

Price Outlook:

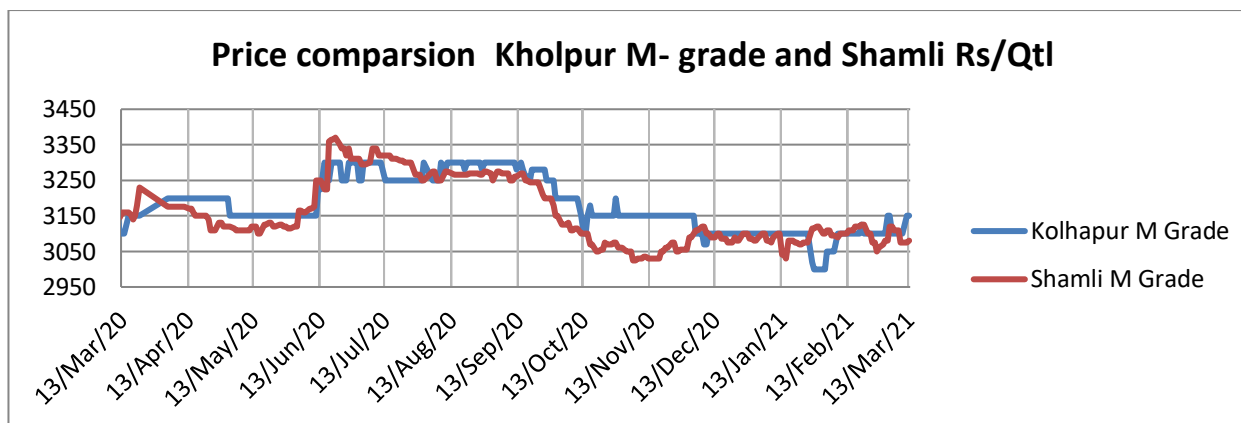
Sugarcane farmers from Karnataka and Uttar Pradesh are demanding hike in FRP. Sugar Mills have produced around 222 lakh MT of sugar till February'21 and around 41 sugar mills from Maharashtra have ended their cane crushing operation in March. The average sugar prices increased in Khatauli market at Rs.3150/q from Rs.3140/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 remain steady and in range next week between Rs.3100 -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.3100 per quintal, while spot sugar prices for the same grade in Shamli district stood at Rs.3098 per quintal during the week.

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

- 41 Sugar mills in Maharashtra are likely to end their cane crushing operation.** The sugarcane crushing season is at the final phase in Maharashtra and till 11th March' 21, 41 sugar mills have ended cane crushing operations. Around 187 sugar mills had participated in the on-going cane crushing season and they have produced 918.55 lakh quintal sugars by crushing 886.52 lakh tonne sugarcane with a recovery of 10.36%. Till date, 29 sugar mills from Solapur have closed their operations followed by 7 mills from the Kolhapur division and from Pune, Aurangabad and Nanded division each sugar mill has stopped operations and two mills from the Amravati division have closed the cane crushing operations.

