

Price Outlook:

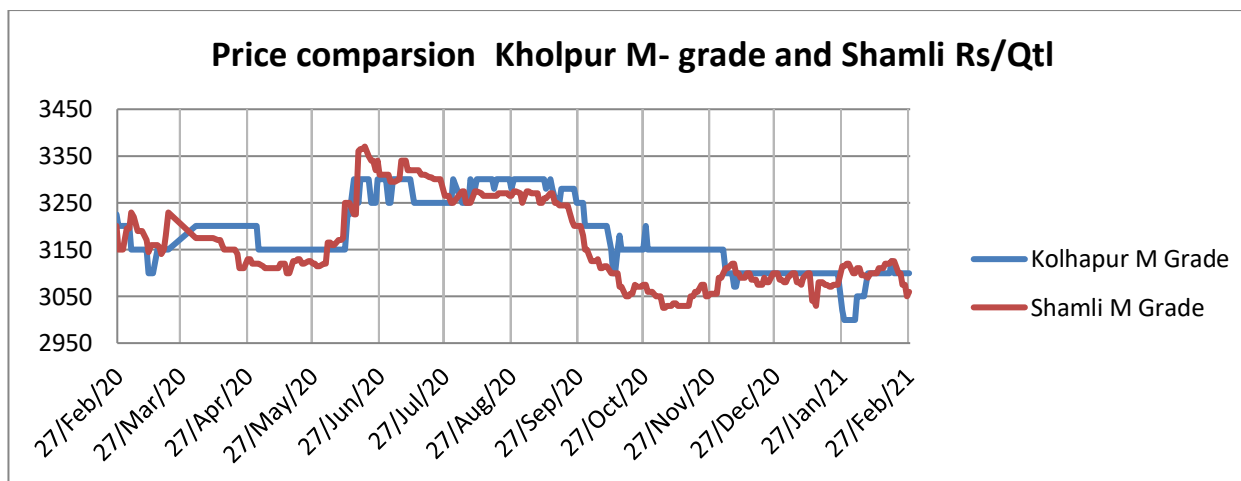
Government has announced 21 LMT monthly sales quota for March'2021 same as previous season in March' 20. Sugar Production is likely to fall by 20 percent in Uttar Pradesh. Also, Sugarcane farmers from Uttar Pradesh are demanding hike in State Advisory Price for sugarcane. The average sugar prices decreased in Khatauli market at Rs.3158/q from Rs.3173/q previous week. The prices in Maharashtra also stood slightly firm at Rs.3300/q.

Price Projection for the Next week

As per the Agriwatch estimates, spot sugar prices (M grade) in benchmark Kolhapur market are likely to stay weak to steady and in range next week between Rs.3000 -3150 per quintal for next week.

Domestic Sugar Market Summary

Average prices for sugar 'M' grade in key Kolhapur market were range bound at Rs.3104 per quintal, while spot sugar prices for the same grade in Shamli district stood at Rs.3100 per quintal during the week.

**Domestic Market Highlights****Recent Updates:**

- Government has announced monthly sales quota of 21 LMT for March 2021.** The food ministry has allocated quota of 21 LMT monthly sales quota for March 2021 to each of 548 mills in India same as previous season in March 2020. The state-wise quota for March 2021 is as follows: Andhra Pradesh 22060 MT, Bihar 49300 MT, Chhattisgarh 7323 MT, Goa 0 MT, Gujarat 63239 MT, Haryana 47512 MT, Karnataka 349505 MT, Madhya Pradesh 42081 MT, Maharashtra 765931 MT, Orissa 0 MT, Punjab 47623 MT, Rajasthan 1228 MT, Tamil Nadu 33150 MT, Telangana 8872 MT, Uttar Pradesh 629839 MT, Uttarakhand 32331 MT.

Previous Updates

- Sugar Production in Maharashtra is estimated at 102 lakh tonnes.** Sugar production in Maharashtra is estimated at 102 lakh tonnes for the crushing season as against estimate of 95 lakh tonnes. The mills in

Solapur have closed operations and more mills will follow soon. The mills in Ahmednagar and Marathwada will end operations in March. Mills in Sangli, Satara, Pune and Kolhapur will end their season by end of April.

