

Price Outlook:

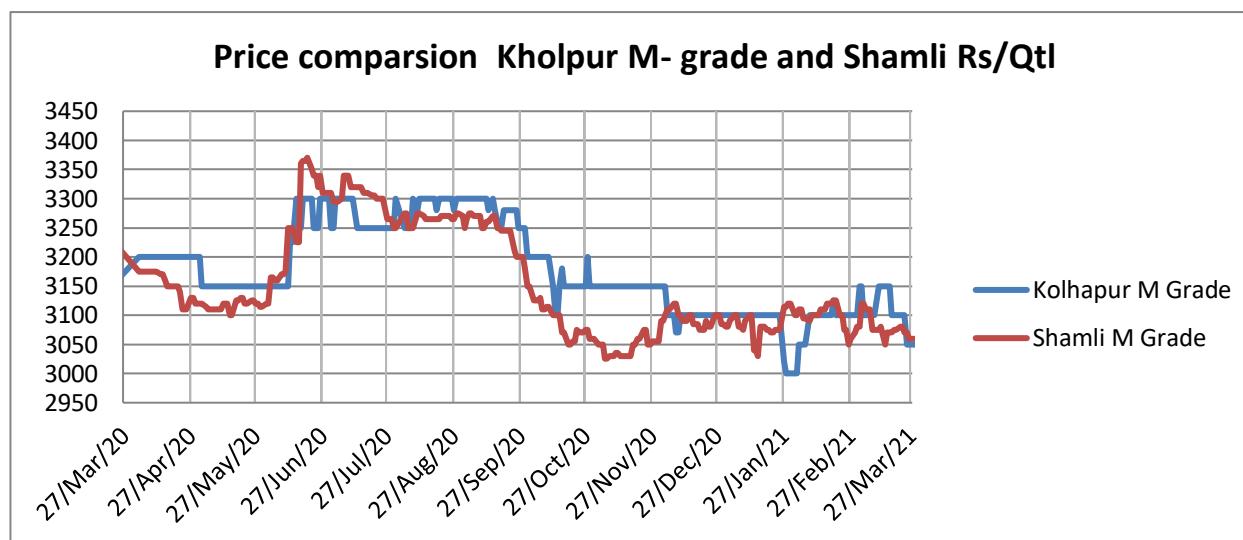
The Food ministry has allocated 22 LMT monthly sugar quota for April 2021 which is 4 LMT higher than the quota released in April 2020. In the previous month (March) government has released 21 LMT of monthly sugar sales quota to 552 mills in the country. Sugar mills have produced around 277.57 lakh tonnes of sugar till 31st March'21. The average sugar prices increased in Khatauli market at Rs.3100/q from Rs.3076/q previous month. The prices in Maharashtra also stood slightly firm at Rs.3100/q.

Price Projection for the Next Month:

As per the Agriwatch estimate, spot sugar prices (M grade) in benchmark Kolhapur market is likely to remain range bound next month between Rs.3,100 -3,200 per quintal.

Domestic Sugar Market Summary:

The average price for sugar 'M' grade in key Kolhapur market stood same as previous month price at Rs.3084 per quintal in February month. Average Spot sugar prices for the same grade in Shamli district was Rs.3099 per quintal in February higher than previous month's Shamli average price Rs.3083/q.



Domestic Market Highlights

Recent Updates:

About 4.3 million tonnes of export contracts have been signed in sugar season 2020-21. According to Indian Sugar Mills Association, around 43 lakh tonnes of export contracts have been signed, these contracts have been signed in just 2 ½ months, since the date the export quotas were allocated by the Government on 31st December, 2020. The total sugar export quota is around 60 lakh for 2020-21 season. About 3.18 lakh tons of sugar had been exported in Oct. – Dec 2020, against the Maximum Admissible Export Quota (MAEQ) of last season 2019-20

Season and another around 22 lakh tons of physical exports are expected between Jan. – March, 2021 against MAEQ of 2020-21 sugar season.

Bihar is set to become the first state in the country to have a dedicated ethanol policy. With the central government approval for producing ethanol directly from sugarcane and broken rice, Bihar is planning to launch country's first ethanol policy. 20 investors have already applied for production units, Bihar produces 12,000 crorelitres of ethanol each year and is expected to produce 50,000 crorelitres each year after proposals of 20 new ethanol units were realized.

