

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. 3630/q. Prices were slightly lower in Kolhapur at Rs. 3350/q compared to previous week at Rs. 3400/qt.

About 54 sugar mills in Maharashtra have started the cane crushing operation for the 2021-22 season. Till 01st November 2021, sugar mills have crushed 18.35 lakh tonnes of sugarcane to produce 13.32 lakh quintals of sugar. Around 30 sugar mills from Pune and Kolhapur regions have started the cane crushing operations. Total 31 cooperative and 23 private sugar mills have started the cane crushing operation as on 01st November 2021. As per the agriwatch market analysis, about 190 sugar mills had participated in the cane crushing operation last season of which 154 sugar mills have paid 100 percent of the FRP (fair and remunerative price). Around 36 sugar mills are yet to clear the FRP of around Rs. 321.41 crore.

Weather Forecast

Thunderstorm accompanied with lightening very likely at isolated places over Madhya Maharashtra, Telangana, Konkan & Goa, Marathwada, Coastal Andhra Pradesh & Yanam, Rayalaseema, Coastal & South interior Karnataka, Tamil Nadu, Pondicherry & Karikal, Lakshadweep and Kerala & Mahe. Heavy rainfall at isolated places over south interior & coastal Tamil Nadu, Pondicherry and Karikal and heavy rainfall at isolated places over Tamil Nadu, Pondicherry & Karikal, Coastal and south Interior Karnataka, Lakshadweep and Kerala & Mahe.

Previous Updates:

Due to heavy and untimely rainfall in Uttar Pradesh especially in the eastern Uttar Pradesh, yield and sugar recovery are both likely to fall in the 2021-22 season. Also, a higher diversion to ethanol production are likely to result in a drop in sugar production. As a result, Maharashtra is likely to overtake Uttar Pradesh in sugar production this season with good monsoon rainfall and sufficient water availability in the reservoirs in the region. Although ratoon cane availability is higher than plant cane i.e yield per hectare is expected to be slightly lower as compared to previous season in Maharashtra. ISMA has estimated the sugar production (without considering diversion into ethanol) in Maharashtra to be around 122.5 lakh tonnes and around 113.5 lakh tonnes in Uttar Pradesh for the 2021-22 season.

Sugar industry may face challenges for export of sugar during the 2021-22 season. For the 2021-22 season, till 28th October 2021, sugar mills have signed contracts to export 1.5 million tonnes of sugar. But the sugar mills are likely to face 3 key challenges on the way. One Thailand production is expected to be higher this season, second instability in the market in Afghanistan which can affect the India's exports and third, Sri Lanka's shortage of foreign exchange. In the previous season, major sugar export destination for India were Indonesia, Afghanistan and Sri Lanka. (Around 50 percent of the total exports were sent to these countries). Indian sugar sector needs to find new ways to overcome these challenges for export in the 2021-22 season.

Sugar importers from Sri Lanka has urged the government to release an adequate amount of dollars to the banks to import sugar. This will further help to regularize the sugar import and control the sugar price. Earlier,

The Consumer Affairs Authority has fixed the prices for white sugar at Rs. 122 per kg and for brown sugar at Rs. 125 per kg. Despite this, sugar is been sold at a higher rate in the market.

According to the Ukrtsukor National Association of Sugar Producer of Ukraine, Sugar output in Ukraine has crossed 562.3 thousand tonnes by crushing 4.20 million tonnes of sugar beet till 23rd October 2021. Around 29 sugar refineries have participated in the sugar beet processing in 2021 season. As per the data released by Economy Ministry, Ukraine is likely to produce 1.4 million tonnes of sugar this season. In the previous season, around 30 sugar refineries had participated in the beet refining season and produced 1.1 million tonnes of sugar.

Government has fixed 22.5 LMT of monthly sugar sales quota for November 2021. The food ministry has allocated 22.5 LMT monthly sugar quota for November 2021 to 558 sugar mills which is same as the quota released during the previous season for November 2020. Government has also gave an extension of 30 days to sell the unsold quota of October 2021. As per Agriwatch, this will create a selling pressure for the sugar mills despite of the festive demand.