- **Sugar Production is likely to fall in Uttar Pradesh by 20 percent.** Uttar Pradesh is likely to witness 20 per cent lower sugar production for the on-going cane crushing season compared with the previous season. Uttar Pradesh is likely to produce 100 lakh tonne sugar as against 126 lakh tonne in the last season. The lower sugar production is attributed to the diversion of cane for ethanol production and damage of crops due to pest infection following the rainwater stagnation in sugarcane fields in central and eastern parts of the state.
- **Sugarcane farmers are demanding hike in State Advisory Price.** The sugarcane farmers have urged the government to increase the State Advisory Price of sugarcane to Rs. 450 per quintal and have also asked the government to ensure that the sugar mills will clear the cane dues to the farmers within 14 days of crushing their cane.
- **Antyodaya card holders will receive sugar for 3 months.** The administration has decided to distribute sugar at a rate of Rs 18 per kg to the antyodaya card holders for three months, every family holding the antyodaya card will get one kg of sugar for three months. The distribution of sugar at ration shops will start from March.
- **Sugarcane SAP remains unchanged in Uttar Pradesh.** State Advisory Price for sugarcane has remained the same in Uttar Pradesh again. The farmers were expecting a hike this year in sugarcane prices but the government has made no such changes. The rates of three different varieties of sugarcane have remained unchanged at Rs 315 per quintal for common variety, Rs 325 for early variety and Rs 310 for rejected varieties.

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

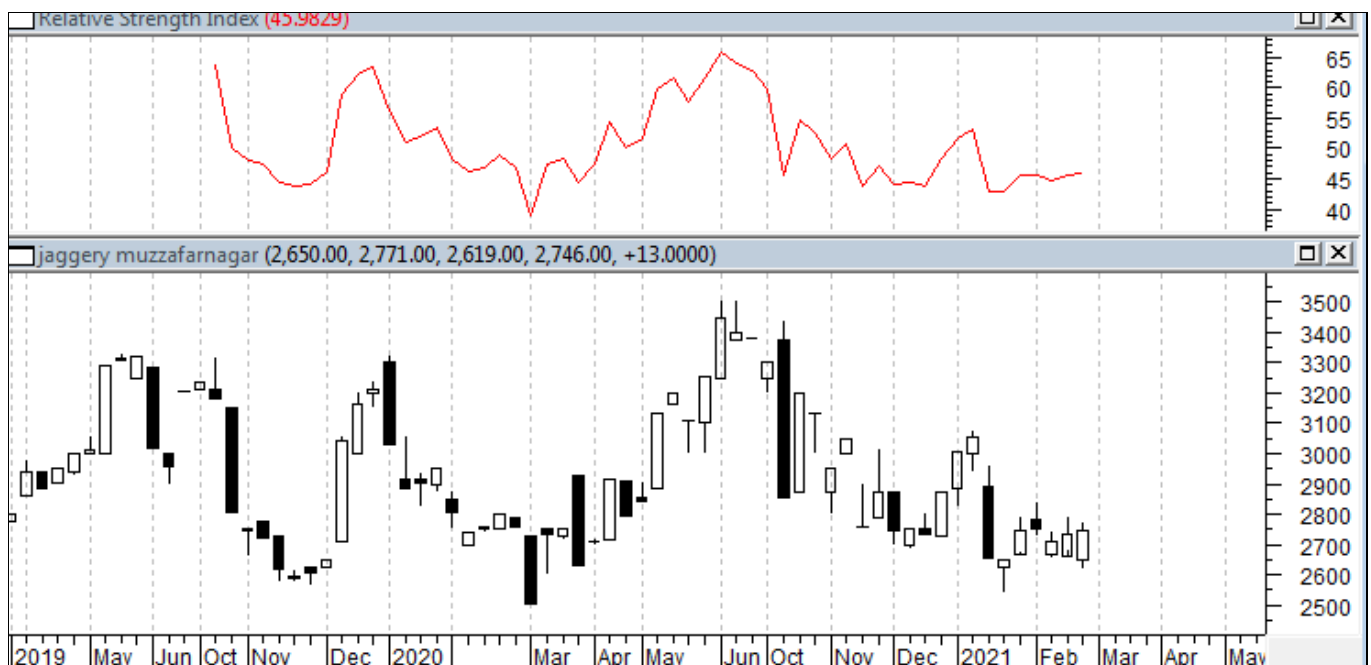
- The sugar spot prices at benchmark Kolhapur market remained high during last week and ended at Rs.3100/q.
- Next resistance and support level for the next week is expected at Rs.3200 and Rs.3100 per quintal respectively.
- RSI is in the neutral region.



