices were higher in Kolhapur at Rs. 3500/q.

Maharashtra may surpass Uttar Pradesh in Sugar production during 2021-22 seasons. The Sugar output in Maharashtra is expected to be at 11.2 million tonnes whereas the existing top producer Uttar Pradesh is estimated to produce 11.1 million tonnes of sugar.

Weather Forecast:

Thunderstorm accompanied with lightening & gusty winds very likely at isolated places over Uttarkhand, East Uttar Pradesh, East Rajasthan, Bihar, Jharkhand, Coastal Andhra Pradesh & Yanam, Tamil Nadu, and Pondicherry & Karikal. Heavy rainfall at isolated places over Saurashtra & Kutuch and heavy rainfall at isolated places over Uttarakhand, Gangetic West Bengal, Jharkhand, Odisha, Gujarat region, Tamil Nadu, Pondicherry & Karaikal.

Previous Updates:

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 16th 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.

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 24th 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 15th October 2021. *For the coming 2021-22 sugar season, sugar mills in Maharashtra will start the cane crushing operation from 15th 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 Tuesday, Sep 28th, 2021									
Most Recent Information							Previous Day		
Mth	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
Sugar #11(ICE)									
Oct-21	210928	18.76	19.05	18.49	18.98	+0.25	29,316	49,024	-16,676
Mar-22	210928	19.66	19.91	19.45	19.84	+0.16	39,826	414,877	+4,008
May-22	210928	19.18	19.36	19.04	19.30	+0.12	8,203	154,995	-100
Jul-22	210928	18.57	18.71	18.48	18.64	+0.07	4,643	108,130	-447
Oct-22	210928	18.20	18.39	18.13	18.28	+0.03	2,225	92,003	+477
Mar-23	210928	18.09	18.31	17.99	18.13	-0.01	954	39,091	-2
May-23	210928	17.19	17.30	16.98	17.09	-0.07	532	16,478	+200
Jul-23	210928	16.47	16.54	16.24	16.34	-0.09	390	19,974	-91
Total Volume and Open Interest							86,956	919,749	-12,151

Source: MRCI

International Sugar Futures LIFFE(US \$/MT)

Daily Futures Price Listing Tuesday, Sep 28th, 2021									
Most Recent Information							Previous Day		
Mth	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
London Sugar(LCE)									
Aug-21	210928	501.00	511.60	499.40	509.80	+7.40	2,644	27,197	-1,150
Oct-21	210928	505.50	511.90	502.10	511.20	+4.90	1,252	23,699	+283
Dec-21	210928	501.50	506.60	506.60	504.50	+2.50	154	9,394	+92
Mar-22	210928	492.70	497.10	497.10	494.60	+1.50	100	6,510	-1
May-22	210928	485.00	488.20	488.20	485.70	+0.60	97	3,514	-4
Total Volume and Open Interest							4,289	71,409	-796

Source: MRCI

DOMESTIC PRICES AND ARRIVAL

Sugar Prices at Key Spot Markets:					
Commodity	Centre	Variety	Prices (Rs/Qtl)		Change
Sugar			29-Sep-21	28-Sep-21	
Delhi	Delhi	M-Grade	3670	3625	45
	Delhi	S-Grade	3650	3605	45
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	3620	3630	-10
	Nagpur	M-Grade	3625	3675	-50
	Nagpur	S-Grade	3525	3575	-50
	Kolhapur	M-Grade	3500	3550	-50
	Kolhapur	S-Grade	3400	3450	-50
Assam	Guhawati	S-Grade	3715	3766	-51
Meghalaya	Shillong	S-Grade	3720	3770	-50
Andhra Pradesh	Vijayawada	M-Grade (With Duty)	4000	4100	-100
	Vijayawada	S-Grade (With Duty)	3900	3920	-20
West Bengal	Kolkata	M-Grade	3950	3950	Unch
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)			29-Sep-21	28-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)	3010	NA	-
	Mandya	Kurikatu (Medium)	2900	NA	-
	Mandya	Other (Medium)	2920	NA	-
	Mandya	Yellow (Medium)	3100	NA	-
	Shimoga/Shivamogga	Achhu (Average)	NA	3700	-

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