

### Price Outlook:

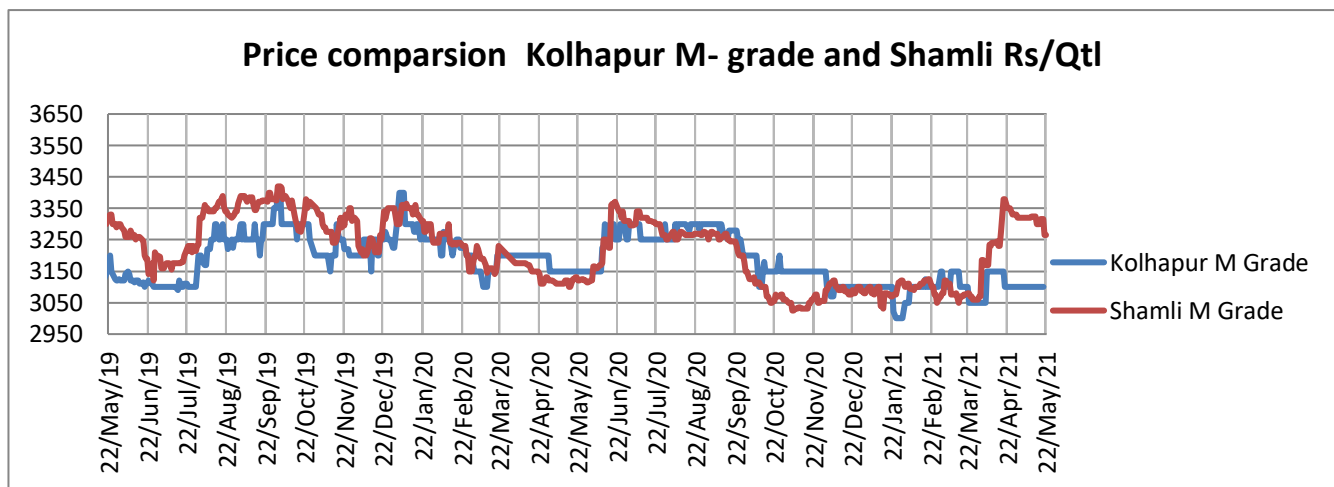
Sugar Production has reached 303.60 lakh tonnes in India. Sugarcane crushing season is in the final phase, government has also reduced the export assistance for sugar under MAEQ for 2020-21 season. Uttar Pradesh after Maharashtra and Karnataka is also planning to generate ethanol in their sugar mills. Major markets across the country are closed due to rising coronavirus cases and lockdown restrictions. The average sugar prices were lower at Rs. 3363/q from the previous week at Rs.3370/q in Khatauli market. The prices in Maharashtra also stood slightly firm at Rs.3100/q.

### Price Projection for the Next week

As per the Agriwatch estimates, spot sugar prices (M grade) in the 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.3301 per quintal during the week.



### Domestic Market Highlights

#### Recent Updates:

**The government has reduced export assistance for sugar export under MAEQ for the 2020-21 season.** The decision has come after considering the increased international sugar price and current market scenario which is viable for sugar exports. The amount of assistance of Rs. 4000/MT will come in effect from 20<sup>th</sup> May'21. This assistance will be provided only where the contract between sugar mill and exporter have been signed on or after the date of this notification. The Central Government will provide a lump sum assistance for expenses on the export of sugar limited to MAEQ of sugar mills for the sugar season 2020- 21 in the following manner:(a) For internal transport and freight charges including loading, unloading, and fobbing etc. @ Rs. 2400 per MT (b) For ocean freight against shipment from Indian ports to the ports of destination countries etc. @ Rs. 1600 per MT.