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

Gur Market Scenario

- There was a increase in arrivals to around 70000 last week of Chaku variety of gur in key Muzaffarnagar market.
- The average price during the week increasedat Rs. 2755/q and the prices in the last year during the same timewere lower at Rs. 2750/q.
- RSI stood in the neutral region.



International Market Highlights

Recent Updates:

Sugarcane recovery in Bangladesh has decreased due to delayed harvesting and crushing. Sugar output in Bangladesh will be lower this season with the lower cane production and delayed harvesting as well as crushing. This has ultimately led to the lowering of cane recovery taking sugar production to lower in five decades in the country. The sugar mills have crushed 3/4th of the cane grown in the country till 24th February'21. The recovery rate has been reported at 5.57 per cent which is the lowest in the country so far. However, once the remaining crushing is completed the recovery rate is likely to lower further.

Previous Updates

- **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 are likely to reach at Rs. 100 per kg in Pakistan.** Sugar output is expected to increase this season as compared to previous season, but still the sugar prices are likely to cross Rs. 100 per kg. The average sugarcane price for this season in the country is Rs 275 per 40 kg, in lower Sindh, it is Rs 300 and in middle Sindh and upper Sindh regions it is Rs 250. Out of 84 sugar mills in the country, 38 are located in this province and 32 mills had started operations this season out of which one discontinued operation. The sugar recovery has dropped by 0.3-0.4% this season from previous year 10.3% recovery that has increased production cost. The ex-factory rate of sugar will increase around Rs 93 to Rs 95 per kg and this will take retail prices above Rs 100 per kg.
- **India's sugar exports are likely to drop more than 24 percent in the current season** till September due to the logistical constraints such as shortage of containers and congestion at the country's ports. Also, Brazil is likely to export 4.3 million tonnes during 2020-21 season against 5.7 million tonnes shipped in previous year.
- **Sugar prices dropped in Kenya.** The prices of sugar have witnessed a drop in Kenya, prices have dropped down from Ksh 235 to Ksh 220 for 2 kg and for 1 kg sugar the prices have dropped from Ksh 125 to Ksh 115. The sugar price for 2 kg pack at Naivas Supermarket has been dropped from Ksh 231 to Ksh 214 and for 1 kg packet, it has dropped from Ksh 116 to Ksh 111.

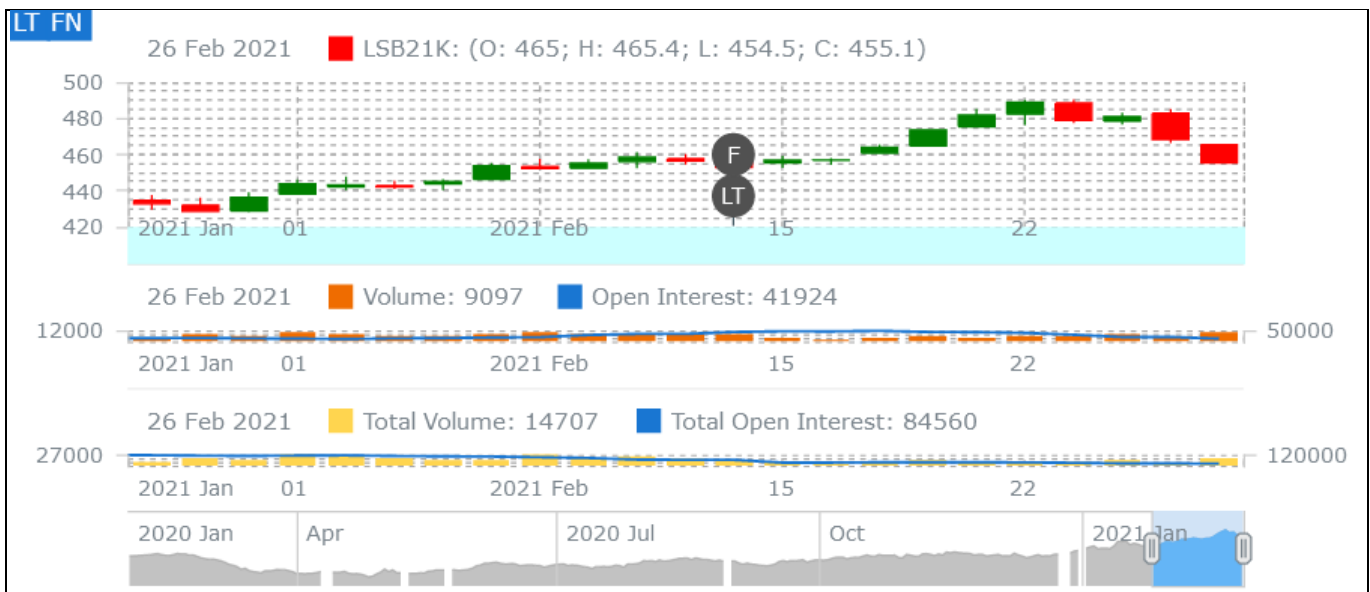
Bullish and Bearish factors for International sugar market:

