

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 south konkan & Goa, south Madhya Maharashtra, Telangana, Marathwada, Coastal Andhra Pradesh & Yanam, Rayalaseema, Karnataka, Tamil Nadu, Pondicherry & Karikal, Lakshadweep and Kerala & Mahe. Heavy rainfall at isolated places over south konkan & Goa, south Madhya Maharashtra, and heavy rainfall at isolated places over Tamil Nadu, Pondicheery & Karikal, Coastal and south Interior Karnataka, 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 Tuesday, Nov 02nd, 2021									
Most Recent Information							Previous Day		
Mth	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
Sugar #11(ICE)									
Mar-22	211102	19.37	19.65	19.29	19.54	+0.17	41,160	393,276	-1,291
May-22	211102	19.12	19.35	19.02	19.29	+0.20	14,193	142,682	+124
Jul-22	211102	18.81	19.08	18.71	19.00	+0.20	10,441	122,264	-118
Oct-22	211102	18.57	18.84	18.47	18.77	+0.22	3,917	100,287	+54
Mar-22	211102	18.48	18.75	18.37	18.70	+0.24	1,039	47,565	-95
May-23	211102	17.42	17.70	17.33	17.67	+0.28	561	20,368	+24
Jul-23	211102	16.58	16.90	16.55	16.88	+0.29	338	23,232	+27
Oct-23	211102	16.12	16.38	16.07	16.37	+0.26	237	20,324	+80
Total Volume and Open Interest							72,087	880,125	-1,132

Source: MRCI

International Sugar Futures LIFFE(US \$/MT)

Daily Futures Price Listing Tuesday, Nov 02nd, 2021									
Most Recent Information							Previous Day		
Mth	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
London Sugar(LCE)									
Dec-21	211102	511.00	516.00	508.00	509.20	-2.00	5,272	25,924	+1,542
Mar-22	211102	499.50	505.10	498.00	501.40	+1.60	4,977	22,880	+165
May-22	211102	497.40	503.20	495.60	500.80	+3.20	1,678	10,853	+244
Aug-22	211102	493.90	498.50	492.20	497.60	+3.60	314	7,136	+125
Oct-22	211102	487.30	491.40	487.30	491.40	+4.80	155	5,307	+102
Total Volume and Open Interest							12,448	74,778	+2,194

Source: MRCI

DOMESTIC PRICES AND ARRIVAL

Sugar Prices at Key Spot Markets:					
Commodity	Centre	Variety	Prices (Rs/Qtl)		Change
Sugar			3-Nov-21	2-Nov-21	
Delhi	Delhi	M-Grade	3650	3650	Unch
	Delhi	S-Grade	3630	3630	Unch
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	3770	Unch
	Mumbai	S-Grade	3542	3542	Unch
	Nagpur	M-Grade	3475	3475	Unch
	Nagpur	S-Grade	3375	3375	Unch
	Kolhapur	M-Grade	3350	3350	Unch
	Kolhapur	S-Grade	3250	3250	Unch
Assam	Guhawati	S-Grade	3563	3563	Unch
Meghalaya	Shillong	S-Grade	3570	3570	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)	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
			3-Nov-21	2-Nov-21	
Jaggery(Gur)					
Uttar Pradesh	Muzaffarnagar	Chaku Fresh	Closed	3563	-
	Muzaffarnagar	Chaku(Arrival)(40kg Bag)	Closed	12000	-
	Muzaffarnagar	Khurpa (Fresh)	Closed	3250	-
	Muzaffarnagar	Laddoo (Fresh)	Closed	3550	-
	Muzaffarnagar	Rascut (Fresh)	Closed	2775	-
	Hapur	Chaurasa	Closed	3275	-
	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)	0	4550	-
	Belgaum	Mudde (Average)	0	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	3590	-
	Mandya	Kurikatu (Medium)	NA	3200	-
	Mandya	Other (Medium)	NA	3190	-
	Mandya	Yellow (Medium)	NA	3630	-
	Shimoga/Shivamogga	Achhu (Average)	NA	3800	-

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