### Previous Updates

- **Sugar mills in Maharashtra have cleared 93.63% of the fair and remunerative price (FRP) to the cane farmers till May 15.** The Sugar mills have paid Rs 21,454 crore out of the payable FRP of Rs 22,888 crore. Out of the 190 sugar mills from the state, 103 sugar mills have paid 100 per cent FRP to the cane farmers and 81 mills have paid more FRP between 50 to 100 per cent, whereas 2 sugar mills have are yet not started to clear the cane dues. As per the sugarcane control act, the mills should clear the cane dues to the farmers within 14 days of crushing their cane else they have to pay 15 per cent interest on the pending dues.
- **India has made 57 lakh tonnes of export contract in the current sugar season 2020-21.** This is 95 per cent more than the total MAEQ quantity for the 2020-21 sugar season. Out of this, 37 lakh tonnes of sugar have been physically exported out of the country from January 2021 – April 2021. Another 7-8 lakh tonnes of sugar is expected to be physically exported in May 2021. It is expected that Indian sugar mills may achieve their target of exporting 60 lakh tonnes of sugar by the end of June 2021.
- **According to ISMA, sugar mills have produced 303.60 lakh tonne of sugar till 15<sup>th</sup> May 2021:** Around 502 sugar mills were operating in the current season as compared to 457 sugar mills in the previous season. Till 15<sup>th</sup> May 2021, 44 sugar mills were crushing sugarcane, compared to 63 sugar mills operating the same time the previous season. Sugar mills have produced around 303.60 lakh tonnes of sugar till 15<sup>th</sup> May'2021, as compared to 265.32 lakh tonnes produced during the same period last year. This is 38.28 lakh tonnes higher than the previous season.
- **Pune Sugar mills closed their cane crushing operation for the current sugar season.** Sugarcane crushing season in Maharashtra is in the final phase, sugar mills from Kolhapur, Nanded, and Solapur division have already closed their crushing operations earlier. Now, mills in the Pune region too ended the sugar season. Out of 190 sugar mills from Maharashtra that took part in the cane crushing operations, 184 have closed their operations till May 11. In the Pune division, 31 sugar mills took part in the cane crushing operations in the ongoing crushing season. These sugar mills have produced 252.70 lakh quintal sugar by crushing 230.55 lakh tonne sugarcane with a recovery rate of 10.96 per cent.

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

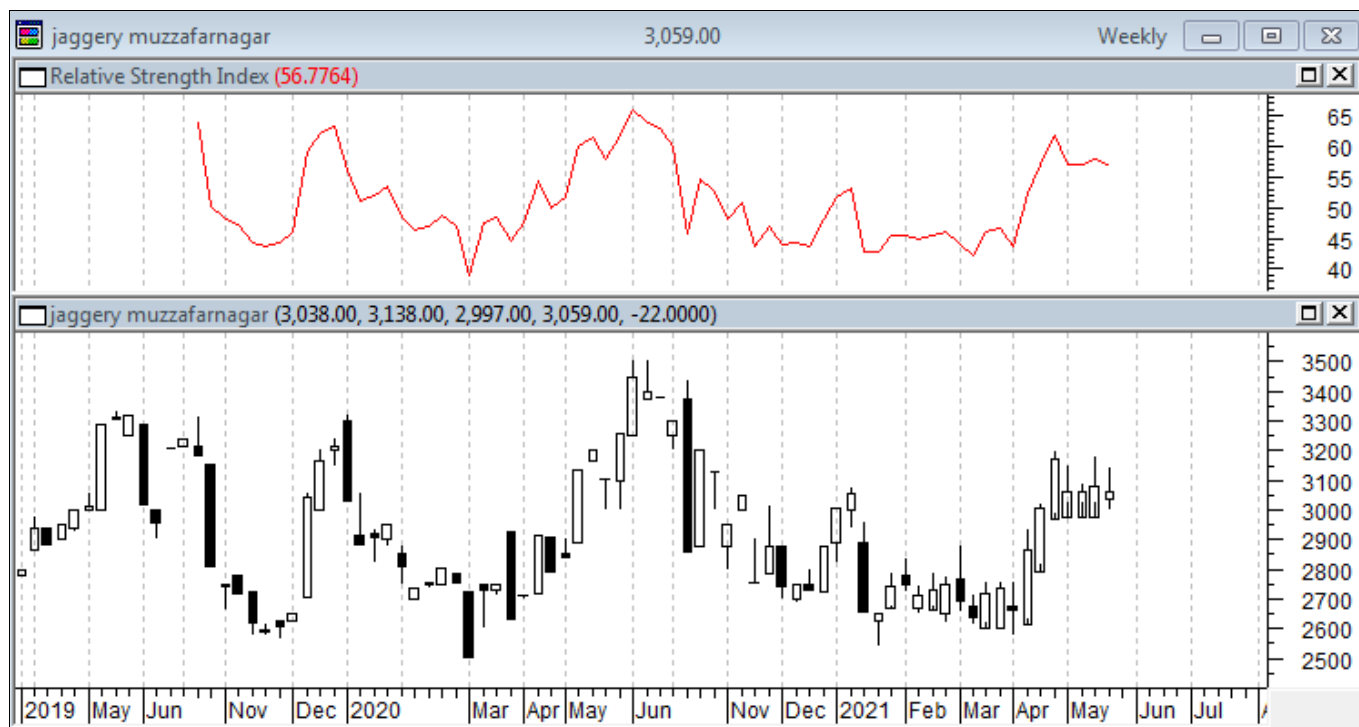
- The sugar spot prices at the benchmark Kolhapur market remained lower during last week and ended at Rs.3100/q.
- The next resistance and support level for the next week is expected at Rs.3200 and Rs.3150 per quintal respectively.
- RSI is in the neutral region.