According to Indian Sugar Mills Association, India's sugar production is expected to be around 30.2 million tonnes in the ongoing 2020-21 marketing year, about 800,000 tonne lower than the initial estimate, due to the damage caused by unseasonal rains in some parts of Uttar Pradesh. However, the sugar production is estimated to be higher than 27.4 million tonne achieved during the 2019-20 marketing year (October-September). Mills have manufactured about 23.4 million tonnes of sugar. Also, crushing operation is expected to get over in Maharashtra and Karnataka this month and in Uttar Pradesh by May. The sugar production would be slightly lower than the initial estimate in both Uttar Pradesh and Maharashtra. Production in Uttar Pradesh is expected to be 10.2 million tonnes in the current 2020-21 year, lower than 12.6 million tonnes last year. Similarly, the output in Maharashtra is expected to be 10.2 million tonnes this year compared with 6.1 million tonnes last year. The initial sugar production estimate for each of these two states was 10.5 million tonne for the current year, Where else production in Karnataka, is expected to increase to 4.7 million tonne in the 2020-21 marketing year from 3.45 million tonne last year, and the current year's production is likely to be more than the annual requirement of 26 million tonne.

Sugar mills from Uttar Pradesh earns from ethanol production. Sugar mills from Uttar Pradesh are getting benefitted by increasing ethanol production in their respective plants. Sugar mill Sathiaon has earned Rs 3 crore through ethanol by distributing it to oil companies, Although, the Sugar mill Sathiaon is yet to achieve its set target of crushing 45.5 lakh quintal sugarcane and has till now crushed 24 lakh quintal sugarcane with a recovery rate of 8.67 per cent.

Karnataka farmers demand higher FRP for sugarcane. Sugarcane farmers from the Mysuru region are demanding the hike in fair and remunerative price for sugarcane considering the input cost of cultivation. The cost of sugarcane cultivation has been increased but the FRP fixed by the government has remained the same and farmers are unable to recover the money they have spent for cultivation of the sugarcane crop. As a result the farmers are requesting the government to increase the FRP.

Simbhaoli sugar mill based in Chilwaria has closed cane crushing due to cane shortage. The mill is yet to clear the pending cane dues of Rs 44 crore from the last crushing season and Rs 100 crore from the ongoing crushing season. The mill with a crushing capacity of crushing 60,000 quintal cane faced a shortage of cane from the last two days. The mill administration has alerted the cane farmers to send cane to the mill for crushing but the mill has received only 10 quintal cane from farmers for crushing.

India's Sugar production is up by 19.69 percent compared to previous year. According to Indian Sugar Mills Association, around 258.68 lac tons of sugar have been produced till 15th March'21 against 216.13 lac tons produced last year by 15th March'20. About 171 mills have stopped cane crushing operation and 331 sugar mills are currently operating in the country against 319 mills operating previous year, till 15th march'20 around 138 sugar mills had stopped cane crushing operations.

Crushing operation is expected to get over in Maharashtra and Karnataka by March and in Uttar Pradesh by May. The sugar production would be slightly lower than the initial estimate in Uttar Pradesh. Production in Uttar Pradesh is expected to be 10.2 million tonnes in the current 2020-21 year, lower than 12.6 million tonnes last year. Similarly, the output in Maharashtra is expected to be 10.2 million tonnes this year compared with 6.1 million tonnes last year. The initial sugar production estimate for each of these two states was 10.5 million tonne for the current year, Where else production in Karnataka, is expected to increase to 4.7 million tonne in the 2020-21 marketing year from 3.45 million tonne last year.

About 76 percent of the sugarcane has been harvested till 19th March 21. About 48.51 lakh hectares was the estimated total coverage under sugarcane in the rabi season of 2020-21 and around 76 percent harvesting has been done till 19th March'21. In some parts of the country, the sugar mills have closed their crushing operations while some are at their final phase of crushing.

Sugar mills clears cane dues of worth Rs 1.98 crore. Uttar Pradesh sugar mill has cleared cane dues worth Rs 1.98 crore of the 680 sugarcane farmers associated with the mill. However, the sugar mill is yet to clear arrears worth Rs 31.95 crore to the cane farmers.