Factors	Impact on Prices
CONAB projects Brazilian 2020/21 sugar production is likely to decline to 36 MMT from 39 MMT in the previous estimates	Bullish
International Sugar Organization (ISO) projected that global 2020-21 sugar production would increase by +2.3% y/y to 173.5 MMT	Bearish

International Sugar Futures Price Projection**LIFFE (White Sugar Exchange) Future Market Sugar Scenario (Dec'20 Contract)****Technical Commentary**

- LIFFE future market remained steady to weak during the week.
- Total volume increased & open interest increased over a week.
- Strategy: Buy at level 465, T1 455

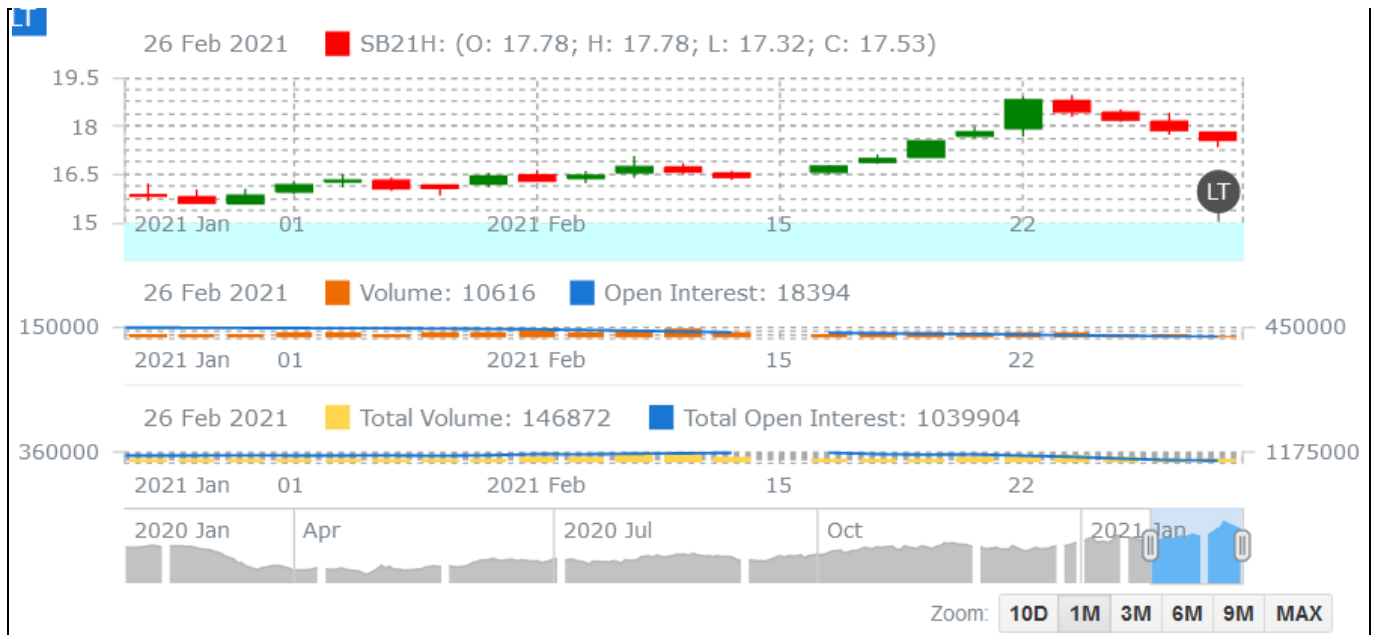
International Sugar Futures Price Projection			
	Contract Month	Present Quote	Expected Price level for next week
LIFFE Sugar (US \$/MT)	Mar'21	465	460-475