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

##### Gur Market Scenario

- There was an increase in arrivals and it stood around 8000 last week of Chaku variety of gur in key Muzaffarnagar market.
- The average price during the week was Rs. 3118/q and the prices in the last year were lower at Rs. 2795/q.
- RSI stood in the neutral region.



### International Market Highlights

#### Recent Updates:

**Kenya is planning to increase sugar production in the coming season.** As to reduce the dependence on imports Kenya is now planning to increase sugar production. Presently, the country is facing the challenges of the high cost of sugar production as compared to regional and international producers. According to the Agriculture ministry data, Kenya produces around 660,000 tonnes of sugar per year and imports around 300,000 tonnes of sugar from African countries to meet the domestic demand.

#### Previous Updates

- **Sugar imports have reduced in the U.S.** According to the U.S. Department of Agriculture (USDA), Sugar imports for the United States are likely to fall from 3.15 million short tonnes (ST) from 2020/21 to 2.65 million ST in 2021-22. The USDA has cited that the increase in local production and stable demand has resulted in lowering sugar imports. The sugar production in the US is likely to be at 9.31 million ST, which is the largest in six years.
- **Global sugar output is likely to increase to 2.74 million tonnes in 2021/22 from a deficit of 1.51 million tonnes in 2020/21.** Good sugar crop in India along with the production recovery in Thailand and higher yield in Europe despite frosts in France is the main reason behind the hike in sugar surplus. Although sugar output in Brazil is expected to decrease the global output will have a surplus. Sugar output in Brazil is likely to drop to

36.3 million tonnes from 38.5 million tonnes compared with last season. India is expected to produce around 30 million tonnes this season and Thailand production is expected to increase to 85 million tonnes from 66 million tonnes last season.

- **Sugar output has fallen in Brazil.** Brazil has witnessed a 35 percent lower sugar output in April'2021 compared with the previous year as a lower number of mills has started crushing operation in the current season. Around 141 mills were operating in the first half of April against 180 mills during last year. The centre-south region has recorded an output of 624,000 tonnes in the first half of April as against 971,000 tonnes in a similar period last year. During this period 15.6 million tonnes of cane was crushed which is 30% less than in the 2020 sugar season. Ethanol production has also fallen 25 percent to 731 million litres during the same period.
- **China is likely to increase sugar imports during the 2021-30 period as the consumption is likely to reach 16.44 million tonnes in 2030.** The total sugar output of the country is likely to reach 11.35 million tonnes by 2030 due to the increase in the area under sugarcane plantation. China is likely to increase sugar importation in the next few years to meet the domestic demand. The sugar imports are likely to grow at an average annual rate of 5.8% to reach 5.52 million tonnes in 2030.