Previous Updates

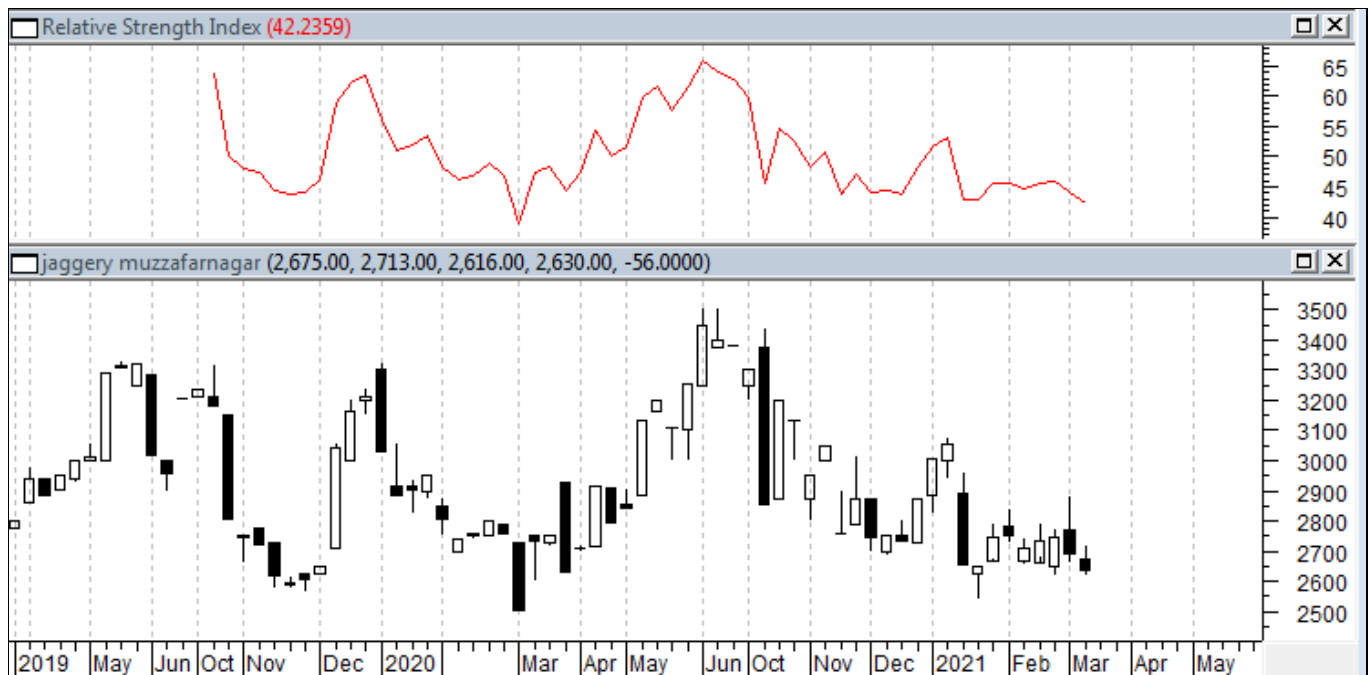
- **According to Indian Sugar Mills Association, India's sugar production is expected to be around 30.2 million tonnes in the ongoing 2020-21 marketing year**, about 800,000 tonne lower than the initial estimate, due to the damage caused by unseasonal rains in some parts of Uttar Pradesh. However, the 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 is likely to be more than the annual requirement of 26 million tonne. Besides sugar, mills are manufacturing ethanol used for blending with petrol. Mills are also undertaking export of sugar under a quota fixed by the government.
- **Sugar mills produce 222 lakh MT of sugar till February'21.** Sugar output in India has estimated to be around 310 lakh Metric Tonnes for 2020-21 season and domestic consumption is around 260 lakh Metric Tonnes. Sugar mills in India have produced 222 lakh Metric Tonnes of Sugar till last month. The government has allocated a mill-wise export quota of 60 Lakh Metric Tonnes for exporting the sugar in the current season to reduce the surplus stock of sugar. The government is also encouraging sugar mills to produce ethanol from sugarcane juice, sugar, B-Heavy molasses and sugar syrup to divert excess sugar.
- **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.

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 decrease in arrivals and it stood around 49000 last week of Chaku variety of gur in key Muzaffarnagar market.
- The average price during the week increased at Rs. 2730/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:

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.

Previous Updates

- 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.
- 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.

