

Price Outlook:

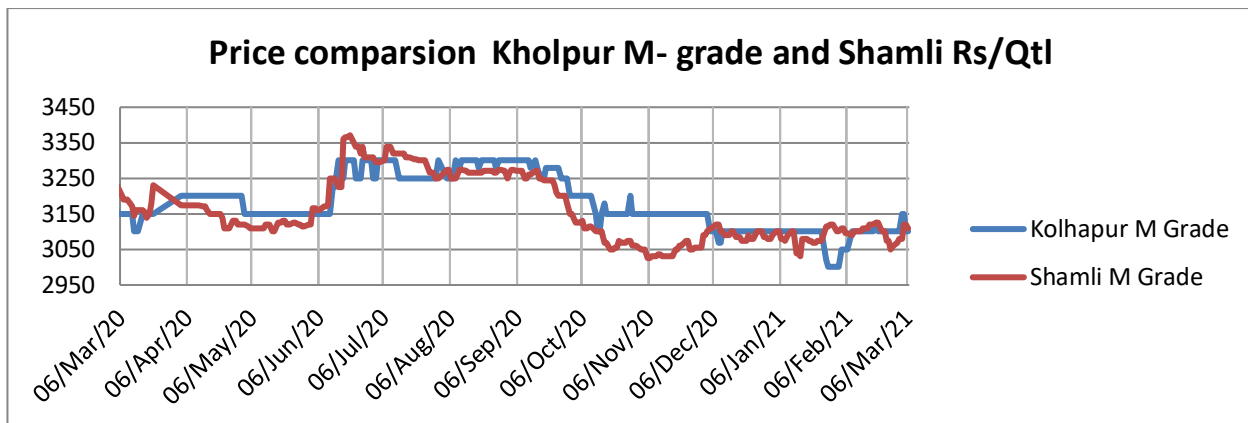
Sugarcane farmers from Karnataka and Uttar Pradesh are demanding hike in FRP. Simbhaoli sugar mill based in Chilwaria has closed cane crushing due to cane shortage. Also, nine sugar mills from Maharashtra have closed its operation for the current season. The average sugar prices decreased in Khatauli market at Rs.3140/q from Rs.3158/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.3116 per quintal, while spot sugar prices for the same grade in Shamli district stood at Rs.3076 per quintal during the week.

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

- 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.

Previous Updates

- Maharashtra sugar mills produces 839.81 lakh quintals of sugar till 27th February'21.** Sugar mills in Maharashtra have produced 839.81 lakh quintals of sugar by crushing 818.48 lakh tonne sugarcane with 10.26 per cent recovery till 27th February 2021. As many as 187 sugar mills took part in cane crushing operations in the current season. In the Kolhapur division total 37 sugar mills took part in cane crushing operations and out of these one has ended the season. Maximum sugar mills were operating from the Solapur division and eight out of 41 mills from the division have stopped operations.

- **Daurala sugar mill has cleared cane dues of Rs. 25.79 crore.** The mill has cleared cane dues of the farmers that have sent their cane to the mill between January 21st to 27th. The mill has till date crushed 138.31 lakh quintals of sugarcane which is higher than the cane crushed during the last crushing season 131.25 lakh quintals.
- **Nine sugar mills in Maharashtra have stopped cane crushing operation.** Eight sugar mills from Solapur division and 1 from Kolhapur division have stopped their cane crushing operation. About 37 sugar mills from Kolhapur have participated in cane crushing this season, maximum were 41 mills from Solapur. Till 27th February, About 187 sugar mills participated in cane crushing operation in Maharashtra and have produced around 839.81 lakh quintals sugar by crushing 818.48 lakh tonnes cane with the sugar recovery rate of 10.26 percent.
- **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.

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.3084/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 215000 last week of Chaku variety of gur in key Muzaffarnagar market.
- The average price during the week increased at Rs. 2787/q and the prices in the last year during the same time were lower at Rs. 2755/q.
- RSI stood in the neutral region.

**International Market Highlights****Recent Updates:**

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.

Previous Updates

- **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.

- **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.
- **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.