**ICE (Raw Sugar Exchange) Future Market Scenario (Mar'21 Contract)****Technical Commentary:**

- ICE raw sugar futures remained steady to weak during the week.
- Both total volume increased & open interest decreased in a week.
- Strategy: Buy at rate 17.76 Targeting 17.52.

International Sugar Futures Price Projection

	Contract Month	Present Quote	Expected Price level for next week
ICE Sugar #11 (US Cent/lb)	Mar'21	17.78	16.59-17.78



Spot Sugar Prices Scenario (Weekly) (Average)

Commodity	Centre	Variety	Average Prices (Rs/Qtl)		Change
			19th Feb'21 to 25th Feb'21	12th Feb'21 to 18th Feb'21	
Delhi	Delhi	M-Grade	3150	3162	-12
	Delhi	S-Grade	3130	3142	-12
Uttar Pradesh	Khatauli	M-Grade	3158	3173	-15
	Ramala	M-Grade	NA	NA	-
	Dhampur	M-Grade Ex-Mill	3095	3105	-10
	Dhampur	S-Grade Ex-Mill	3075	3085	-10
	Dhampur	L-Grade Ex-Mill	3145	3155	-10
Maharashtra	Mumbai	M-Grade	3338	3338	Unch
	Mumbai	S-Grade	3208	3206	2
	Nagpur	M-Grade	3229	3225	4
	Nagpur	S-Grade	3129	3125	4

	Kolhapur	M-Grade	3104	3100	4
	Kolhapur	S-Grade	3004	3000	4
Assam	Guhawati	S-Grade	3264	3260	4
Meghalaya	Shillong	S-Grade	3324	3320	4
Andhra Pradesh	Vijayawada	M-Grade (With Duty)	3700	3700	Unch
	Vijayawada	S-Grade (With Duty)	3660	3660	Unch
West Bengal	Kolkata	M-Grade	3600	3600	Unch
Tamil Nadu	Chennai	S-Grade (With GST)	3475	3445	30
	Dindigul	M-Grade (DCA)	3680	3680	Unch
	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 (Weekly) (Average)

Commodity	Centre	Variety	Prices (Rs/Qtl)		Change
Jaggery(Gur)			19th Feb'21 to 25th Feb'21	12th Feb'21 to 18th Feb'21	
Uttar Pradesh	Muzaffarnagar	Chaku Fresh	2755	2778	-23
	Muzaffarnagar	Chaku(Arrival)(40kg Bag)	70000	44000	26000
	Muzaffarnagar	Khurpa (Fresh)	2529	2447	82
	Muzaffarnagar	Laddoo (Fresh)	2783	2794	-11
	Muzaffarnagar	Rascut (Fresh)	2433	2381	52
	Hapur	Chaurasa	2565	2584	-19
	Hapur	Balti	2530	2535	-5
Andhra Pradesh	Chittur	Gold	NA	NA	-
		White	NA	NA	-
		Black	NA	NA	-
Maharashtra	Latur	Lal Variety	NA	NA	-
Karnataka	Bangalore	Mudde (Average)	4400	4360	40
	Belgaum	Mudde (Average)	NA	NA	-
	Belthangadi	Yellow (Average)	NA	NA	-
	Bijapur	Achhu	NA	NA	-
	Gulbarga	Other (Average)	NA	NA	-
	Mahalingapura	Penti (Average)	3081	3191	-111
	Mandya	Achhu (Medium)	3278	3185	93
	Mandya	Kurikatu (Medium)	3075	2950	125
	Mandya	Other (Medium)	3045	2938	107
	Mandya	Yellow (Medium)	3247	3108	138
	Shimoga	Achhu (Average)	3375	3550	-175

