

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. 3680/q. Prices were higher in Kolhapur at Rs. 3500/q.

The sugar export from India is expected to remain profitable in the coming season. Due to the rise in sugar prices in the international market sugar exports are expected to increase in the coming month. According to Director General of ISMA, the global sugar prices have again moved up beyond 20 cents and the dry weather in Brazil is expected to lower the sugar output in that country and Thailand's sugar production is yet to return to a normal level. As a result, the global prices would remain bullish. World prices are very good, therefore even without a subsidy India is in a position to export sugar into the international market.

Weather Forecast:

Thunderstorm accompanied with lightening very likely at isolated places over Konkan & Goa, Madhya Maharashtra, Marathwada, and interior Karnataka. Heavy rainfall at isolated places over Coastal Karnataka, Kerala & Mahe, Tamil Nadu, and Pondicherry & Karikal, and heavy rainfall at isolated places over Madhya Maharashtra, south Konkan & Goa, interior Karnataka, Kerala & Mahe, Pondicherry & Karikal.

Previous Updates:

Sugarcane arrears have been recorded at a lower level of Rs. 6,667 crore at the end of sugar season 2020-21. The cane arrears at the end of the 2019-20 sugar season was around Rs 10,342 crore, which was 13.62% of Rs 75,928 crore payable to farmers. The sugar mills in the country had procured cane worth Rs 91,685 crore and cleared almost 93% of the dues and are yet to pay only Rs 6,667 crore. According to the officials the cane arrears figure for 2020-21 is provisional and is expected to go down to Rs 6,000 crore in the final data.

Government has fixed 24 lakh MT as the monthly sugar sales quota for October 2021: The Department of Food & Public Distribution has allocated a 24 lakh MT monthly sugar sales quota for October 2021 to 558 sugar mills, which is 1 LMT higher than that of October 2020. Furthermore, an extension of 30 days to sell the unsold stocks of September 2021 has also been announced.

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.

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.

International Sugar Futures ICE(US Cent/lb)

Daily Futures Price Listing Monday, Oct 04th, 2021									
Most Recent Information							Previous Day		
Mth	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
Sugar #11(ICE)									
Oct-21	211004	20.03	20.10	19.63	19.69	-0.37	56,454	420,744	+3,534
Mar-22	211004	19.47	19.58	19.18	19.22	-0.31	16,978	156,809	-1,588
May-22	211004	18.90	18.97	18.62	18.65	-0.26	13,067	109,926	+1,380
Jul-22	211004	18.48	18.63	18.28	18.30	-0.25	7,344	95,473	+1,592
Oct-22	211004	18.24	18.47	18.11	18.14	-0.24	3,300	40,828	+1,139
Mar-23	211004	17.17	17.36	17.08	17.13	-0.17	1,245	17,748	+558
May-23	211004	16.40	16.55	16.32	16.42	-0.10	955	19,913	-60
Jul-23	211004	16.00	16.15	15.95	16.07	-0.04	578	18,819	+173
Total Volume and Open Interest							100,012	888,352	+1,972

Source: MRCI

International Sugar Futures LIFFE(US \$/MT)

Daily Futures Price Listing Monday, Oct 04th, 2021									
Most Recent Information							Previous Day		
Mth	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
London Sugar(LCE)									
Aug-21	211004	508.20	510.70	501.60	502.90	-8.30	2,866	27,098	-182
Oct-21	211004	512.20	512.20	503.70	504.00	-8.60	1,999	25,196	+1
Dec-21	211004	504.90	506.40	499.00	499.30	-6.90	536	9,599	+124
Mar-22	211004	496.00	497.90	490.90	491.20	-6.20	176	6,301	-3
May-22	211004	489.00	489.90	481.90	481.90	-5.90	281	3,558	+79
Total Volume and Open Interest							5,865	73,088	+21

Source: MRCI

DOMESTIC PRICES AND ARRIVAL

Sugar Prices at Key Spot Markets:					
Commodity	Centre	Variety	Prices (Rs/Qtl)		Change
Sugar			05-Oct-21	04-Oct-21	
Delhi	Delhi	M-Grade	3700	3680	20
	Delhi	S-Grade	3680	3660	20
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	3810	3800	10
	Mumbai	S-Grade	3630	3606	24
	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)	4000	4000	Unch
	Vijayawada	S-Grade (With Duty)	3900	3900	Unch
West Bengal	Kolkata	M-Grade	3950	3950	Unch
Tamil Nadu	Chennai	S-Grade (With GST)	3820	3820	Unch
	Dindigul	M-Grade (DCA)	3900	3900	Unch
	Coimbatore	M-Grade (DCA)	3860	3860	Unch
Chattisgarh	Ambikapur	M-Grade (Without Duty)	3800	3800	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)			05-Oct-21	04-Oct-21	
Uttar Pradesh	Muzaffarnagar	Chaku Fresh	NA	NA	-

	Muzaffarnagar	Chaku(Arrival)(40kg Bag)	NA	NA	-
	Muzaffarnagar	Khurpa (Fresh)	3363	3328	35
	Muzaffarnagar	Laddoo (Fresh)	NA	3750	-
	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	NA	-
	Mandya	Achhu (Medium)	3050	3010	40
	Mandya	Kurikatu (Medium)	2900	2900	Unch
	Mandya	Other (Medium)	2850	2840	10
	Mandya	Yellow (Medium)	3100	3000	100
	Shimoga/Shivamogga	Achhu (Average)	NA	3700	-

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 delete any such commodities (or investment). Please see the detailed disclaimer at <http://www.agriwatch.com/disclaimer.php> © 2021 Indian Business Systems Ltd.