

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

According to the Department of Agriculture Philippines, the projected shortfall of the sugar output in the country has led the Philippines to decide not to export raw sugar to the United States. The domestic production would be used to meet local needs. Earlier in the previous month, USDA had revised the export forecast from 140,000 metric tons to zero for the 2021-22 season.

Weather Forecast

Thunderstorm accompanied with lightening & gusty winds very likely at isolated places over Andaman & Nicobar Islands, with lightening at isolated places over Jammu & Kashmir, Ladakh, Gilgit-Baltistan, & Muzaffarabad, Himachal Pradesh, Uttarakhand, Punjab, Haryana, Chandigarh, Delhi, Uttar Pradesh, East Rajasthan, Madhya Pradesh, Vidarbha, Chhattisgarh, Gangetic West Bengal, Odisha, Bihar, Jharkhand, Marathwada, Kerala & Mahe Tamil Nadu, Pondicherry, Karikal. Heavy rainfall at isolated places over south interior Karnataka, Tamil Nadu, Pondicherry, Karikal, Kerala & Mahe, Coastal Andhra Pradesh, & Yanam.

Previous Updates:

The Brazil center south region is likely to recover in the next season increasing sugar production from 32.5 million tonnes to 32.9 million tonnes. According to the market experts, if Brazil receives normal rains in the first quarter of the next year, then sugar crush would reach 540 million tonnes which is higher by 20 million tonnes in the current season.

EBP has reached all the states across the country. India's ethanol blending programme (EBP) launched in 2013-14 has now reached in all the states of the country with Sikkim becoming the last state join EBP. Earlier, India has set the ambitious target of blending 20% ethanol in petrol by 2025. During the present ethanol supply year (ESY) December to November, India has achieved 7.89% blending and by the end of November, is likely to hit 8.1% to 8.2% blending.

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.

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.

International Sugar Futures ICE(US Cent/lb)

Daily Futures Price Listing Wednesday, Oct 13th, 2021									
Most Recent Information							Previous Day		
Mth	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
Sugar #11(ICE)									
Oct-21	211013	20.11	20.15	19.83	19.86	-0.21	44,428	418,020	+3,245
Mar-22	211013	19.64	19.69	19.69	19.43	-0.19	16,079	147,722	-1,767
May-22	211013	19.16	19.21	18.95	18.99	-0.16	9,796	117,651	+1,352
Jul-22	211013	18.85	18.89	18.68	18.71	-0.12	3,740	96,796	+636
Oct-22	211013	18.69	18.71	18.51	18.59	-0.09	2,137	44,614	+343
Mar-23	211013	17.48	17.52	17.39	17.43	-0.02	641	19,343	+113
May-23	211013	16.59	16.64	16.58	16.58	+0.01	437	20,182	+61
Jul-23	211013	16.17	16.20	16.17	16.17	+0.01	268	19,220	+85
Total Volume and Open Interest							77,839	892,318	+4,110

Source: MRCI

International Sugar Futures LIFFE(US \$/MT)

Daily Futures Price Listing Wednesday, Oct 13th, 2021									
Most Recent Information							Previous Day		
Mth	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
London Sugar(LCE)									
Aug-21	211013	516.30	521.80	512.80	514.10	-2.90	4,968	27,692	-325
Oct-21	211013	514.80	517.10	510.00	510.20	-4.80	3,159	25,293	+132
Dec-21	211013	512.40	513.10	506.80	507.10	-5.30	1,166	10,110	-65
Mar-22	211013	504.00	506.50	500.50	500.80	-4.60	108	6,645	+26
May-22	211013	496.40	497.80	492.90	493.40	-4.30	50	3,662	+24
Total Volume and Open Interest							9,555	75,132	-126

Source: MRCI

DOMESTIC PRICES AND ARRIVAL

Sugar Prices at Key Spot Markets:					
Commodity	Centre	Variety	Prices (Rs/Qtl)		Change
Sugar			14-Oct-21	13-Oct-21	
Delhi	Delhi	M-Grade	3640	3620	20
	Delhi	S-Grade	3620	3600	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	3790	3790	Unch
	Mumbai	S-Grade	3610	3616	-6
	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)	3880	3880	Unch
	Dindigul	M-Grade (DCA)	3920	3920	Unch
	Coimbatore	M-Grade (DCA)	3900	3900	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)			14-Oct-21	13-Oct-21	
Uttar Pradesh	Muzaffarnagar	Chaku Fresh	3538	3975	-438

	Muzaffarnagar	Chaku(Arrival)(40kg Bag)	8000	5000	3000
	Muzaffarnagar	Khurpa (Fresh)	3100	3500	-400
	Muzaffarnagar	Laddoo (Fresh)	3500	3800	-300
	Muzaffarnagar	Rascut (Fresh)	NA	NA	-
	Hapur	Chaurasa	2975	3000	-25
	Hapur	Balti	2975	2900	75
Andhra Pradesh	Chittur	Gold	NR	NR	-
		White	NR	NR	-
		Black	NR	NR	-
Maharashtra	Latur	Lal Variety	NR	NR	-
Karnataka	Bangalore	Mudde (Average)	NA	4550	-
	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	3700	-

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