Spot Sugar Prices Scenario (Weekly)

Commodity	Centre	Variety	Today	Week Ago	Month Ago	Year Ago
Sugar			27-Feb-21	20-Feb-21	28-Jan-21	27-Feb-20
Delhi	Delhi	M-Grade	3120	3150	3210	3170
	Delhi	S-Grade	3100	3130	3190	3150
Uttar Pradesh	Khatauli	M-Grade	3120	3200	3180	3240
	Ramala	M-Grade	NA	0	0	0
	Dhampur	M-Grade Ex-Mill	3050	3120	3085	3150
	Dhampur	S-Grade Ex-Mill	3030	3100	3065	3130
	Dhampur	L-Grade Ex-Mill	3100	3170	3135	3200
Maharashtra	Mumbai	M-Grade	3336	3342	3290	3590
	Mumbai	S-Grade	3202	3220	3210	3280
	Nagpur	M-Grade	3225	3225	3125	3325
	Nagpur	S-Grade	3125	3125	3075	3225
	Kolhapur	M-Grade	3100	3100	3000	3200
	Kolhapur	S-Grade	3000	3000	2950	3100
Assam	Guhawati	S-Grade	3309	3309	3258	3410
Meghalaya	Shillong	S-Grade	3320	3320	3270	3420
Andhra Pradesh	Vijayawada	M-Grade (With Duty)	3700	3700	3620	3660
	Vijayawada	S-Grade (With Duty)	3660	3660	3580	3600
West Bengal	Kolkata	M-Grade	3600	3600	3600	3650
Tamil Nadu	Chennai	S-Grade	3450	3480	3430	3560
	Dindigul	M-Grade (DCA)	3680	3680	3680	3620
	Coimbatore	M-Grade (DCA)	3540	3540	3540	3640
Chattisgarh	Ambikapur	M-Grade (Without Duty)	3600	3600	3600	3500

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Spot Jaggery(Gur) Prices Scenario (Weekly)

Commodity	Centre	Variety	Today	Week Ago	Month Ago	Year Ago
Jaggery(Gur)			27-Feb-21	20-Feb-21	28-Jan-21	27-Feb-20
Uttar Pradesh	Muzaffarnagar	ChakuSukha	2813	2788	2750	2765
	Muzaffarnagar	Chaku(Arrival)(40kg Bag)	10000	12000	5000	12000
	Muzaffarnagar	Khurpa	2513	2588	2450	2750
	Muzaffarnagar	Laddoo	2763	2788	2803	2705
	Muzaffarnagar	Rascut	2363	2425	2500	2375
	Hapur	Chaurasa	2500	2600	2600	2475
	Hapur	Balti	2500	2575	2563	2425
Andhra Pradesh	Chittur	Gold	NR	0	0	4400

		White	NR	0	0	3900
		Black	NR	0	0	3500
Maharashtra	Latur	Lal Variety	NR	0	0	0
Karnataka	Bangalore	Mudde (Average)	NA	4400	4450	4400
	Belgaum	Mudde (Average)	NA	0	3800	0
	Belthangadi	Yellow (Average)	NA	0	0	0
	Bijapur	Achhu	NA	0	0	0
	Gulbarga	Other (Average)	NA	0	0	0
	Mahalingapura	Penti (Average)	NA	0	0	3310
	Mandya	Achhu (Medium)	NA	3300	2950	3370
	Mandya	Kurikatu (Medium)	NA	3050	3050	3100
	Mandya	Other (Medium)	NA	2950	2880	3000
	Mandya	Yellow (Medium)	NA	3150	3000	3100
	Shimoga	Achhu (Average)	NA	0	3550	3700

International Sugar Prices (Weekly Average)				
	Contract Month	19th Feb'21 to 25th Feb'21	12th Feb'21 to 18th Feb'21	Change
ICE Sugar #11 (US Cent/lb)	21-Mar	18.21	16.79	1.42
	21-May	17.08	15.98	1.10
	21-Jul	16.40	15.42	0.98
LIFFE Sugar (US \$/MT)	20-Dec	438.94	421.48	17.46
	21-Mar	433.60	430.48	3.12
	21-May	479.34	460.44	18.90

Source: MRCI

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