Sugarcane crushing season is likely to end in March'21. Sugarcane crushing operations in Thailand are likely to end by March-end with the country expecting to complete crushing of around 66.5 million MT of sugarcane. The mills in the country had crushed 66.48 million MT sugarcane till March 22 this year which was down by 13% from the same period during the last year. Usually the cane crushing activities continues till April-May but due to the shortage of cane, the crushing is expected to end by March 31.

Sugar mills from Maharashtra have cleared 87 percent of the Fair and Remunerative price (FRP) to the cane farmers. Sugar mills have cleared Rs. 15,836 crore which is around 86.91 percent of the total FRP for this season, the mills are expected to clear the remaining Rs. 2,385 crore dues in the coming weeks. Around 187 sugar mills have participated in the crushing operations this season and out of that 86 mills have cleared 100 percent of the FRP while 65 cleared 60-69 percent of FRP. Sugar mills in India have signed contracts to export 43 lakh tonnes of sugar which include contract of 20 lakh tonne from Maharashtra sugar mills.

Mahrashtra Sugar mills produces around 957.57 lakh quintals of sugar. Sugar mills in Maharashtra have produced 957.57 lakh quintal sugars after crushing 920.23 lakh tonne sugarcane with a sugar recovery rate of 10.41 percent. The sugarcane crushing season is in the final phase and about 52 sugar mills have closed their

crushing operations. 28 sugar mills are operating in Kolhapur division and 9 have stopped operations, where else in Solapur division out of 41 sugar mills, 31 mills have closed operations and 10 are operating. In Pune and Ahmednagar division, 3 each sugar mills have ended the operations whereas 2 each sugar mills in Aurangabad, Nanded, and Amravati division have shut their operations.

Technical Analysis - Sugar (M grade) Spot Market at Kolhapur market

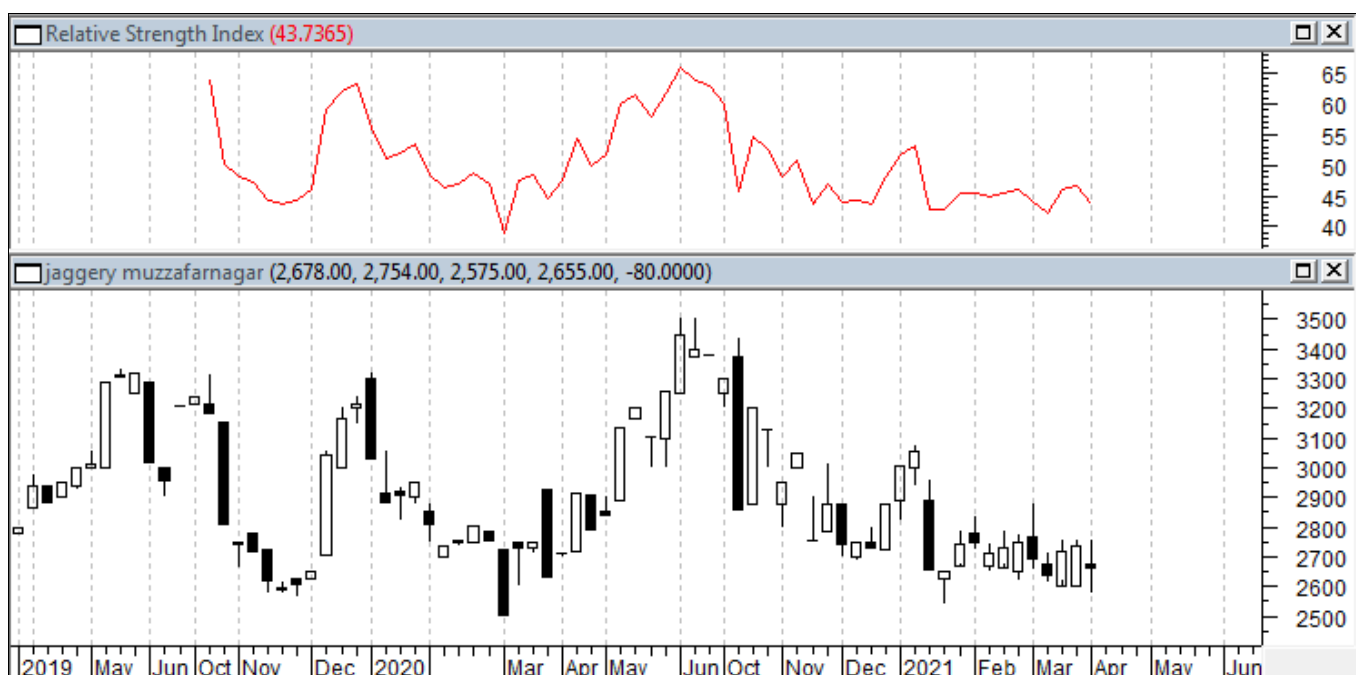
- Sugar average prices at benchmark Kolhapur market closed weaker at Rs.3084 quintal during February 2021.
- Next resistance and support level for the next month is expected at Rs.3300 and Rs.3100 per quintal respectively.
- RSI is in the neutral region.



