

### Price Outlook:

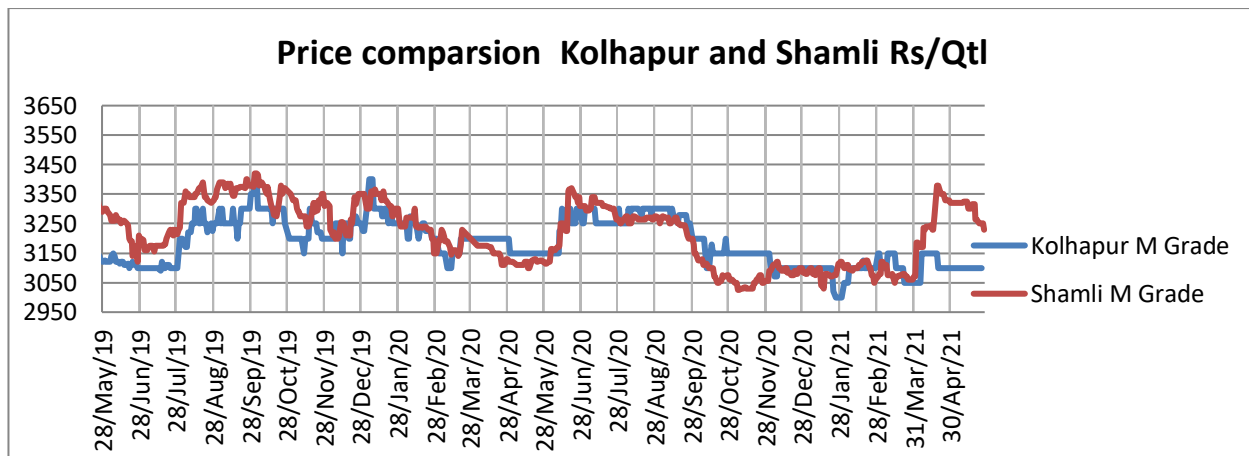
Sugar Production has reached 303.60 lakh tonnes in India. Sugarcane crushing season is in the final phase across India, Maharashtra has ended its sugar season this week whereas few mills are operating in Uttar Pradesh. Major markets across the country are closed due to rising coronavirus cases and lockdown restrictions. The average sugar prices were lower at Rs. 3301/q from the previous week at Rs.3363/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.3255 per quintal during the week.



### Domestic Market Highlights

#### Recent Updates:

**Sugar Season ends in Maharashtra with production of around 106.3 LMT of sugar.** The 2020-21 sugar seasons in Maharashtra has ended this week. Around 190 sugar mills have participated in the current 2020-21 sugar season against the 147 sugar mills which operated in the previous season. The total sugarcane crushed was 1012 LMT compared to 545 LMT in the previous season and the production was around 106.3 LMT of sugar which is 72.54 percent higher than the previous season that is 61.61 LMT. The average recovery percentage was around 10.5%.

