

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. 3670/q. Prices were higher in Kolhapur at Rs. 3500/q.

Sugar mills have exported around 7.23 million tonnes of sugar in the 2020-21 season. According to the All India Sugar Trade Association, sugar mills have exported around 7.23 million tonnes of sugar in the 2020-21 season. Out of the total shipments, 7.06 million tonnes of sugar have been exported, while 1,66,335 tonnes are under loading in the 2020-21 season. The maxim exports were undertaken to Indonesia at 1.82 million tonnes, followed by Afghanistan at 6,69,525 tonnes, UAE at 5,24,064 tonnes, and Somalia at 4,11,944 tonnes in 2020-21 season. For the coming 2021-22 sugar season, export deals of about 15 lakh tonnes have taken place till 4th October 2021. Whereas, as per the Indian Sugar Mills Association India's sugar export has risen around 20 percent to an all-time high of 7.1 million tonnes during the 2020-21 season.

Pakistan's government is planning to increase the minimum purchase price (MRP) of sugarcane from Rs. 220 per 40 kg to Rs. 250 per 40kg this season. The Sugarcane Control Board (SCCB) is planning to propose a hike of at least Rs. 30 per 40kg in the previous year's rate, the meeting is scheduled for the next week. The cane prices are scheduled to increase due to an increase in the farm input price and high electricity rates for tube wells. According to the Punjab Crop Reporting survey, the failure of the cotton crop has led the farmers to turn to cane cultivation. The area under sugarcane cultivation in the country has also increased by 12 percent to 2.148 million acres against the set target of 1.880 million acres.

Weather Forecast:

Thunderstorm accompanied with lightening very likely at isolated places over Konkan & Goa, Madhya Maharashtra, Marathwada, Coastal Andhra Pradesh & Yanam, Rayalseema, Tamil Nadu, Pondicherry, Karikal, Kerala & Mahe and Lakshadweep. Heavy rainfall at isolated places over Andaman & Nicobar Islands, Konkan & Goa, Madhya Maharashtra, Marathwada and Karnataka.

Previous Updates:

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.

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.

International Sugar Futures ICE(US Cent/lb)

Daily Futures Price Listing Tuesday, Oct 05th, 2021									
Most Recent Information							Previous Day		
Mth	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
Sugar #11(ICE)									
Oct-21	211005	19.74	20.04	19.62	19.85	+0.16	39,699	420,907	+163
Mar-22	211005	19.28	19.54	19.18	19.39	+0.17	16,073	154,672	-2,137
May-22	211005	18.71	18.93	18.63	18.83	+0.18	10,623	110,836	+910
Jul-22	211005	18.36	18.55	18.29	18.48	+0.18	4,846	94,868	-605
Oct-22	211005	18.21	18.36	18.31	18.31	+0.17	1,909	41,130	+302
Mar-23	211005	17.20	17.32	17.15	17.27	+0.14	470	17,828	+80
May-23	211005	16.48	16.58	16.39	16.53	+0.11	625	19,938	+25
Jul-23	211005	16.12	16.20	16.00	16.15	+0.08	484	18,980	+161
Total Volume and Open Interest							74,762	887,251	-1,101

Source: MRCI

International Sugar Futures LIFFE(US \$/MT)

Daily Futures Price Listing Tuesday, Oct 05th, 2021									
Most Recent Information							Previous Day		
Mth	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
London Sugar(LCE)									
Aug-21	211005	502.50	512.50	502.50	507.50	+4.90	3,348	26,603	-495
Oct-21	211005	504.40	512.30	504.20	507.40	+3.40	2,719	24,835	-361
Dec-21	211005	499.60	507.00	499.60	502.70	+3.40	1,288	9,919	+320
Mar-22	211005	494.30	498.20	491.80	494.50	+3.30	283	6,308	+7
May-22	211005	487.00	489.70	483.80	486.80	+2.70	168	3,515	-43
Total Volume and Open Interest							7,859	72,547	-541

Source: MRCI

DOMESTIC PRICES AND ARRIVAL

Sugar Prices at Key Spot Markets:					
Commodity	Centre	Variety	Prices (Rs/Qtl)		Change
Sugar			06-Oct-21	05-Oct-21	
Delhi	Delhi	M-Grade	3690	3700	-10
	Delhi	S-Grade	3670	3680	-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	3810	3810	Unch
	Mumbai	S-Grade	3630	3630	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)	4020	4000	20
	Vijayawada	S-Grade (With Duty)	3920	3900	20
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)			06-Oct-21	05-Oct-21	
Uttar Pradesh	Muzaffarnagar	Chaku Fresh	3628	NA	-
	Muzaffarnagar	Chaku(Arrival)(40kg Bag)	200	NA	-

	Muzaffarnagar	Khurpa (Fresh)	3375	3363	13
	Muzaffarnagar	Laddoo (Fresh)	3803	NA	-
	Muzaffarnagar	Rascut (Fresh)	NA	NA	-
	Hapur	Chaursa	3250	NA	-
	Hapur	Balti	3475	NA	-
Andhra Pradesh	Chittur	Gold	NR	NR	-
		White	NR	NR	-
		Black	NR	NR	-
Maharashtra	Latur	Lal Variety	NR	NR	-
Karnataka	Bangalore	Mudde (Average)	NA	4350	-
	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	3050	-
	Mandya	Kurikatu (Medium)	NA	2900	-
	Mandya	Other (Medium)	NA	2850	-
	Mandya	Yellow (Medium)	NA	3100	-
	Shimoga/Shivamogga	Achhu (Average)	NA	NA	-

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