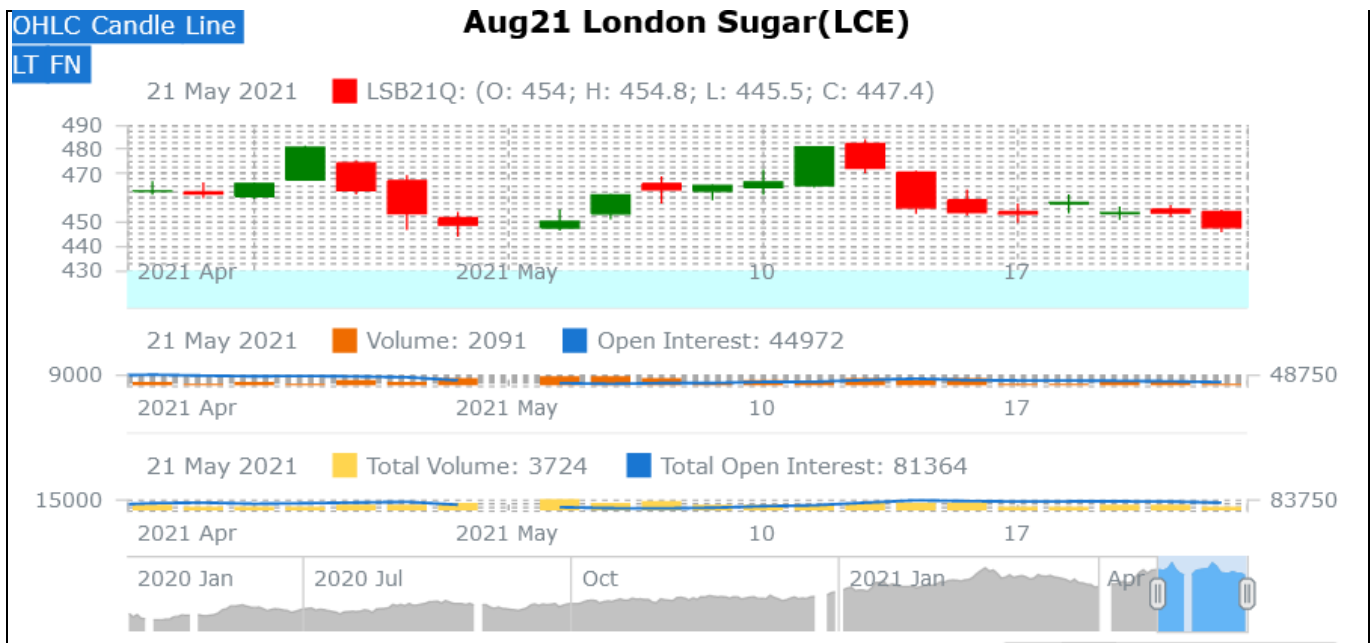
#### International Sugar Futures Price Projection

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

###### Technical Commentary

- LIFFE futures market remained steady to weak during the week.
- Total volume increased & open interest increased over a week.
- Strategy: Buy at level 454.2, T1 447.2

International Sugar Futures Price Projection			
	Contract Month	Present Quote	The expected Price level for next week
LIFFE Sugar (US \$/MT)	Aug'21	454	450-460