### Previous Updates

- **Sugar Production in Uttar Pradesh has reached 110 lakh tonnes so far.** As sugar season in Uttar Pradesh is towards closure, around 120 sugar mills have operated in the current season have produced around 110 lakh tonnes, which is approximately 12 percent less than last year's production of 126 lakh tonnes. About 10 sugar mills are currently operating and are likely to close by the end of the month or in early June.
- **Sugar Exports may reach 6.5 million tonnes.** Sugar exports may rise by 14 percent in 2020-21 season compared to previous season as Indian mills have started signing sugar export contracts without the assistance from government. Sugar exports may rise if the global price rise above 18 cents, currently the global prices are higher than the domestic price.
- **Bijnor district leads in sugar production in Uttar Pradesh.** Around 60 percent is the total cultivable land is under sugarcane cultivation, but the district used to record lower cane yield every year because the sugarcane crop in Uttar Pradesh mainly gets affected due to infection of red rot. This year the cane yield has increased making the district top in cane production. The sugar mills have crushed around 11.20 crore quintals of cane so far.
- **Sugarcane production is estimated at 392.8 million tonnes.** According to the Third Advance Estimate released by the government on production of Oilseed & Commercial crops, Sugarcane production is estimated at 392.80 million tonnes higher by 30.73 million tonnes than the average sugarcane production of 362.07 million tonnes.
- **According to Indian Sugar Mills Association, India has reached 7.63 percent of blending rate.** India seems to be on track with its ambitious plan to blend up to 20 percent ethanol in petrol. In April month India has reached 7.63 percent of blending with ethanol. Whereas 11 states across the country have reached 10 percent blending. Till last week 318 crore litres of ethanol have been contracted under the current ethanol supply year December 2020- November 2021. Petrol consumption has also fallen in May month as due to lockdown restrictions.
- **Sugarcane advisory has been issued for the protection of sugarcane crop from pests attack.** Due to change in weather fluctuation and due to excess moisture in atmosphere the cane commissioner has issued sugarcane advisory to the department officials and sugar mill management for the protection of sugarcane crop from pyrrilla, grasshopper, fall armyworm and black bug pests attack. The Cane commissioner has directed all the departmental officers to make proper arrangements for prevention of these insect/pests by conducting on-site inspections in their concerned Districts along with Scientists of the Sugarcane Research Council. It has also been directed that natural control should be emphasized by spreading awareness among the cane farmers, about these pests with detailed information and measures to prevent the attack of pests.
- **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.

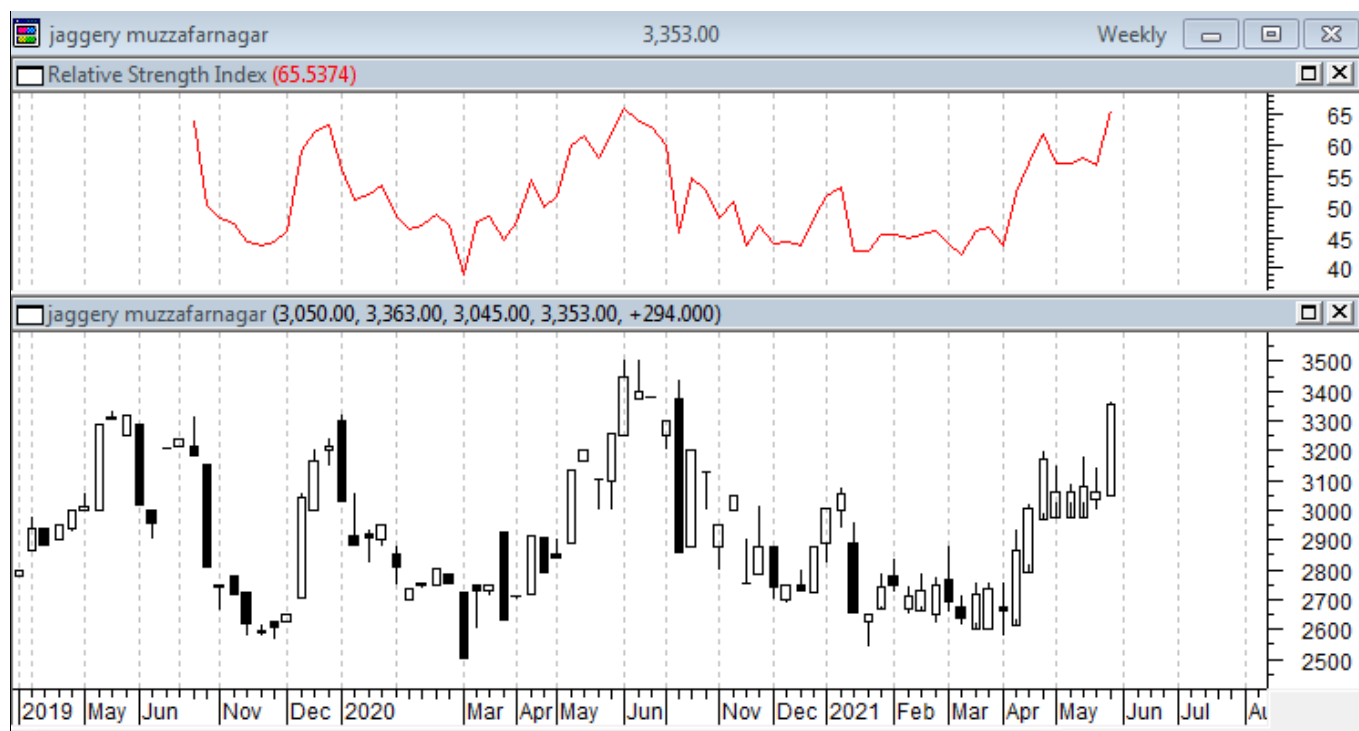
#### Technical Analysis - Sugar (M grade) Spot Market at Kolhapur market

