

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. 3460/q. Prices were in Kolhapur was at Rs. 3350/q.

According to the Maharashtra sugar commissioner, Sugar mills in Maharashtra have produced 268.17 lakh quintals of sugar till 09th December 2021 by crushing 289.1 lakh tonnes of sugarcane. Around 183 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 8.37 percent whereas for Maharashtra it is 9.28 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 Friday, Dec 10th, 2021									
Most Recent Information							Previous Day		
Mth	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
Sugar #11(ICE)									
Mar-22	211210	19.66	19.84	19.52	19.71	+0.02	55,820	348,926	+4,625
May-22	211210	19.29	19.43	19.15	19.32	+0.03	22,336	148,263	+1,874
Jul-22	211210	18.77	18.94	18.69	18.89	+0.07	15,897	119,206	-1,088
Oct-22	211210	18.52	18.71	18.45	18.68	+0.11	7,907	107,384	+520
Mar-22	211210	18.37	18.59	18.31	18.56	+0.15	2,693	54,863	+686
May-23	211210	17.39	17.57	17.34	17.53	+0.10	1,952	24,369	+1,059
Jul-23	211210	16.69	16.93	16.69	16.86	+0.10	907	25,831	+89
Oct-23	211210	16.28	16.50	16.27	16.46	+0.11	418	22,246	+83
Total Volume and Open Interest							108,080	865,468	+7,847

International Sugar Futures LIFFE(US \$/MT)

Source: MRCI

Daily Futures Price Listing Friday, Dec 10th, 2021									
Most Recent Information							Previous Day		
Month	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
London Sugar(LCE)									
Dec-21	211210	508.70	513.60	507.60	511.40	+0.70	4,225	29,730	+396
Mar-22	211210	504.80	510.10	504.60	508.40	+0.90	801	11,759	+208
May-22	211210	497.90	502.40	497.50	501.60	+1.70	302	7,699	-9
Aug-22	211210	489.50	493.80	489.00	493.20	+1.70	103	7,656	+27
Oct-22	211210	489.00	490.30	489.00	489.90	+1.70	32	2,048	+6
Total Volume and Open Interest							5,668	60,378	+655

DOMESTIC PRICES AND ARRIVAL

Sugar Prices at Key Spot Markets:					
Commodity	Centre	Variety	Prices (Rs/Qtl)		Change
Sugar			13-Dec-21	11-Dec-21	
Delhi	Delhi	M-Grade	3480	3495	-15
	Delhi	S-Grade	3460	3475	-15
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	3450	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)	3820	3820	Unch
	Vijayawada	S-Grade (With Duty)	3760	3760	Unch
West Bengal	Kolkata	M-Grade	3800	3950	-150
Tamil Nadu	Chennai	S-Grade (With GST)	3720	3720	Unch
	Dindigul	M-Grade (DCA)	3920	3950	-30
	Coimbatore	M-Grade (DCA)	3800	3800	Unch
Chattisgarh	Ambikapur	M-Grade (Without Duty)	NA	3900	-

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)			13-Dec-21	11-Dec-21	
Uttar Pradesh	Muzaffarnagar	Chaku Fresh	2950	2950	Unch
	Muzaffarnagar	Chaku(Arrival)(40kg Bag)	12000	8000	4000
	Muzaffarnagar	Khurpa (Fresh)	2600	2750	-150
	Muzaffarnagar	Laddoo (Fresh)	2863	3000	-138

	Muzaffarnagar	Rascut (Fresh)	2425	2588	-163
	Hapur	Chaursa	Closed	2538	-
	Hapur	Balti	Closed	2525	-
Andhra Pradesh	Chittur	Gold	NR	NR	-
		White	NR	NR	-
		Black	NR	NR	-
Maharashtra	Latur	Lal Variety	NR	NR	-
Karnataka	Bangalore	Mudde (Average)	NA	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)	NA	3400	-
	Mandya	Kurikatu (Medium)	NA	3250	-
	Mandya	Other (Medium)	NA	3200	-
	Mandya	Yellow (Medium)	NA	3450	-
	Shimoga/Shivamogga	Achhu (Average)	3700	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 Business Systems Ltd.