Indian Sugar Mills Association has estimated sugar production at 305 lakh tonnes for the 2021-22 season. As per the Indian Sugar Mills Association, India's sugar production (after accounting a reduction due to diversion of cane juice and B- heavy molasses to ethanol) is estimated at 305 lakh tonnes lower from the previous estimates of 310 lakh tonnes during July 2021. Total acreages under sugarcane in the country is estimated to be around 54.37 lakh hectares in 2021-22 season which is 3 percent higher from previous season of 52.88 lakh hectares. ISMA is also expecting a marginal decrease in yield and sugar recovery from Uttar Pradesh due to recent rains.

International Sugar Futures ICE(US Cent/lb)

Daily Futures Price Listing Monday, Nov 01st, 2021									
Most Recent Information							Previous Day		
Mth	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
Sugar #11(ICE)									
Mar-22	211101	19.28	19.54	19.19	19.37	+0.10	41,433	394,567	+1,552
May-22	211101	18.98	19.20	18.90	19.09	+0.14	13,022	142,558	+123
Jul-22	211101	18.66	18.91	18.63	18.80	+0.12	9,830	122,382	+474
Oct-22	211101	18.47	18.67	18.42	18.55	+0.09	4,348	100,233	-260
Mar-22	211101	18.42	18.59	18.41	18.46	+0.07	1,488	47,660	+42
May-23	211101	17.42	17.58	17.36	17.39	+0.01	543	20,344	+102
Jul-23	211101	16.69	16.82	16.55	16.59	-0.04	586	23,205	+328
Oct-23	211101	16.23	16.35	16.03	16.11	-0.05	491	20,244	+260
Total Volume and Open Interest							71,861	881,257	+2,634

Source: MRCI

International Sugar Futures LIFFE(US \$/MT)

Daily Futures Price Listing Monday, Nov 01st, 2021									
Most Recent Information							Previous Day		
Mth	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
London Sugar(LCE)									
Dec-21	211101	508.90	515.80	508.20	511.20	+2.10	4,850	24,382	+490
Mar-22	211101	498.10	505.00	498.00	499.80	+1.30	2,685	22,715	+776
May-22	211101	496.00	501.10	495.00	497.60	+2.10	475	10,629	+17
Aug-22	211101	491.90	497.30	491.90	494.00	+3.20	255	7,011	-30
Oct-22	211101	484.70	489.60	484.70	486.60	+3.40	221	5,205	+119
Total Volume and Open Interest							8,543	72,584	+1,411

Source: MRCI

DOMESTIC PRICES AND ARRIVAL

Sugar Prices at Key Spot Markets:					
Commodity	Centre	Variety	Prices (Rs/Qtl)		Change
Sugar			2-Nov-21	1-Nov-21	
Delhi	Delhi	M-Grade	3650	3640	10
	Delhi	S-Grade	3630	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	3770	3780	-10
	Mumbai	S-Grade	3542	3542	Unch
	Nagpur	M-Grade	3475	3525	-50
	Nagpur	S-Grade	3375	3425	-50
	Kolhapur	M-Grade	3350	3400	-50
	Kolhapur	S-Grade	3250	3300	-50
Assam	Guhawati	S-Grade	3563	3613	-51
Meghalaya	Shillong	S-Grade	3570	3620	-50
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)	3640	3640	Unch
	Dindigul	M-Grade (DCA)	3940	3940	Unch
	Coimbatore	M-Grade (DCA)	3900	3900	Unch
Chattisgarh	Ambikapur	M-Grade (Without Duty)	3600	3600	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
			2-Nov-21	1-Nov-21	
Jaggery(Gur)					
Uttar Pradesh	Muzaffarnagar	Chaku Fresh	3563	3500	63
	Muzaffarnagar	Chaku(Arrival)(40kg Bag)	12000	12000	Unch
	Muzaffarnagar	Khurpa (Fresh)	3250	3250	Unch
	Muzaffarnagar	Laddoo (Fresh)	3550	3500	50
	Muzaffarnagar	Rascut (Fresh)	2775	2825	-50
	Hapur	Chaurasa	3275	Closed	-
	Hapur	Balti	3000	Closed	-
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)	3590	NA	-
	Mandya	Kurikatu (Medium)	3200	NA	-
	Mandya	Other (Medium)	3190	NA	-
	Mandya	Yellow (Medium)	3630	NA	-
	Shimoga/Shivamogga	Achhu (Average)	3800	NA	-

**Disclaimer**

Information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness, and correctness. The use of data and information contained in this report is at your own risk. This document is not, and should not be construed as an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed, or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors, and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at <http://www.agriwatch.com/disclaimer.php> © 2021 Indian Agribusiness Systems Ltd.