- 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 6750 last week of Chaku variety of gur in key Muzaffarnagar market.
- The average price during the week was Rs. 3098/q and the prices in the last year were lower at Rs. 3065/q.
- RSI stood in the neutral region.

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

**Brazil has witnessed the lower sugar output at 2.376 million mt, in the Center-South region.** According to UNICA the sugar output in Brazil has dropped by 4.39% compared with last year. UNICA stated that the mills in CS Brazil have crushed 41.07 million mt of sugarcane in H1 May which was down 3.01% year on year. The reduction in the cane crush for H1 May was because of average 10-12 days of delayed start in the harvest because of poor cane maturation, which has caused a ripple effect with fewer mills in operation in H1 May compared with the previous year.

**Previous 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.

- **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.

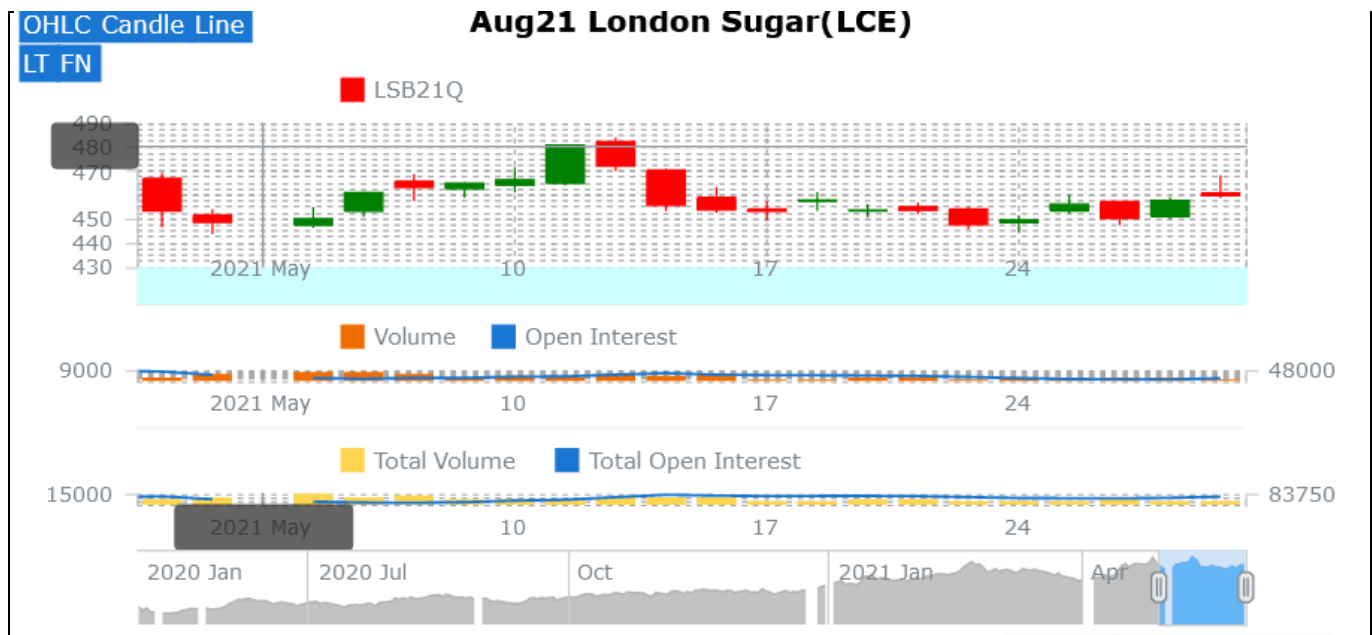
### International Sugar Futures Price Projection

