

### 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. 3605/q. Prices were higher in Kolhapur at Rs. 3500/q.

**Haryana government has asked the industries to use stubbles for ethanol production.** The Haryana government is providing Rs. 1000 per acre to the farmers for selling their stubble and has directed the industries to buy stubble this time. The government has also asked the industries to use stubble for ethanol and energy production.

### Weather Forecast

Thunderstorm accompanied with lightening & gusty winds very likely at isolated places over Gangetic West Bengal, with lightening at isolated places over Uttarakhand, Bihar, Jharkhand, Sub-Himalayana West Bengal and Sikkim, Odisha, Arunachal Pradesh, Assam & Meghalaya, Nagaland, Manipur, Mizoram & Tripura, Tamil Nadu, Pondicherry & Karikal and Kerala & Mahe. Heavy rainfall at isolated places over Uttarakhand, Sub-Himalayana West Bengal & Sikkim, Arunachal Pradesh, Assam & Meghalaya, Nagaland, Manipur, Mizoram & Tripura, and heavy rainfall at isolated places over West Uttar Pradesh, Bihar, Jharkhand, Gangetic West Bengal.

### Previous Updates:

**Government has permitted 8,424 tonnes of sugar exports to U.S. under TRQ.** The Directorate general of foreign trade (DGFT) has issued a notice on Saturday as per that the quantity of 8,424 tonnes of sugar to be exported to the U.S. under TRQ scheme from 1<sup>st</sup> October 2021 to 30<sup>th</sup> September 2022 has been notified.

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 4<sup>th</sup> 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 Friday, Oct 15th, 2021									
Most Recent Information							Previous Day		
Mth	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
Sugar #11(ICE)									
<a href="#">Oct-21</a>	211015	19.60	19.97	19.59	19.80	+0.21	44,155	415,463	-2,368
<a href="#">Mar-22</a>	211015	19.30	19.58	19.25	19.46	+0.21	13,739	145,618	-588
<a href="#">May-22</a>	211015	18.93	19.22	18.90	19.14	+0.26	10,576	119,026	+1,074
<a href="#">Jul-22</a>	211015	18.70	18.94	18.65	18.87	+0.25	3,702	97,163	+88
<a href="#">Oct-22</a>	211015	18.50	18.77	18.50	18.73	+0.24	1,992	45,619	+459
<a href="#">Mar-23</a>	211015	17.36	17.59	17.36	17.58	+0.22	608	19,297	-4
<a href="#">May-23</a>	211015	16.63	16.77	16.63	16.76	+0.19	627	20,438	+279
<a href="#">Jul-23</a>	211015	16.21	16.35	16.21	16.34	+0.13	251	19,192	-26
Total Volume and Open Interest							75,807	890,663	-1,009

Source: MRCI

## International Sugar Futures LIFFE(US \$/MT)

Daily Futures Price Listing Friday, Oct 15th, 2021									
Most Recent Information							Previous Day		
Mth	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
London Sugar(LCE)									
<a href="#">Aug-21</a>	211015	515.50	522.50	514.40	520.00	+7.10	3,889	26,236	-959
<a href="#">Oct-21</a>	211015	508.10	514.40	507.10	510.90	+5.30	3,492	24,269	-477
<a href="#">Dec-21</a>	211015	505.60	511.30	504.50	506.60	+3.80	615	10,197	-78
<a href="#">Mar-22</a>	211015	499.70	506.20	498.90	502.30	+5.20	230	6,582	-53
<a href="#">May-22</a>	211015	492.00	498.00	492.00	496.30	+6.80	155	3,746	+3
Total Volume and Open Interest							8,533	72,954	-1,446

Source: MRCI

DOMESTIC PRICES AND ARRIVAL

Sugar Prices at Key Spot Markets:					
Commodity	Centre	Variety	Prices (Rs/Qtl)		Change
Sugar			18-Oct-21	16-Oct-21	
Delhi	Delhi	M-Grade	3625	3650	-25
	Delhi	S-Grade	3605	3630	-25
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	3786	3790	-4
	Mumbai	S-Grade	3596	3616	-20
	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)			18-Oct-21	16-Oct-21	
Uttar Pradesh	Muzaffarnagar	Chaku Fresh	NA	3700	-

	Muzaffarnagar	Chaku(Arrival)(40kg Bag)	NA	7000	-
	Muzaffarnagar	Khurpa (Fresh)	NA	3200	-
	Muzaffarnagar	Laddoo (Fresh)	NA	3625	-
	Muzaffarnagar	Rascut (Fresh)	NA	NA	-
	Hapur	Chaursa	Closed	3025	-
	Hapur	Balti	Closed	3000	-
Andhra Pradesh	Chittur	Gold	NR	NR	-
		White	NR	NR	-
		Black	NR	NR	-
Maharashtra	Latur	Lal Variety	NR	NR	-
Karnataka	Bangalore	Mudde (Average)	4550	4550	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)	3250	3250	Unch
	Mandya	Kurikatu (Medium)	3000	3000	Unch
	Mandya	Other (Medium)	3100	3000	100
	Mandya	Yellow (Medium)	3200	3200	Unch
	Shimoga/Shivamogga	Achhu (Average)	NA	3700	-

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