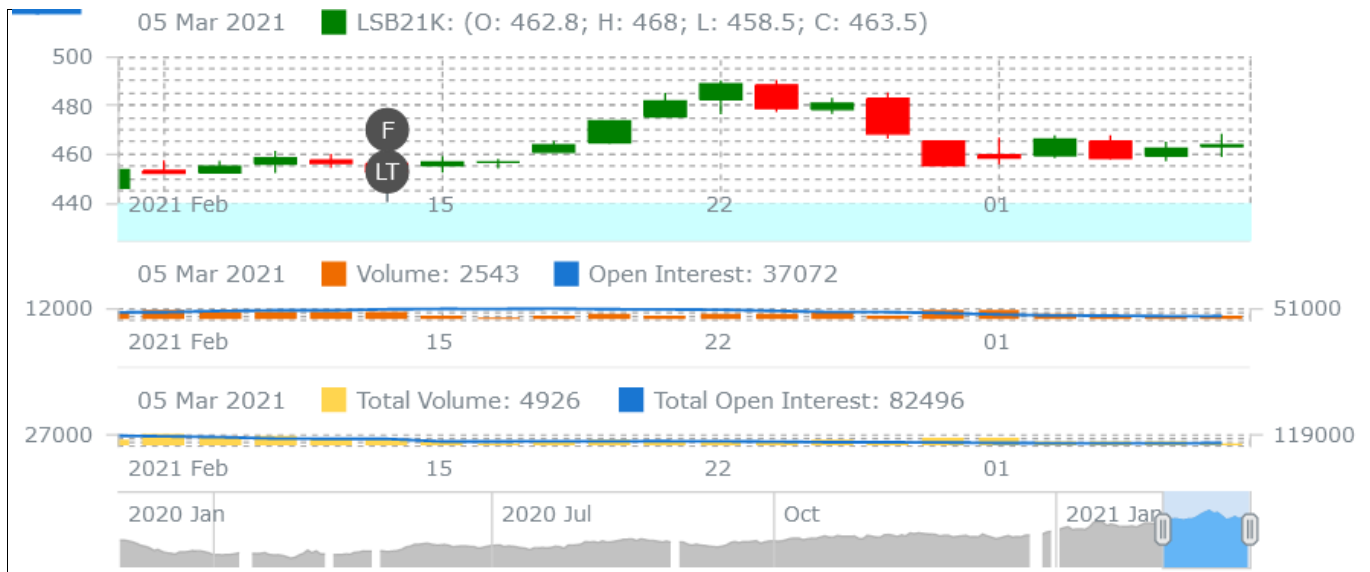
International Sugar Futures Price Projection

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 467, T1 462

International Sugar Futures Price Projection			
	Contract Month	Present Quote	Expected Price level for next week
LIFFE Sugar (US \$/MT)	May'21	468	467-480