Technical Analysis - ChakuSukha-gur(fresh) at Spot (Muzaffarnagar)market.

Gur Market Scenario

- The arrivals have started in Muzzafarnagar market with 2.15 lakh quintals during January.
- The average price stood around Rs.2787 per quintal during February month, higher against Rs. 2755 per quintal during same period last year.
- RSI stood in the neutral region.



Sugar Domestic Balance Sheet

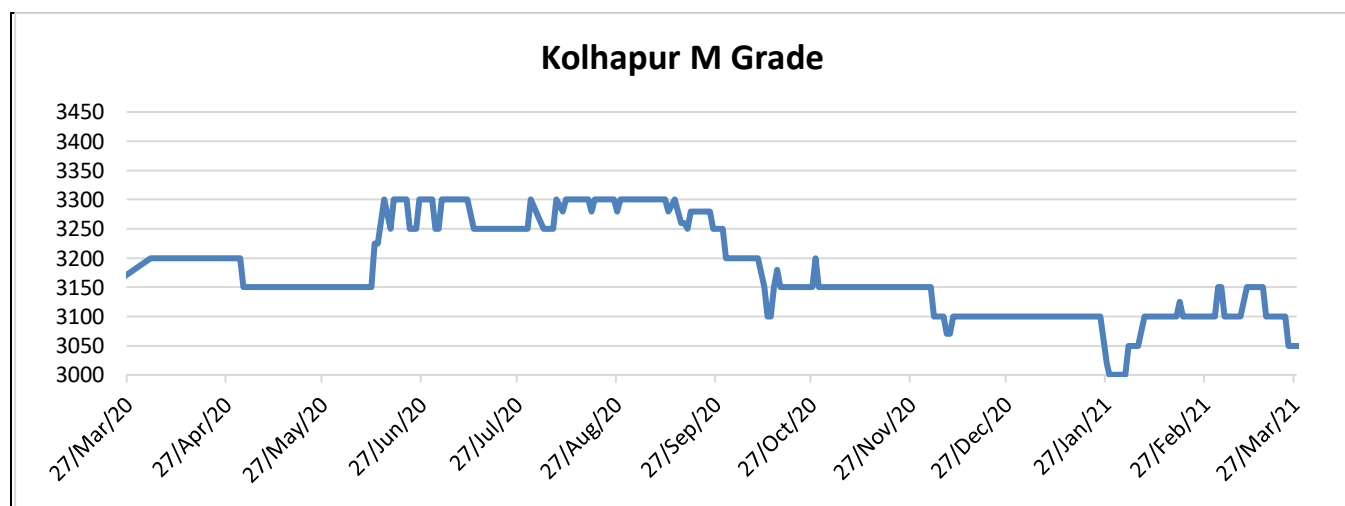
- As per the Agriwatch's latest estimate, India's sugar production was 27.2 MMT during 2019-20 SS and sugar production in 2020-21 is likely to increase by 16% to 31.5 MMT.
- Sugar domestic consumption was at 33.2 MMT in 2019-20. Consumption is expected to increase after the corona virus disruption to 35.1 MMT in 2020-21.
- 2019-20 sugar seasons is expected to end with 9.45 MMT carry over stock and it is projected that in 2020-21 SS, the ending stock would decrease to 9.10.