#### 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 468.2, T1 458.4

International Sugar Futures Price Projection			
	Contract Month	Present Quote	The expected Price level for next week
LIFFE Sugar (US \$/MT)	Aug'21	459	460-470

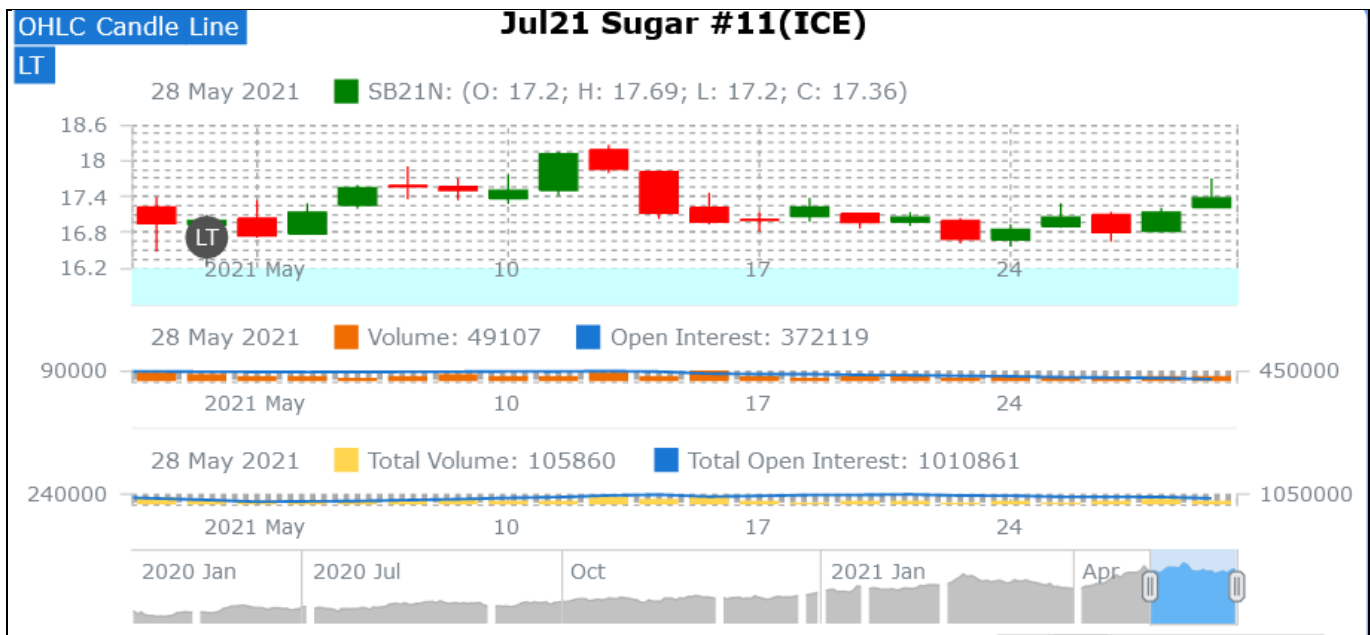


### ICE (Raw Sugar Exchange) Future Market Scenario (Jul'21 Contract)

#### 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 17.6 Targeting 17.36.

International Sugar Futures Price Projection			
	Contract Month	Present Quote	The expected Price level for next week
ICE Sugar #11 (US Cent/lb)	Jul'21	17.69	17.68 – 17.75