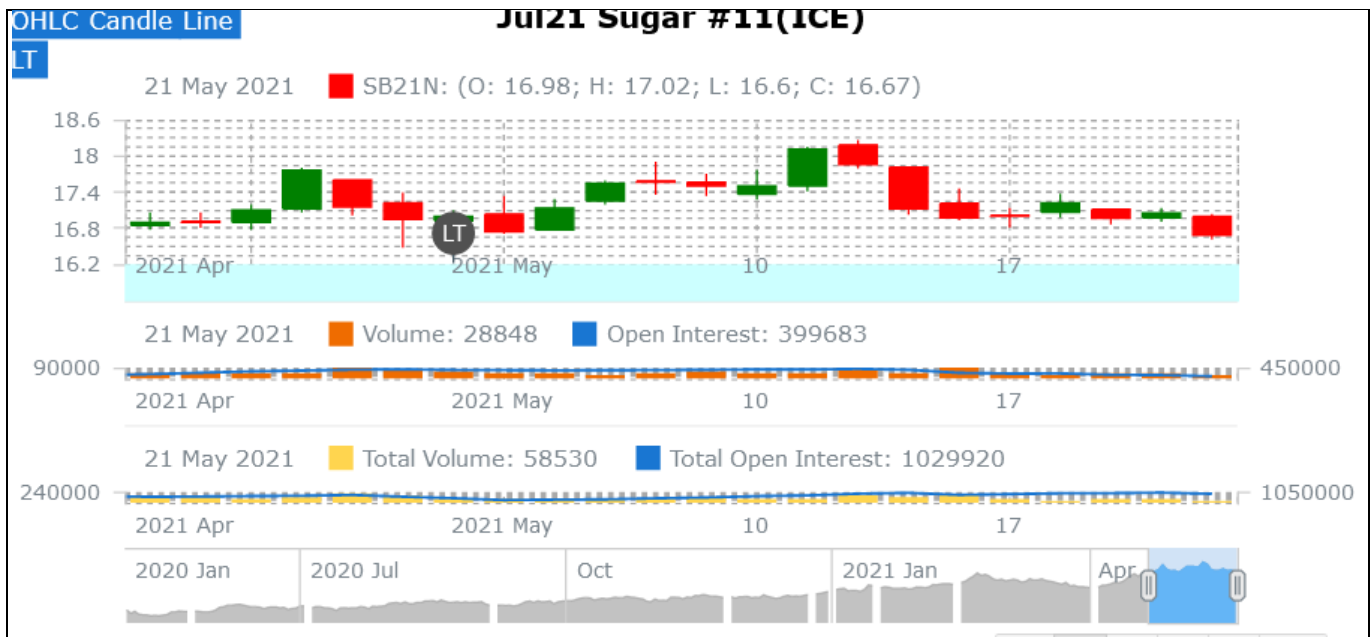


### ICE (Raw Sugar Exchange) Future Market Scenario (Jul'21 Contract)

#### 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 16.5 Targeting 16.65.

International Sugar Futures Price Projection			
	Contract Month	Present Quote	The expected Price level for next week
ICE Sugar #11 (US Cent/lb)	Jul'21	16.95	16.65 – 17.65



### Spot Sugar Prices Scenario (Weekly) (Average)

Commodity	Centre	Variety	Average Prices (Rs/Qtl)		Change
			13th May'21 to 19th May'21	06th May'21 to 12th May'21	
Delhi	Delhi	M-Grade	3274	3242	32
	Delhi	S-Grade	3254	3222	32
Uttar Pradesh	Khatauli	M-Grade	3363	3370	-7
	Ramala	M-Grade	NA	NA	-
	Dhampur	M-Grade Ex-Mill	3308	NA	-
	Dhampur	S-Grade Ex-Mill	3288	NA	-
	Dhampur	L-Grade Ex-Mill	3358	NA	-
Maharashtra	Mumbai	M-Grade	3338	3335	3
	Mumbai	S-Grade	3225	3219	6
	Nagpur	M-Grade	3225	3225	Unch
	Nagpur	S-Grade	3125	3125	Unch
	Kolhapur	M-Grade	3100	3100	Unch
	Kolhapur	S-Grade	3000	3000	Unch
Assam	Guhawati	S-Grade	3260	3260	Unch
Meghalaya	Shillong	S-Grade	3320	3320	Unch
Andhra Pradesh	Vijayawada	M-Grade (With Duty)	3600	3630	-30
	Vijayawada	S-Grade (With Duty)	3580	3600	-20
West Bengal	Kolkata	M-Grade	3500	3500	Unch
Tamil Nadu	Chennai	S-Grade (With GST)	3600	3600	Unch
	Dindigul	M-Grade (DCA)	3540	3540	Unch

	Coimbatore	M-Grade (DCA)	3540	3540	Unch
Chattisgarh	Ambikapur	M-Grade (Without Duty)	NA	NA	-
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)			13th May'21 to 19th May'21	06th May'21 to 12th May'21	
Uttar Pradesh	Muzaffarnagar	Chaku Fresh	3119	3225	-106
	Muzaffarnagar	Chaku(Arrival)(40kg Bag)	8000	4000	4000
	Muzaffarnagar	Khurpa (Fresh)	2856	2938	-82
	Muzaffarnagar	Laddoo (Fresh)	3127	3125	2
	Muzaffarnagar	Rascut (Fresh)	2650	2600	50
	Hapur	Chaurasa	2963	NA	-
	Hapur	Balti	NA	NA	-
Andhra Pradesh	Chittur	Gold	NA	NA	-
		White	NA	NA	-
		Black	NA	NA	-
Maharashtra	Latur	Lal Variety	NA	NA	-
Karnataka	Bangalore	Mudde (Average)	4350	4350	Unch
	Belgaum	Mudde (Average)	NA	NA	-
	Belthangadi	Yellow (Average)	NA	NA	-
	Bijapur	Achhu	NA	NA	-
	Gulbarga	Other (Average)	NA	NA	-
	Mahalingapura	Penti (Average)	NA	3139	-
	Mandya	Achhu (Medium)	3790	3720	70
	Mandya	Kurikatu (Medium)	3500	3500	Unch
	Mandya	Other (Medium)	3390	3425	-35
	Mandya	Yellow (Medium)	3590	3675	-85
	Shimoga	Achhu (Average)	3600	3510	90

