

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. 3620/q. Prices were higher in Kolhapur at Rs. 3500/q.

India and Thailand would be competing for sugar export during 2021-22 season. The India and Thailand would be competing for Indonesia market besides these two nations, Australia will also compete for market share there. Thai sugar will give competition to Indian sugar, especially due to the high freight differential (\$15-\$20) for destinations such as Indonesia. India needs to price its sugar to match Thai offers. Thailand sugar production is projected to rebound by 33 per cent to 10 MT this season. After taking into consideration domestic consumption of 3 MT in Thailand, it would have 7 MT of surplus sugar to export. It is expected to export 2.5-3 MT more sugar than last year. According to ISMA, after a record 7.1 million tonnes (MT) exports last season (October 2020-September 2021), Indian sugar shipments will likely face stiff competition from Thailand during the 2021-22 season. Sugar prices in the domestic market are currently prevailing between Rs. 3200- Rs. 3500 per quintal.

Maharashtra sugarcane labourers will get an identity card. The Maharashtra government has initiated a programme to keep a record of the migrant workers and provide them with an identity card. The government plans to provide health schemes, financial assistance and accommodation for sugarcane cutters and their families and identity cards will help to get the benefits of schemes planned for them. Earlier, Over 6 lakh workers in the Marathwada region of Maharashtra migrated to western parts of the State, and neighboring Karnataka and Andhra Pradesh for six months between October to March to cut sugarcane. However, this massive movement of workers was not on government record and hence they were deprived of development schemes and social security.

Weather Forecast:

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

Previous Updates:

Sugar mills have exported around 7.06 million tonnes of sugar in the 2020-21 season. According to the All India Sugar Trade Association, 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 maximum 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.

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.

International Sugar Futures ICE(US Cent/lb)

Daily Futures Price Listing Wednesday, Oct 06th, 2021									
Most Recent Information							Previous Day		
Mth	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
Sugar #11(ICE)									
Oct-21	211006	19.80	19.97	19.65	19.77	-0.08	47,481	421,979	+1,072
Mar-22	211006	19.38	19.42	19.24	19.34	-0.05	16,048	155,208	+536
May-22	211006	18.80	18.90	18.72	18.83	Unch	12,769	111,266	+430
Jul-22	211006	18.43	18.52	18.39	18.47	-0.01	5,194	94,898	+30
Oct-22	211006	18.22	18.33	18.19	18.27	-0.04	2,077	41,967	+837
Mar-23	211006	17.20	17.25	17.09	17.18	-0.09	414	17,948	+120
May-23	211006	16.43	16.47	16.29	16.39	-0.14	304	19,986	+48
Jul-23	211006	16.05	16.09	15.93	16.01	-0.14	192	18,999	+19
Total Volume and Open Interest							84,557	890,390	+3,139

Source: MRCI

International Sugar Futures LIFFE(US \$/MT)

Daily Futures Price Listing Wednesday, Oct 06th, 2021									
Most Recent Information							Previous Day		
Mth	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
London Sugar(LCE)									
Aug-21	211006	507.00	509.90	504.20	508.50	+1.00	3,157	26,287	-316
Oct-21	211006	506.70	509.00	504.90	507.20	-0.20	1,892	24,666	-169
Dec-21	211006	502.70	504.00	500.60	502.60	-0.10	403	10,069	+150
Mar-22	211006	492.70	495.70	492.30	494.30	-0.20	195	6,297	-11
May-22	211006	486.90	486.90	486.90	486.90	+0.10	139	3,589	+74
Total Volume and Open Interest							6,033	72,470	-77

Source: MRCI

DOMESTIC PRICES AND ARRIVAL

Sugar Prices at Key Spot Markets:					
Commodity	Centre	Variety	Prices (Rs/Qtl)		Change
Sugar			07-Oct-21	06-Oct-21	
Delhi	Delhi	M-Grade	3640	3690	-50
	Delhi	S-Grade	3620	3670	-50
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	3780	3810	-30
	Mumbai	S-Grade	3626	3630	-4
	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	4020	Unch
	Vijayawada	S-Grade (With Duty)	3920	3920	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)	3850	3800	50

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)			07-Oct-21	06-Oct-21	
Uttar Pradesh	Muzaffarnagar	Chaku Fresh	3628	3628	Unch
	Muzaffarnagar	Chaku(Arrival)(40kg Bag)	200	200	Unch

	Muzaffarnagar	Khurpa (Fresh)	3375	3375	Unch
	Muzaffarnagar	Laddoo (Fresh)	3803	3803	Unch
	Muzaffarnagar	Rascut (Fresh)	NA	NA	-
	Hapur	Chaursa	3500	3250	250
	Hapur	Balti	3475	3475	Unch
Andhra Pradesh	Chittur	Gold	NR	NR	-
		White	NR	NR	-
		Black	NR	NR	-
Maharashtra	Latur	Lal Variety	NR	NR	-
Karnataka	Bangalore	Mudde (Average)	4550	NA	-
	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	NA	-
	Mandya	Kurikatu (Medium)	NA	NA	-
	Mandya	Other (Medium)	NA	NA	-
	Mandya	Yellow (Medium)	NA	NA	-
	Shimoga/Shivamogga	Achhu (Average)	NA	NA	-

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