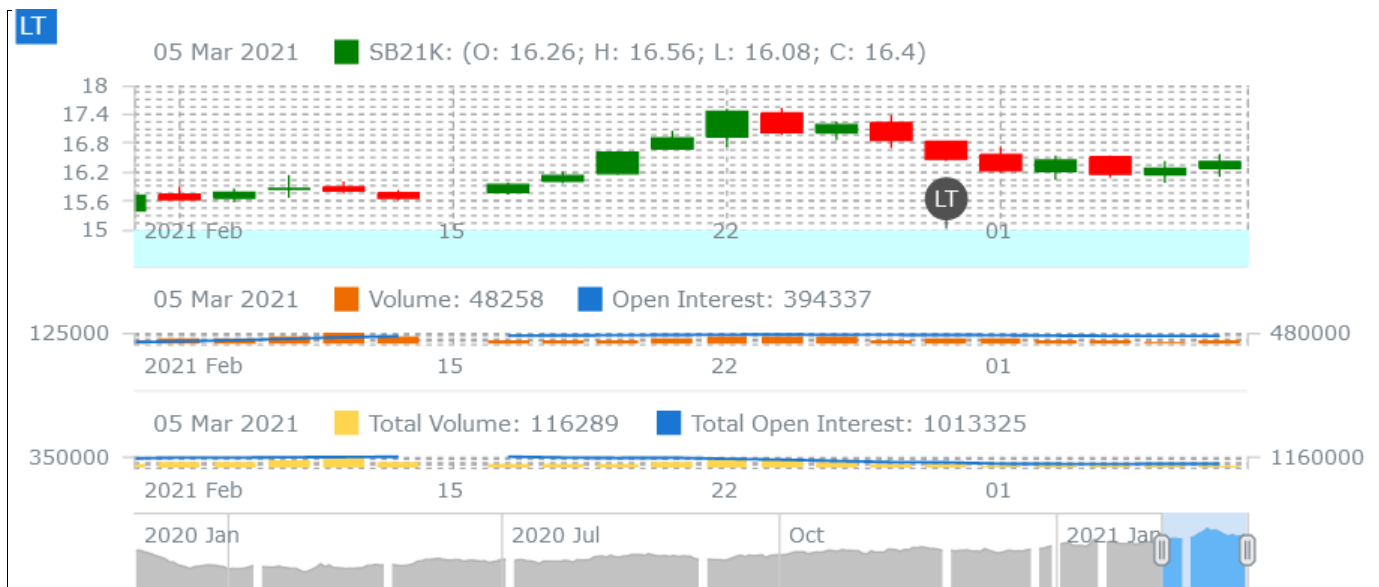


ICE (Raw Sugar Exchange) Future Market Scenario (Mar'21 Contract)

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 16.54 Targeting 16.3.

International Sugar Futures Price Projection			
	Contract Month	Present Quote	Expected Price level for next week
ICE Sugar #11 (US Cent/lb)	May'21	16.56	16.55-17.0



Spot Sugar Prices Scenario (Weekly) (Average)

Commodity	Centre	Variety	Average Prices (Rs/Qtl)		Change
			26th Feb'21 to 04th Mar'21	19th Feb'21 to 25th Feb'21	
Delhi	Delhi	M-Grade	3137	3150	-13
	Delhi	S-Grade	3117	3130	-13
Uttar Pradesh	Khatauli	M-Grade	3140	3158	-18
	Ramala	M-Grade	NA	NA	-
	Dhampur	M-Grade Ex-Mill	3066	3095	-29
	Dhampur	S-Grade Ex-Mill	3046	3075	-29
	Dhampur	L-Grade Ex-Mill	3116	3145	-29
Maharashtra	Mumbai	M-Grade	3329	3338	-9
	Mumbai	S-Grade	3202	3208	-6
	Nagpur	M-Grade	3242	3229	13
	Nagpur	S-Grade	3142	3129	13
	Kolhapur	M-Grade	3117	3104	13
	Kolhapur	S-Grade	3017	3004	13
Assam	Guhawati	S-Grade	3277	3264	13
Meghalaya	Shillong	S-Grade	3337	3324	13
Andhra Pradesh	Vijayawada	M-Grade (With Duty)	3693	3700	-7
	Vijayawada	S-Grade (With Duty)	3650	3660	-10
West Bengal	Kolkata	M-Grade	3587	3600	-13
Tamil Nadu	Chennai	S-Grade (With GST)	3450	3475	-25
	Dindigul	M-Grade (DCA)	3657	3680	-23
	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
			26th Feb'21 to 04th Mar'21	19th Feb'21 to 25th Feb'21	
Uttar Pradesh	Muzaffarnagar	Chaku Fresh	2861	2755	106
	Muzaffarnagar	Chaku(Arrival)(40kg Bag)	55000	70000	-15000
	Muzaffarnagar	Khurpa (Fresh)	2563	2529	34
	Muzaffarnagar	Laddoo (Fresh)	2804	2783	21

	Muzaffarnagar	Rascut (Fresh)	2390	2433	-43
	Hapur	Chaursa	2497	2565	-68
	Hapur	Balti	2478	2530	-52
Andhra Pradesh	Chittur	Gold	NA	NA	-
		White	NA	NA	-
		Black	NA	NA	-
Maharashtra	Latur	Lal Variety	NA	NA	-
Karnataka	Bangalore	Mudde (Average)	4186	4400	-214
	Belgaum	Mudde (Average)	NA	NA	-
	Belthangadi	Yellow (Average)	NA	NA	-
	Bijapur	Achhu	NA	NA	-
	Gulbarga	Other (Average)	NA	NA	-
	Mahalingapura	Penti (Average)	3173	3081	93
	Mandya	Achhu (Medium)	586	3278	-2692
	Mandya	Kurikatu (Medium)	3371	3075	296
	Mandya	Other (Medium)	3411	3045	366
	Mandya	Yellow (Medium)	3447	3247	200
	Shimoga	Achhu (Average)	3450	3375	75