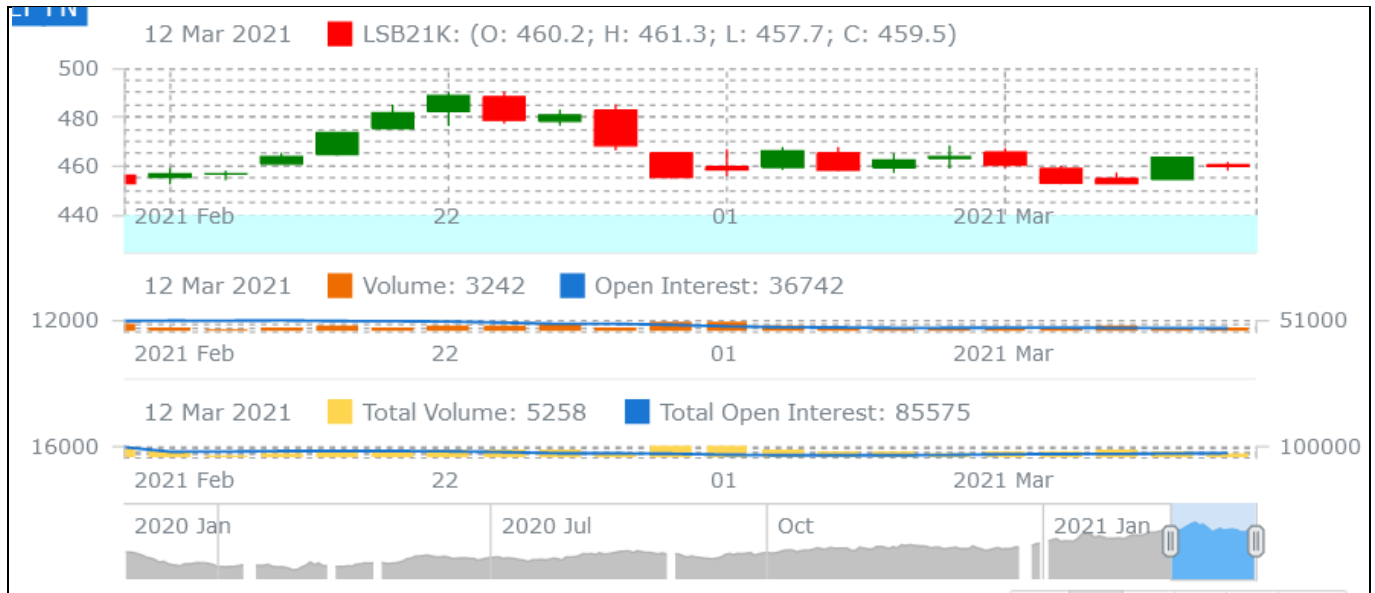
International Sugar Futures Price Projection

LIFFE (White Sugar Exchange) Future Market Sugar Scenario (May'21 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 460, T1 458

International Sugar Futures Price Projection			
	Contract Month	Present Quote	Expected Price level for next week
LIFFE Sugar (US \$/MT)	May'21	461	458-465

