

Recent Update:

A firmtone was witnessed in Sugar physical markets today in India. Sugar prices were lower in Delhi by Rs.10-20 at Rs. 3530/q. Prices were in Kolhapur was at Rs. 3300/q.

With the increase in the sugar rates in the domestic market amid the covid outbreak, the Trading Corporation of Bangladesh (TCB) will launch a nationwide programme to sell sugar, red lentil, soyabean and onion at subsidized rates. TCB has issued a press release on 04th December 2021 stating that the sugar will be sold at subsidized rates in Dhaka and other metropolitan cities, districts and upazila towns. The sugar in the domestic market is being sold at Bangladeshi Taka (TK) 75-80 per kg and TCB will sell it at TK 55 per kg.

Weather Forecast

Dense fog very likely at isolated places over Assam & Meghalaya, Mizoram & Tripura. Thunderstorm accompanied with lightening very likely at isolated places over Tamil Nadu, Pondicherry & Karaikal, Rayalaseema and Coastal Andhra Pradesh & Yanam. Heavy rainfall at isolated places over Tamil Nadu, Pondicherry & Karaikal.

Previous Updates:

Gujarat government will soon announce an ethanol production policy 2021 that would benefit both farmers and ethanol manufacturers in the state. The policy aims to utilize, develop, and promote domestic feedstock of agri-produce by products.

According to the Maharashtra sugar commissioner, Sugar mills in Maharashtra have produced 227.38 lakh quintals of sugar till 04th December 2021 by crushing 245.52 lakh tonnes of sugarcane. Around 173 sugar mills are currently participating in the cane crushing operation in Maharashtra. Solapur division is leading in the state with highest 41 sugar mills engaged in cane crushing operation this season. Sugar recovery rate for Solapur is currently at 8.48 percent.

The Haryana state pollution control board has issued a notification stating that the industrial operations and processors in NCR, not running on PNG or cleaner fuels, shall be allowed to operate only up to 8 hours a day from Monday to Friday and shall not be allowed to operate on Saturday and Sunday. This decision might affect the sugar industry as when the sugarcane juice is in drying the cost of heat energy required and then the shutting the mill for 16 hours after running eight hours heating and cooling will spoil the sugar quality and also the cost will go three times higher. As per the industry people this decision needs to be reviewed.

Sugar exports for about 35 lac tons has been contracted for exports in the current sugar season 2021-22. According to Indian Sugar Mills Association, most of these contracts were signed when the global sugar prices were in the range of 20-21 cents per pound of raw sugar. However, with a fall in the global prices to below 20 cents, and now to around 18.6 cents per pound of raw sugar, the Indian sugar mills are not coming forward to sign further export contracts.

The domestic ex-mill prices and the costs of the production of sugar at the increased FRP and SAP for sugarcane for 2021-22 season, it is expected that the sugar mills will enter into further export contracts only

after world prices increase to around 21 cents per pound of sugar. Considering that a substantial quantity of around 34 lac tons of sugar equivalent is estimated to get diverted into ethanol production, the pressure on the sugar mills to immediately contract for further exports is less. Therefore, it seems that the sugar mills will wait for an upward revision of the global prices to around 21 cents or more.

International Sugar Futures ICE(US Cent/lb)

Source: MRCI

Daily Futures Price Listing Tuesday, Dec 07th, 2021									
Most Recent Information							Previous Day		
Mth	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
Sugar #11(ICE)									
Mar-22	211207	19.22	19.51	19.20	19.48	+0.32	47,456	346,912	-2,431
May-22	211207	18.74	19.09	18.74	19.05	+0.36	20,163	144,858	-2,296
Jul-22	211207	18.35	18.64	18.35	18.60	+0.30	12,410	122,109	-1,423
Oct-22	211207	18.17	18.40	18.14	18.36	+0.28	4,974	107,238	+129
Mar-22	211207	18.10	18.29	18.08	18.26	+0.28	1,441	54,095	-314
May-23	211207	17.25	17.40	17.24	17.37	+0.22	939	23,174	+75
Jul-23	211207	16.68	16.77	16.66	16.74	+0.16	455	25,745	+4
Oct-23	211207	16.30	16.38	16.29	16.33	+0.12	277	22,194	+9
Total Volume and Open Interest							88,511	860,670	-6,147

International Sugar Futures LIFFE(US \$/MT)

Source: MRCI

Daily Futures Price Listing Tuesday, Dec 07th, 2021									
Most Recent Information							Previous Day		
Month	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
London Sugar(LCE)									
Dec-21	211207	497.60	506.40	497.10	505.60	+9.00	3,928	29,426	-15
Mar-22	211207	494.00	502.20	493.80	501.20	+8.20	2,138	12,118	-908
May-22	211207	487.50	494.60	487.40	493.60	+6.40	563	8,082	-191
Aug-22	211207	481.80	487.20	480.70	486.00	+5.20	248	7,566	-54
Oct-22	211207	481.00	485.80	481.00	484.80	+4.30	26	2,057	-5
Total Volume and Open Interest							6,929	60,713	-1,173

DOMESTIC PRICES AND ARRIVAL

Sugar Prices at Key Spot Markets:					
Commodity	Centre	Variety	Prices (Rs/Qtl)		Change
Sugar			08-Dec-21	07-Dec-21	
Delhi	Delhi	M-Grade	3550	3515	35
	Delhi	S-Grade	3530	3495	35
Maharashtra	Mumbai	M-Grade	3690	3690	Unch
	Mumbai	S-Grade	3446	3446	Unch
	Nagpur	M-Grade	3425	3425	Unch
	Nagpur	S-Grade	3325	3325	Unch
	Kolhapur	M-Grade	3300	3300	Unch
	Kolhapur	S-Grade	3200	3200	Unch
Assam	Guhawati	S-Grade	3512	3512	Unch
Meghalaya	Shillong	S-Grade	3520	3520	Unch
Andhra Pradesh	Vijayawada	M-Grade (With Duty)	3860	3860	Unch
	Vijayawada	S-Grade (With Duty)	3800	3800	Unch
West Bengal	Kolkata	M-Grade	3950	3950	Unch
Tamil Nadu	Chennai	S-Grade (With GST)	3720	3720	Unch
	Dindigul	M-Grade (DCA)	3950	3950	Unch
	Coimbatore	M-Grade (DCA)	3800	3800	Unch
Chattisgarh	Ambikapur	M-Grade (Without Duty)	3900	3900	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)			08-Dec-21	07-Dec-21	
Uttar Pradesh	Muzaffarnagar	Chaku Fresh	3050	3038	13
	Muzaffarnagar	Chaku(Arrival)(40kg Bag)	12000	12000	Unch
	Muzaffarnagar	Khurpa (Fresh)	2775	2750	25
	Muzaffarnagar	Laddoo (Fresh)	3000	2988	13
	Muzaffarnagar	Rascut (Fresh)	2600	2588	13
	Hapur	Chaurasa	2600	2625	-25

	Hapur	Balti	2563	2600	-38
Andhra Pradesh	Chittur	Gold	NR	NR	-
		White	NR	NR	-
		Black	NR	NR	-
Maharashtra	Latur	Lal Variety	NR	NR	-
Karnataka	Bangalore	Mudde (Average)	NA	4900	-
	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)	3500	3500	Unch
	Mandya	Kurikatu (Medium)	3250	3250	Unch
	Mandya	Other (Medium)	3200	3300	-100
	Mandya	Yellow (Medium)	3450	3350	100
	Shimoga/Shivamogga	Achhu (Average)	3700	3700	Unch

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