SUGAR BALNCE SHEET 2020-21(MMT)							
SUGAR BALNCE SHEET 2020-21(MMT)	2018-19	2019-20*	2020-21*	Oct-Dec	Jan-Mar	Apr-Jun	Jul-Sep
Carry in stock	8.27	11.98	9.45	9.45	12.49	21.42	16.47
Estimated sugar production	33.16	27.25	31.54	10.68	16.89	3.66	0.31
Imports	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Estimated sugar availability (A + B + C)	41.43	39.23	40.99	20.13	29.38	25.08	16.78
Exports	3.80	6.00	5.80	1.68	1.55	1.45	1.12
Availability for domestic consumption (D - E)	37.63	33.23	35.19	18.45	27.83	23.63	15.66
Estimates sugar consumption	25.65	23.79	26.09	5.96	6.41	7.16	6.56
Carry out stock (F - G)	11.98	9.45	9.10	12.49	21.42	16.47	9.10

Domestic Sugar* (M- grade) Price Projection for next 3 months

Particulars	Month	(Rs/Qtl)
Current month Average Price	Mar'21	3084
Previous month's Average Prices	Feb'21	3084
	Jan'21	3084
	Dec'20	3287
	Nov'20	3103
	Oct'20	3165
	Sep'20	3279
	Aug'20	3288
	Jul'20	3266
	Jun'20	3228
	May'20	3154
	Apr'20	3199
	Mar'20	3147
Projected Price Range	April'21	3000-3200
	May'21	3200-3350

* Kolhapur benchmark



International Sugar Market Summary:

The average global raw sugar prices have decreased significantly by around 1.49% to 15.48 cents/lbs in March from 16.97 cents/lbs in February. The average prices of refined sugar were up by around 4.55% to \$425.90/tonne in March from \$421.35/tonne during February.

International Market Highlights:

Russia tries to reduce retail price of sugar. Russian government is taking necessary steps to ensure that the domestic prices of sugar are not increased and are within the reach of the consumer, the government has extended the agreement with the local sugar producers to reduce their prices with the retail chains, the agreement was valid till March but has now extended for three months till June'21.

Thailand cane season is expected to end in March 2021. Sugarcane crushing operations in Thailand for the crushing season October 2020- September 2021 is expected to end by March, two months ahead of the regular season. Usually, the cane crushing season in Thailand begins in December every year and ends in May. The dry weather condition for the consecutive second year has resulted in the shortage of the cane leading to the end of the crushing season by March.

Sugar prices rise by 57 percent in Economic European Union. The prices of sugar reached to peak across the Eurasian Economic Union (EEU) in January 2021. According to the statistical data, sugar prices have increased by 56.9% in January this year as compared to the same month in the previous year.

Nepal sugar mills shuts operation without paying cane dues. The Mahalakshmi Sugar Mill has closed down its operations for this season without paying cane dues to the farmers. The mill has closed operations after crushing 890,000 quintals of sugarcane. The farmers have stated that they have not received cane dues from the mill except for the cane dues for the first five days.

Kyrgyzstan has banned sugar exports. The rising prices of sugar in the domestic market have led the Kyrgyzstan government to impose a ban on the exportation of sugar. The government is trying all the possible ways to come over the shortage of sugar in the country and the lower prices.

According to the Pakistan Sugar Mills Association (PSMA), the prices of sugar are likely to increase above Rs 89 per kg. The country may face shortage of sugar with the coming Ramzan, as a result Pakistan may import 50,000 metric tonnes of sugar in the current season.

Brazil sugar output is likely to fall at 36.7 million tonnes in the new crop season that begins in April as compared to 38.5 million tonnes in the previous season. The unfavourable weather has affected the sugar output in the region. The sugarcane production is likely to fall from 607 million tonnes in 2020-21 to 586 million tonnes in 2021-22. The ethanol production may also fall to 30.6 billion litres from the previous year of 29.4 billion litres. Brazil ethanol exports have increased around 4.1 percent in February'21. Brazil has exported 156.66 million

litres of ethanol in February'21, the exports have reached 343.31 million litres in the first two months of 2021. The country has exported maximum ethanol to South Korea (81.83 million), Netherland (23.83 million) and china (16.22 million litres) and U.S. around 1.85 million litres.