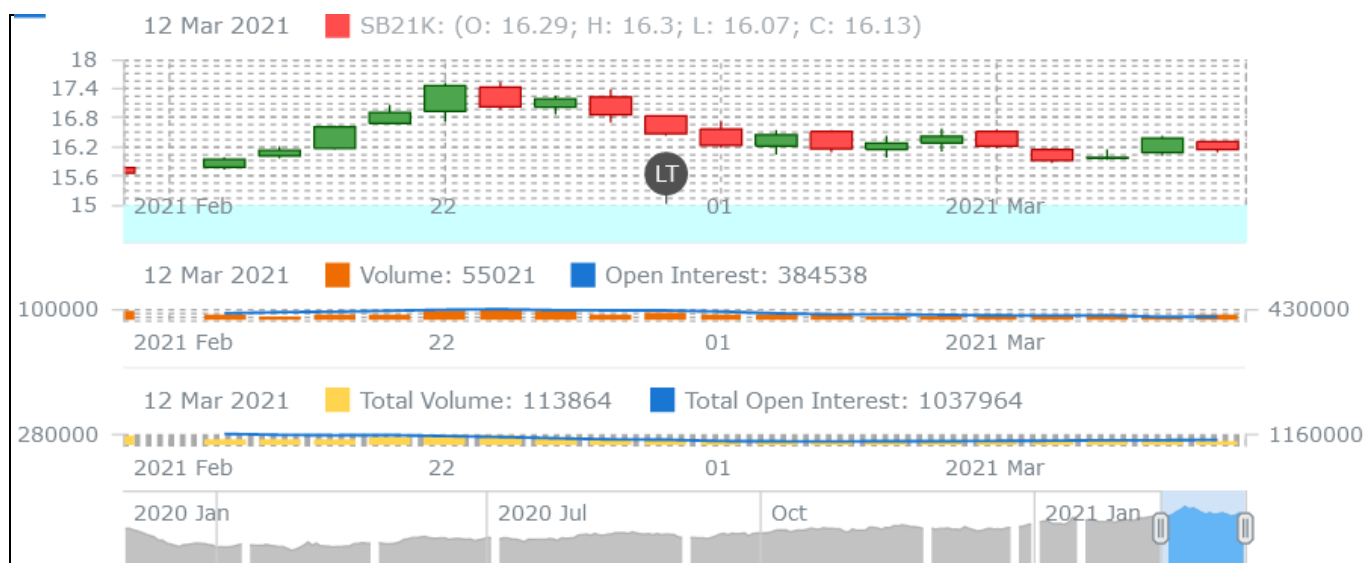


ICE (Raw Sugar Exchange) Future Market Scenario (May'21 Contract)

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 16.02 Targeting 16.13.

International Sugar Futures Price Projection			
	Contract Month	Present Quote	Expected Price level for next week
ICE Sugar #11 (US Cent/lb)	May'21	16.30	16.25-16.80



Spot Sugar Prices Scenario (Weekly) (Average)

Commodity	Centre	Variety	Average Prices (Rs/Qtl)		Change
			05th Mar'21 to 11th Mar'21	26th Feb'21 to 04th Mar'21	
Delhi	Delhi	M-Grade	3170	3137	33
	Delhi	S-Grade	3150	3117	33
Uttar Pradesh	Khatauli	M-Grade	3150	3140	10
	Ramala	M-Grade	NA	NA	-
	Dhampur	M-Grade Ex-Mill	3078	3066	12
	Dhampur	S-Grade Ex-Mill	3058	3046	12
	Dhampur	L-Grade Ex-Mill	3128	3116	12
Maharashtra	Mumbai	M-Grade	3340	3329	11
	Mumbai	S-Grade	3202	3202	Unch
	Nagpur	M-Grade	3225	3242	-17
	Nagpur	S-Grade	3151	3142	9
	Kolhapur	M-Grade	3100	3117	-17
	Kolhapur	S-Grade	3026	3017	9
Assam	Guhawati	S-Grade	3286	3277	9
Meghalaya	Shillong	S-Grade	3346	3337	9
Andhra Pradesh	Vijayawada	M-Grade (With Duty)	3660	3693	-33
	Vijayawada	S-Grade (With Duty)	3600	3650	-50
West Bengal	Kolkata	M-Grade	3520	3587	-67
Tamil Nadu	Chennai	S-Grade (With GST)	3458	3450	8
	Dindigul	M-Grade (DCA)	3540	3657	-117

	Coimbatore	M-Grade (DCA)	3540	3540	Unch
Chattisgarh	Ambikapur	M-Grade (Without Duty)	NA	3600	-
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)			05th Mar'21 to 11th Mar'21	26th Feb'21 to 04th Mar'21	
Uttar Pradesh	Muzaffarnagar	Chaku Fresh	2730	2861	-131
	Muzaffarnagar	Chaku(Arrival)(40kg Bag)	49000	55000	-6000
	Muzaffarnagar	Khurpa (Fresh)	2445	2563	-118
	Muzaffarnagar	Laddoo (Fresh)	2743	2804	-61
	Muzaffarnagar	Rascut (Fresh)	2308	2390	-83
	Hapur	Chaurasa	2456	2497	-41
	Hapur	Balti	2413	2478	-66
Andhra Pradesh	Chittur	Gold	NA	NA	-
		White	NA	NA	-
		Black	NA	NA	-
Maharashtra	Latur	Lal Variety	NA	NA	-
Karnataka	Bangalore	Mudde (Average)	4150	4186	-36
	Belgaum	Mudde (Average)	3800	NA	-
	Belthangadi	Yellow (Average)	NA	NA	-
	Bijapur	Achhu	NA	NA	-
	Gulbarga	Other (Average)	NA	NA	-
	Mahalingapura	Penti (Average)	3201	3173	28
	Mandya	Achhu (Medium)	3610	586	3024
	Mandya	Kurikatu (Medium)	3500	3371	129
	Mandya	Other (Medium)	3606	3411	195
	Mandya	Yellow (Medium)	3584	3447	137
	Shimoga	Achhu (Average)	3450	3450	Unch