Spot Sugar Prices Scenario (Weekly)

Commodity	Centre	Variety	Today	Week Ago	Month Ago	Year Ago
Sugar			05-Mar-21	26-Feb-21	03-Feb-21	04-Mar-20
Delhi	Delhi	M-Grade	3150	3120	3160	3200
	Delhi	S-Grade	3130	3100	3140	3180
Uttar Pradesh	Khatauli	M-Grade	3170	3120	3175	3260
	Ramala	M-Grade	NA	0	0	NA
	Dhampur	M-Grade Ex-Mill	3100	3050	3085	3160
	Dhampur	S-Grade Ex-Mill	3080	3030	3065	3140
	Dhampur	L-Grade Ex-Mill	3150	3100	3135	3210
Maharashtra	Mumbai	M-Grade	3326	3336	3322	3580
	Mumbai	S-Grade	3202	3202	3172	3306
	Nagpur	M-Grade	3225	3225	3175	3275
	Nagpur	S-Grade	3175	3125	3125	3225
	Kolhapur	M-Grade	3100	3100	3050	3150
	Kolhapur	S-Grade	3050	3000	3000	3100
Assam	Guhawati	S-Grade	3360	3309	3309	3410
Meghalaya	Shillong	S-Grade	3370	3320	3320	3420
Andhra Pradesh	Vijayawada	M-Grade (With Duty)	3660	3700	3700	3660
	Vijayawada	S-Grade (With Duty)	3600	3660	3660	3600

West Bengal	Kolkata	M-Grade	3520	3600	3600	3580
Tamil Nadu	Chennai	S-Grade	3450	3450	3450	3560
	Dindigul	M-Grade (DCA)	3540	3680	3680	3640
	Coimbatore	M-Grade (DCA)	3540	3540	3540	3700
Chattisgarh	Ambikapur	M-Grade (Without Duty)	NA	3600	3600	3500

Sugar Prices are in INR/Quintal. (1 Quintal=100 kg)

*DCA: Department of consumer affairs

Spot Jaggery(Gur) Prices Scenario (Weekly)

Commodity	Centre	Variety	Today	Week Ago	Month Ago	Year Ago
Jaggery(Gur)			05-Mar-21	26-Feb-21	03-Feb-21	04-Mar-20
Uttar Pradesh	Muzaffarnagar	ChakuSukha	2725	2803	2838	2725
	Muzaffarnagar	Chaku(Arrival)(40kg Bag)	8000	12000	8000	5000
	Muzaffarnagar	Khurpa	2425	2513	2500	2705
	Muzaffarnagar	Laddoo	2750	2750	2813	2650
	Muzaffarnagar	Rascut	2275	2350	2450	2338
	Hapur	Chaurasa	2475	2500	2563	2475
	Hapur	Balti	2450	2500	2550	2375
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)	4150	4400	4350	4400
	Belgaum	Mudde (Average)	NA	0	0	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	3111	3313
	Mandya	Achhu (Medium)	3650	3400	2910	3270
	Mandya	Kurikatu (Medium)	3500	3200	3050	2950
	Mandya	Other (Medium)	3650	3100	2890	2950
	Mandya	Yellow (Medium)	3600	3100	2970	3120
	Shimoga	Achhu (Average)	3450	0	3550	3600

International Sugar Prices (Weekly Average)				
	Contract Month	26th Feb'21 to 04th Mar'21	19th Feb'21 to 25th Feb'21	Change
ICE Sugar #11 (US Cent/lb)	21-Mar	16.09	18.21	-2.12
	21-May	16.30	17.08	-0.78
	21-Jul	15.74	16.40	-0.66
LIFFE Sugar (US \$/MT)	20-Dec	428.40	438.94	-10.54
	21-Mar	426.14	433.60	-7.46
	21-May	459.80	479.34	-19.54

Source: MRCI

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 <http://www.agriwatch.com/disclaimer.php> © 2021 Indian Agribusiness Systems Ltd.