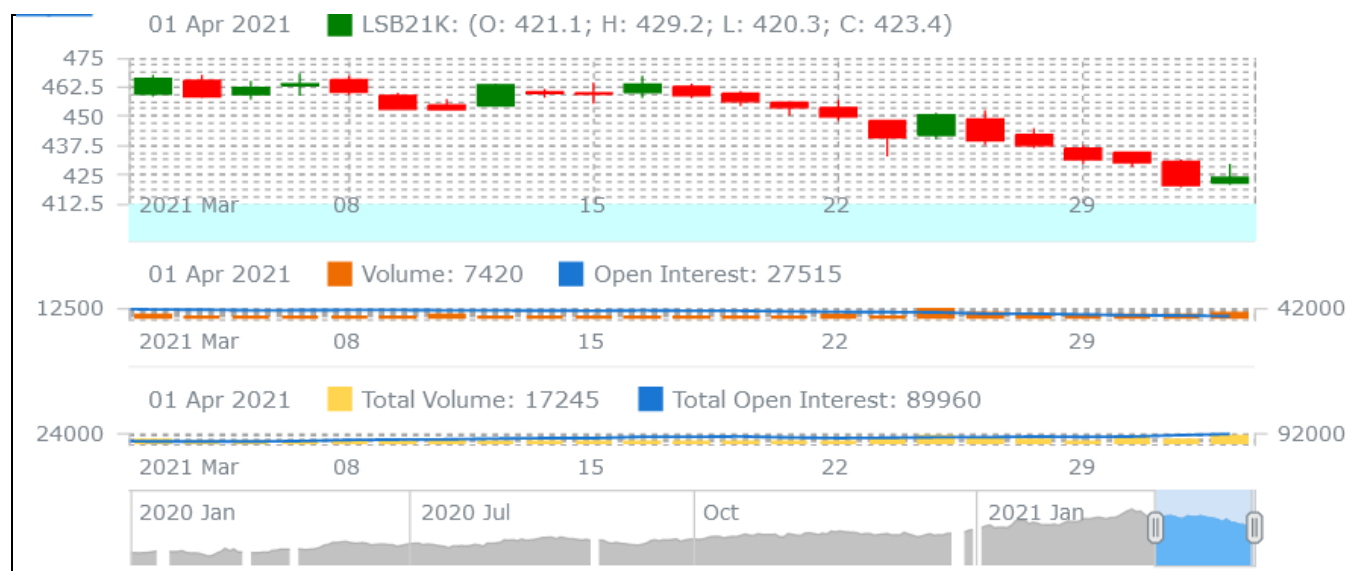
International Sugar Futures Price Projection

LIFFE (White Sugar Exchange) Future Market Sugar Scenario (Mar'21 Contract)

Technical Commentary

- LIFFE future market was firm in the month.
- Total volume increased & open interest increased over a month.
- Strategy: Buy at level 429, T1 420.2

International Sugar Futures Price Projection			
	Contract Month	Present Quote	Expected Price level for next Month
LIFFE Sugar (US \$/MT)	May'21	429	420-450

