

Recent Update:

A firmtone was witnessed in Sugar physical markets today in India. Sugar prices were higher in Delhi by Rs.10-20 at Rs. 3480/q. Prices were in Kolhapur was at Rs. 3350/q.

According to the Maharashtra sugar commissioner, Sugar mills in Maharashtra have produced 252.63 lakh quintals of sugar till 07th December 2021 by crushing 272.6 lakh tonnes of sugarcane. Around 182 sugar mills are currently participating in the cane crushing operation in Maharashtra. Solapur division is leading in the state with highest 43 sugar mills engaged in cane crushing operation this season. Sugar recovery rate for Solapur is currently at 8.47 percent.

Previous Updates:

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.

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.

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 Thursday, Dec 09th, 2021									
Most Recent Information							Previous Day		
Mth	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
Sugar #11(ICE)									
Mar-22	211209	19.82	19.87	19.53	19.69	-0.13	50,073	344,301	-2,644
May-22	211209	19.41	19.47	19.16	19.29	-0.12	25,024	146,389	+2,867
Jul-22	211209	18.94	18.99	18.74	18.82	-0.11	17,750	120,294	-837
Oct-22	211209	18.67	18.72	18.49	18.57	-0.09	5,426	106,864	+233
Mar-22	211209	18.52	18.57	18.38	17.41	-0.11	1,606	54,177	+277
May-23	211209	17.59	17.59	17.41	17.43	-0.15	343	23,310	+23
Jul-23	211209	16.85	16.87	16.74	16.76	-0.16	221	25,742	-28
Oct-23	211209	16.41	16.47	16.33	16.35	-0.13	74	22,163	-34
Total Volume and Open Interest							100,569	857,621	-131

International Sugar Futures LIFFE(US \$/MT)

Source: MRCI

Daily Futures Price Listing Thursday, Dec 09th, 2021									
Most Recent Information							Previous Day		
Month	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
London Sugar(LCE)									
Dec-21	211209	513.40	513.50	505.30	510.70	-3.00	4,525	29,334	+201
Mar-22	211209	509.90	509.90	503.80	507.50	-2.70	1,515	11,551	+287
May-22	211209	501.80	501.80	496.40	499.90	-1.70	1,012	7,708	-270
Aug-22	211209	491.20	491.80	487.90	491.50	-1.80	95	7,629	-5
Oct-22	211209	487.80	489.20	485.60	488.20	-2.20	51	2,042	-14
Total Volume and Open Interest							7,262	59,723	+194

DOMESTIC PRICES AND ARRIVAL

Sugar Prices at Key Spot Markets:					
Commodity	Centre	Variety	Prices (Rs/Qtl)		Change
Sugar			10-Dec-21	09-Dec-21	
Delhi	Delhi	M-Grade	3500	3480	20
	Delhi	S-Grade	3480	3460	20
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	3696	3696	Unch
	Mumbai	S-Grade	3450	3412	38
	Nagpur	M-Grade	3475	3425	50
	Nagpur	S-Grade	3375	3325	50
	Kolhapur	M-Grade	3350	3300	50
	Kolhapur	S-Grade	3250	3200	50
Assam	Guhawati	S-Grade	3563	3512	51
Meghalaya	Shillong	S-Grade	3570	3520	50
Andhra Pradesh	Vijayawada	M-Grade (With Duty)	3820	3860	-40
	Vijayawada	S-Grade (With Duty)	3760	3800	-40
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)			10-Dec-21	09-Dec-21	
Uttar Pradesh	Muzaffarnagar	Chaku Fresh	2950	2950	Unch

	Muzaffarnagar	Chaku(Arrival)(40kg Bag)	8000	16000	-8000
	Muzaffarnagar	Khurpa (Fresh)	2750	2625	125
	Muzaffarnagar	Laddoo (Fresh)	3000	2850	150
	Muzaffarnagar	Rascut (Fresh)	2588	2400	188
	Hapur	Chaurasa	2563	2575	-13
	Hapur	Balti	2525	2550	-25
Andhra Pradesh	Chittur	Gold	NR	NR	-
		White	NR	NR	-
		Black	NR	NR	-
Maharashtra	Latur	Lal Variety	NR	NR	-
Karnataka	Bangalore	Mudde (Average)	4700	4900	-200
	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	3550	-50
	Mandya	Kurikatu (Medium)	3280	3280	Unch
	Mandya	Other (Medium)	3200	3220	-20
	Mandya	Yellow (Medium)	3480	3470	10
	Shimoga/Shivamogga	Achhu (Average)	NA	3700	-

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