

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. 3610/q. Prices were higher in Kolhapur at Rs. 3500/q.

According to the Ministry of Supply and Internal Trade, Egypt has sufficient sugar stock to cater consumption needs of the people of the country for 6 months. According to the Head of the Internal Trade Development Authority, apart from sugar, the cooking oil reserve in the country is available for 5 months and the rice reserve is sufficient for three and a half months.

Weather Forecast

Thunderstorm accompanied with lightening very likely at isolated places over Coastal and South interior Karnataka, Tamil Nadu, Pondicherry & Karikal, Lakshadweep and Kerala & Mahe. Heavy rainfall at isolated places over Tamil Nadu, Puducherry & Karaikal and Kerala & Mahe, and heavy rainfall at isolated places over Coastal and South interior Karnataka.

Previous Updates:

Sugar stocks stuck at port in Sri Lanka. Due to the delay in payments, the sugar stock worth Rs. 1 billion is stuck at the port in Sri Lanka. According to the sugar importers association, around 300 containers comprising 7,000 metric tons of sugar is stuck at the port. Earlier, around 12,000 tons of sugar packed in 400 containers was imported by five importers five months ago. However, due to the policy decision taken by the government to restrict the import of sugar and the shortage of dollar, the release of consignment of sugar had been delayed.

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.

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 1st October 2021 to 30th 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 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.

International Sugar Futures ICE(US Cent/lb)

Daily Futures Price Listing Tuesday, Oct 19th, 2021									
Most Recent Information							Previous Day		
Mth	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
Sugar #11(ICE)									
Mar-22	211019	19.35	19.44	18.82	18.87	-0.48	48,617	409,386	-2,070
May-22	211019	19.14	19.21	18.64	18.69	-0.45	16,715	141,589	-968
Jul-22	211019	18.93	18.98	18.50	18.55	-0.39	10,430	119,921	+684
Oct-22	211019	18.77	18.77	18.35	18.40	-0.33	3,577	96,649	+18
Mar-22	211019	18.63	18.64	18.30	18.35	-0.29	1,374	46,450	+764
May-23	211019	17.58	17.58	17.27	17.33	-0.25	512	19,595	+31
Jul-23	211019	16.81	16.82	16.57	16.62	-0.18	255	20,948	+11
Oct-23	211019	16.40	16.45	16.23	16.28	-0.13	240	19,408	+123
Total Volume and Open Interest							82,258	883,063	-1,404

Source: MRCI

International Sugar Futures LIFFE(US \$/MT)

Daily Futures Price Listing Tuesday, Oct 19th, 2021									
Most Recent Information							Previous Day		
Mth	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
London Sugar(LCE)									
Dec-21	211019	507.80	508.60	500.00	500.00	-6.80	2,686	25,358	-478
Mar-22	211019	501.80	503.10	492.00	492.60	-6.70	2,537	23,129	-509
May-22	211019	499.50	500.70	491.70	490.30	-6.70	1,369	10,479	+76
Aug-22	211019	495.50	497.60	489.70	490.20	-6.20	865	6,438	-95
Oct-22	211019	493.30	493.60	485.00	485.50	-6.30	305	3,707	+5
Total Volume and Open Interest							7,838	71,059	-1,011

Source: MRCI

DOMESTIC PRICES AND ARRIVAL

Sugar Prices at Key Spot Markets:					
Commodity	Centre	Variety	Prices (Rs/Qtl)		Change
Sugar			20-Oct-21	19-Oct-21	
Delhi	Delhi	M-Grade	3630	3640	-10
	Delhi	S-Grade	3610	3620	-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	3786	3786	Unch
	Mumbai	S-Grade	3590	3596	-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)	3700	3800	-100

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)			20-Oct-21	19-Oct-21	
Uttar Pradesh	Muzaffarnagar	Chaku Fresh	NA	Closed	-

	Muzaffarnagar	Chaku(Arrival)(40kg Bag)	NA	Closed	-
	Muzaffarnagar	Khurpa (Fresh)	NA	Closed	-
	Muzaffarnagar	Laddoo (Fresh)	NA	Closed	-
	Muzaffarnagar	Rascut (Fresh)	NA	Closed	-
	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)	NA	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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