## Spot Sugar Prices Scenario (Weekly)

Commodity	Centre	Variety	Today	Week Ago	Month Ago	Year Ago
Sugar			20-May-21	12-May-21	20-Apr-21	20-May-20
Delhi	Delhi	M-Grade	3300	3215	3450	3000
	Delhi	S-Grade	3280	3195	3430	2980
Uttar Pradesh	Khatauli	M-Grade	3375	3370	3440	3160
	Ramala	M-Grade	NA	0	0	0



	Dhampur	M-Grade Ex-Mill	3315	3317	0	3125
	Dhampur	S-Grade Ex-Mill	3295	3297	0	3105
	Dhampur	L-Grade Ex-Mill	3365	3367	0	3175
Maharashtra	Mumbai	M-Grade	3332	3340	3360	3540
	Mumbai	S-Grade	3230	3220	3250	3360
	Nagpur	M-Grade	3225	3225	3275	3275
	Nagpur	S-Grade	3125	3125	3225	3225
	Kolhapur	M-Grade	3100	3100	3150	3150
	Kolhapur	S-Grade	3000	3000	3100	3100
Assam	Guhawati	S-Grade	3309	3309	3410	3410
Meghalaya	Shillong	S-Grade	3320	3320	3420	3420
Andhra Pradesh	Vijayawada	M-Grade (With Duty)	3600	3600	3660	3600
	Vijayawada	S-Grade (With Duty)	3580	3580	3620	3540
West Bengal	Kolkata	M-Grade	3600	3500	3500	3550
Tamil Nadu	Chennai	S-Grade	3600	3600	3550	3650
	Dindigul	M-Grade (DCA)	3580	3540	3540	4050
	Coimbatore	M-Grade (DCA)	3620	3540	3540	3650
Chattisgarh	Ambikapur	M-Grade (Without Duty)	NA	0	0	3700

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)			20-May-21	12-May-21	20-Apr-21	20-May-20
Uttar Pradesh	Muzaffarnagar	ChakuSukha	3150	3200	Closed	3000
	Muzaffarnagar	Chaku(Arrival)(40kg Bag)	1500	2000	Closed	7000
	Muzaffarnagar	Khurpa	2838	2875	Closed	2765
	Muzaffarnagar	Laddoo	3088	3125	Closed	3000
	Muzaffarnagar	Rascut	NA	2600	Closed	2538
	Hapur	Chaurasa	2963	Closed	2950	0
	Hapur	Balti	NA	Closed	2800	0
Andhra Pradesh	Chittur	Gold	NR	0	0	0
		White	NR	0	0	4300
		Black	NR	0	0	4000
Maharashtra	Latur	Lal Variety	NR	0	0	0
Karnataka	Bangalore	Mudde (Average)	4350	4350	4600	0
	Belgaum	Mudde (Average)	NA	0	0	0
	Belthangadi	Yellow (Average)	NA	0	0	0
	Bijapur	Achhu	NA	0	0	3200
	Gulbarga	Other (Average)	NA	0	0	0
	Mahalingapura	Penti (Average)	NA	3138	3234	3316

	Mandya	Achhu (Medium)	3870	0	4100	3410
	Mandya	Kurikatu (Medium)	3500	0	3400	3150
	Mandya	Other (Medium)	3350	0	3950	3200
	Mandya	Yellow (Medium)	3400	0	0	3490
	Shimoga	Achhu (Average)	3600	3450	3450	0

International Sugar Prices (Weekly Average)				
	Contract Month	13th May'21 to 19th May'21	06th May'21 to 12th May'21	Change
ICE Sugar #11 (US Cent/lb)	21-Mar	17.21	17.66	-0.45
	21-May	16.37	16.76	-0.39
	21-Jul	17.04	17.66	-0.62
LIFFE Sugar (US \$/MT)	21-Mar	459.04	469.58	-10.54
	21-May	450.90	459.73	-8.83
	21-Aug	454.66	468.55	-13.89

Source: MRCI

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