Spot Sugar Prices Scenario (Weekly)

Commodity	Centre	Variety	Today	Week Ago	Month Ago	Year Ago
Sugar			13-Mar-21	06-Mar-21	11-Feb-21	12-Mar-20
Delhi	Delhi	M-Grade	3150	3150	3150	3140
	Delhi	S-Grade	3130	3130	3130	3120
Uttar Pradesh	Khatauli	M-Grade	3080	3160	3165	3260

	Ramala	M-Grade	NA	0	0	NA
	Dhampur	M-Grade Ex-Mill	3060	3075	3080	3170
	Dhampur	S-Grade Ex-Mill	3040	3055	3060	3150
	Dhampur	L-Grade Ex-Mill	3110	3125	3130	3220
Maharashtra	Mumbai	M-Grade	3356	3342	3336	3570
	Mumbai	S-Grade	3202	3202	3200	3270
	Nagpur	M-Grade	3275	3225	3225	3225
	Nagpur	S-Grade	3175	3145	3125	3225
	Kolhapur	M-Grade	3150	3100	3100	3100
	Kolhapur	S-Grade	3050	3020	3000	3100
Assam	Guhawati	S-Grade	3360	3329	3309	3410
Meghalaya	Shillong	S-Grade	3370	3340	3320	3420
Andhra Pradesh	Vijayawada	M-Grade (With Duty)	3660	3660	3700	3660
	Vijayawada	S-Grade (With Duty)	3600	3600	3660	3600
West Bengal	Kolkata	M-Grade	3520	3520	3600	3580
Tamil Nadu	Chennai	S-Grade	3450	3460	3450	3560
	Dindigul	M-Grade (DCA)	3540	3540	3680	3580
	Coimbatore	M-Grade (DCA)	3540	3540	3540	3700
Chattisgarh	Ambikapur	M-Grade (Without Duty)	NA	0	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)			13-Mar-21	06-Mar-21	11-Feb-21	12-Mar-20
Uttar Pradesh	Muzaffarnagar	ChakuSukha	2700	2725	2725	2700
	Muzaffarnagar	Chaku(Arrival)(40kg Bag)	9000	5000	6000	0
	Muzaffarnagar	Khurpa	2425	2450	2363	0
	Muzaffarnagar	Laddoo	2675	2778	2813	0
	Muzaffarnagar	Rascut	2288	2325	2350	0
	Hapur	Chaurasa	2450	2450	2575	2475
	Hapur	Balti	2400	2400	2500	2425
Andhra Pradesh	Chittur	Gold	NR	0	0	4400
		White	NR	0	0	4100
		Black	NR	0	0	3600
Maharashtra	Latur	Lal Variety	NR	0	0	0
Karnataka	Bangalore	Mudde (Average)	NA	4150	4300	4400
	Belgaum	Mudde (Average)	NA	0	0	3100
	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	3299
	Mandya	Achhu (Medium)	NA	3600	3100	3400
	Mandya	Kurikatu (Medium)	NA	3500	2850	3100
	Mandya	Other (Medium)	NA	3650	3000	2990
	Mandya	Yellow (Medium)	NA	3550	3060	3050
	Shimoga	Achhu (Average)	NA	3450	3550	3600

International Sugar Prices (Weekly Average)				
	Contract Month	05th Mar'21 to 11th Mar'21	26th Feb'21 to 04th Mar'21	Change
ICE Sugar #11 (US Cent/lb)	21-Mar	15.48	16.09	-0.61
	21-May	16.24	16.30	-0.06
	21-Jul	15.75	15.74	0.01
LIFFE Sugar (US \$/MT)	20-Dec	430.54	428.40	2.14
	21-Mar	429.26	426.14	3.12
	21-May	460.48	459.80	0.68

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.