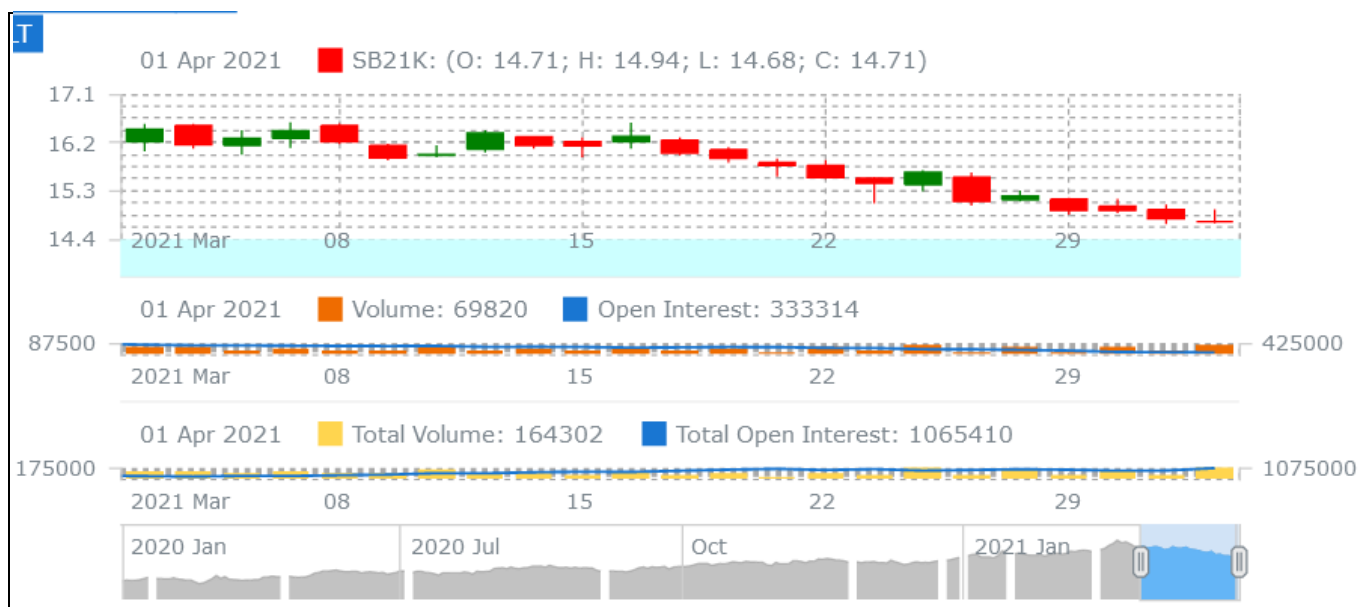


ICE (Raw Sugar Exchange) Future Market Scenario (Mar'21 Contract)

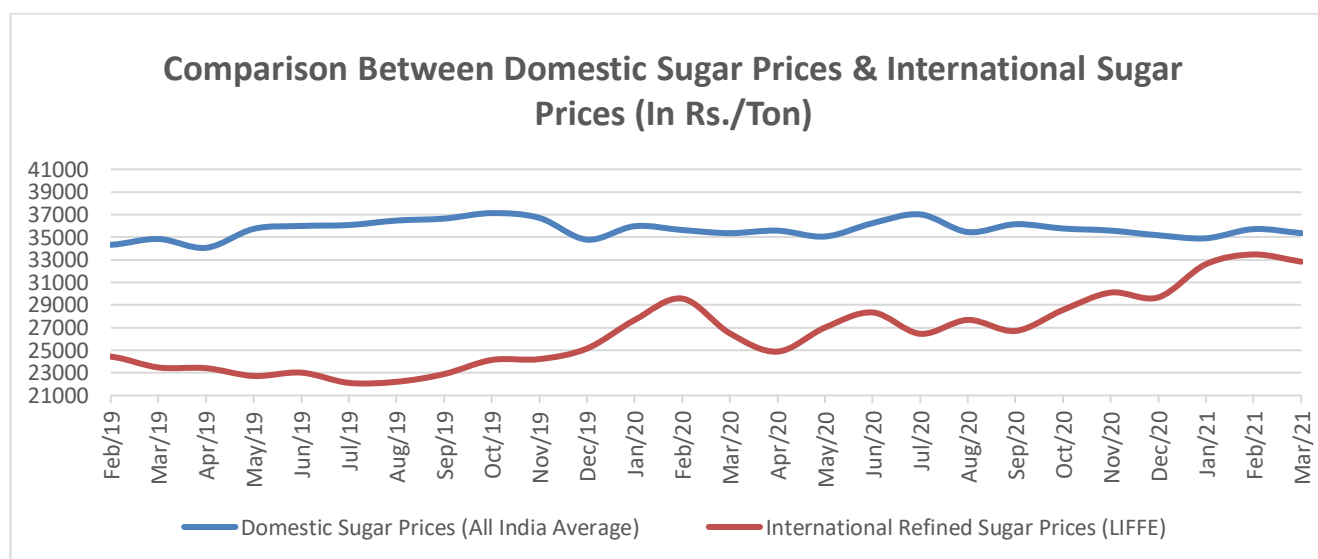
Technical Commentary:

- ICE raw sugar futures remained firm in the month.
- Both total volume and open interest decreased over a month.
- Strategy: Buy at rate 14.93 Targeting 14.91.

