

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. 3590/q. Prices were slightly lower in Kolhapur at Rs. 3350/q compared to previous week at Rs. 3400/qt.

Haryana government has increased compensation amount to farmers for crop failure. The Haryana government has increased the compensation amount given to farmers in case of crop failure. The amount has been increased from Rs. 12,000 per acre to Rs. 15,000 per acre in case the damage is more than 75 percent. Also, in the slabs where compensation amount is Rs. 10,000 it has increased to Rs. 12,500 and for slabs below this an increase of 25 percent in compensation amount is made.

Weather Forecast

Thunderstorm accompanied with lightening very likely at isolated places over Coastal Andhra Pradesh & Yanam, Rayalaseema, Tamil Nadu, Pondicherry & Karikal, Lakshwadeep, and Kerala & Mahe. Heavy rainfall at isolated places over Tamil Nadu, Pondicherry & Karikal, and heavy rainfall at isolated places over Coastal Andhra Pradesh & Yanam, Rayalaseema, and Kerala & Mahe.

Previous Updates:

The Union government has approved ethanol projects worth Rs. 3400 crore for Bihar. The ethanol production units in Bihar has increased from 6 to 17 by the center, increasing the ethanol production capacity of 36 crore litres. These 17 units will be set up in 10 different districts across Bihar that are known for production of sugarcane, rice and maize.

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.

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.

International Sugar Futures ICE(US Cent/lb)

Daily Futures Price Listing Monday, Nov 08th, 2021									
Most Recent Information							Previous Day		
Mth	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
Sugar #11(ICE)									
Mar-22	211108	19.99	20.10	19.88	19.92	-0.02	55,253	389,721	+100
May-22	211108	19.68	19.75	19.60	19.63	-0.01	21,084	146,518	+2,207
Jul-22	211108	19.31	19.38	19.25	19.29	Unch	13,171	125,247	+1,946
Oct-22	211108	19.04	19.09	18.96	19.04	+0.04	6,170	102,203	+1,533
Mar-22	211108	18.84	18.94	18.82	18.92	+0.04	2,058	48,450	+148
May-23	211108	17.78	17.88	17.86	17.86	+0.03	639	20,718	+95
Jul-23	211108	16.96	17.06	17.05	17.05	+0.02	439	23,745	+100
Oct-23	211108	16.37	16.48	16.48	16.48	+0.03	324	20,976	+175
Total Volume and Open Interest							99,392	888,940	+6,416

Source: MRCI

International Sugar Futures LIFFE(US \$/MT)

Daily Futures Price Listing Monday, Nov 08th, 2021									
Most Recent Information							Previous Day		
Mth	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
London Sugar(LCE)									
Dec-21	211108	507.80	515.70	507.80	514.00	+6.90	6,571	21,932	-2,757
Mar-22	211108	506.50	513.00	506.30	510.20	+3.90	3,866	25,196	-111
May-22	211108	507.50	512.10	507.20	509.30	+2.00	1,212	10,877	+135
Aug-22	211108	502.90	506.30	502.70	504.80	+2.00	225	7,184	+10
Oct-22	211108	496.50	498.80	496.50	497.10	+2.10	153	5,555	+101
Total Volume and Open Interest							12,039	73,465	-2,616

Source: MRCI

DOMESTIC PRICES AND ARRIVAL

Sugar Prices at Key Spot Markets:					
Commodity	Centre	Variety	Prices (Rs/Qtl)		Change
Sugar			9-Nov-21	8-Nov-21	
Delhi	Delhi	M-Grade	3610	3620	-10
	Delhi	S-Grade	3590	3600	-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	3726	3760	-34
	Mumbai	S-Grade	3536	3536	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)	3980	3980	Unch
	Vijayawada	S-Grade (With Duty)	3860	3860	Unch
West Bengal	Kolkata	M-Grade	3950	3950	Unch
Tamil Nadu	Chennai	S-Grade (With GST)	3610	3610	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
			9-Nov-21	8-Nov-21	
Jaggery(Gur)					
Uttar Pradesh	Muzaffarnagar	Chaku Fresh	3313	3300	13
	Muzaffarnagar	Chaku(Arrival)(40kg Bag)	12000	15000	-3000
	Muzaffarnagar	Khurpa (Fresh)	3125	3000	125
	Muzaffarnagar	Laddoo (Fresh)	3400	3500	-100
	Muzaffarnagar	Rascut (Fresh)	2600	2775	-175
	Hapur	Chaurasa	3025	Closed	-
	Hapur	Balti	2950	Closed	-
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)	3480	3460	20
	Mandya	Kurikatu (Medium)	3330	3200	130
	Mandya	Other (Medium)	3370	3190	180
	Mandya	Yellow (Medium)	3520	3390	130
	Shimoga/Shivamogga	Achhu (Average)	3700	NA	-

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