International Sugar Futures Price Projection			
	Contract Month	Present Quote	Expected Price level for next month
ICE Sugar #11 (US Cent/lb)	May'21	14.94	14.92-15.3



Comparison of Indian Sugar Prices (All India Average) and International Refined Sugar Prices (LIFFE)



Source: USDA and Agmark.net

Domestic Sugar Spot Prices:

Spot Sugar Prices Scenario (Monthly-Average)					
Commodity	Centre	Variety	Average Prices (Rs/Qtl)		Change
Sugar			Mar'21	Feb'21	
Delhi	Delhi	M-Grade	3154	3152	2
	Delhi	S-Grade	3134	3132	2
Uttar Pradesh	Khatauli	M-Grade	3101	3161	-60
	Ramala	M-Grade	NA	NA	-
	Dhampur	M-Grade Ex-Mill	3083	3088	-5
	Dhampur	S-Grade Ex-Mill	3063	3068	-5
	Dhampur	L-Grade Ex-Mill	3133	3138	-5
Maharashtra	Mumbai	M-Grade	3338	3328	10
	Mumbai	S-Grade	3203	3197	6
	Nagpur	M-Grade	3229	3209	20
	Nagpur	S-Grade	3144	3122	22
	Kolhapur	M-Grade	3104	3084	20
	Kolhapur	S-Grade	3019	2997	22
Assam	Guhawati	S-Grade	3279	3257	22
Meghalaya	Shillong	S-Grade	3339	3317	22
Andhra Pradesh	Vijayawada	M-Grade (With Duty)	3644	3693	-49
	Vijayawada	S-Grade (With Duty)	3606	3660	-54
West Bengal	Kolkata	M-Grade	3530	3600	-70
Tamil Nadu	Chennai	S-Grade (With GST)	3452	3455	-3
	Dindigul	M-Grade (DCA)	3557	3680	-123
	Coimbatore	M-Grade (DCA)	3540	3540	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

Spot Jaggery(Gur) Prices Scenario (Monthly-Average)					
Commodity	Centre	Variety	Prices (Rs/Qtl)		Change
Jaggery(Gur)			Mar'21	Feb'21	
Uttar Pradesh	Muzaffarnagar	ChakuSukha(Cold)	2768	2787	-19
	Muzaffarnagar	Chaku(Arrival)(40kg Bag)	167000	215000	-48000
	Muzaffarnagar	Khurpa (Fresh)	2509	2473	36
	Muzaffarnagar	Laddoo (Fresh)	2769	2805	-36
	Muzaffarnagar	Rascut (Fresh)	2291	2405	-114
	Hapur	Chaurasa	2485	2570	-85

	Hapur	Balti	2427	2524	-97
Andhra Pradesh	Chittur	Gold	NA	NA	-
		White	NA	NA	-
		Black	NA	NA	-
Maharashtra	Latur	Lal Variety	NA	NA	-
Karnataka	Bangalore	Mudde (Average)	4202	4367	-165
	Belgaum	Mudde (Average)	NA	NA	-
	Belthangadi	Yellow (Average)	NA	NA	-
	Bijapur	Achhu	NA	NA	-
	Gulbarga	Other (Average)	NA	NA	-
	Mahalingapura	Penti (Average)	3197	3131	66
	Mandya	Achhu (Medium)	3706	3132	574
	Mandya	Kurikatu (Medium)	3474	3015	460
	Mandya	Other (Medium)	3484	2983	501
	Mandya	Yellow (Medium)	3576	2983	592
	Shimoga	Achhu (Average)	3450	3506	-56

International Sugar Prices (Monthly- Average)				
	Contract Month	Mar'21	Feb'21	Change
ICE Sugar #11 (US Cent/lb)	21-Mar	15.48	16.97	-1.49
	21-May	15.71	16.08	-0.37
	21-Jul	15.33	15.50	-0.17
LIFFE Sugar (US \$/MT)	20-Dec	425.90	421.35	4.55
	21-Mar	425.33	448.60	-23.27
	21-May	451.86	460.05	-8.19

Disclaimer

The 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. 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 © 2021 Indian Agribusiness Systems Ltd.