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

Commodity	Centre	Variety	Average Prices (Rs/Qtl)		Change
			20th May'21 to 26th May'21	13th May'21 to 19th May'21	
Delhi	Delhi	M-Grade	3283	3274	9
	Delhi	S-Grade	3263	3254	9
Uttar Pradesh	Khatauli	M-Grade	3301	3363	-62
	Ramala	M-Grade	NA	NA	-
	Dhampur	M-Grade Ex-Mill	3248	3308	-60
	Dhampur	S-Grade Ex-Mill	3228	3288	-60
	Dhampur	L-Grade Ex-Mill	3298	3358	-60
Maharashtra	Mumbai	M-Grade	3332	3338	-6
	Mumbai	S-Grade	3230	3225	5
	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)	3585	3600	-15
	Vijayawada	S-Grade (With Duty)	3565	3580	-15
West Bengal	Kolkata	M-Grade	3600	3500	100
Tamil Nadu	Chennai	S-Grade (With GST)	3600	3600	Unch
	Dindigul	M-Grade (DCA)	3580	3540	40

	Coimbatore	M-Grade (DCA)	3620	3540	80
Chattisgarh	Ambikapur	M-Grade (Without Duty)	3600	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)			20th May'21 to 26th May'21	13th May'21 to 19th May'21	
Uttar Pradesh	Muzaffarnagar	Chaku Fresh	3098	3119	-20
	Muzaffarnagar	Chaku(Arrival)(40kg Bag)	6750	8000	-1250
	Muzaffarnagar	Khurpa (Fresh)	2883	2856	27
	Muzaffarnagar	Laddoo (Fresh)	3050	3127	-77
	Muzaffarnagar	Rascut (Fresh)	NA	2650	-
	Hapur	Chaurasa	2963	2963	Unch
	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)	3360	NA	-
	Mandya	Achhu (Medium)	3835	3790	45
	Mandya	Kurikatu (Medium)	3500	3500	Unch
	Mandya	Other (Medium)	3425	3390	35
	Mandya	Yellow (Medium)	3588	3590	-3
	Shimoga	Achhu (Average)	3600	3600	Unch

## Spot Sugar Prices Scenario (Weekly)

Commodity	Centre	Variety	Today	Week Ago	Month Ago	Year Ago
Sugar			27-May-21	19-May-21	27-Apr-21	27-May-20
Delhi	Delhi	M-Grade	3310	3300	3400	3150
	Delhi	S-Grade	3290	3280	3380	3130
Uttar Pradesh	Khatauli	M-Grade	3270	3375	3400	3155
	Ramala	M-Grade	NA	0	0	0



	Dhampur	M-Grade Ex-Mill	3230	3315	0	3120
	Dhampur	S-Grade Ex-Mill	3210	3295	0	3100
	Dhampur	L-Grade Ex-Mill	3280	3365	0	3170
Maharashtra	Mumbai	M-Grade	3332	3332	3350	3540
	Mumbai	S-Grade	3220	3230	3250	3360
	Nagpur	M-Grade	3225	3225	3225	3275
	Nagpur	S-Grade	3125	3125	3175	3225
	Kolhapur	M-Grade	3100	3100	3100	3150
	Kolhapur	S-Grade	3000	3000	3050	3100
Assam	Guhawati	S-Grade	3309	3309	3360	3410
Meghalaya	Shillong	S-Grade	3320	3320	3370	3420
Andhra Pradesh	Vijayawada	M-Grade (With Duty)	3580	3600	3660	3600
	Vijayawada	S-Grade (With Duty)	3560	3580	3620	3540
West Bengal	Kolkata	M-Grade	3600	3500	3500	3530
Tamil Nadu	Chennai	S-Grade	Closed	3600	3550	3650
	Dindigul	M-Grade (DCA)	NA	3540	3540	3640
	Coimbatore	M-Grade (DCA)	NA	3540	3540	3650
Chattisgarh	Ambikapur	M-Grade (Without Duty)	3600	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)			27-May-21	19-May-21	27-Apr-21	27-May-20
Uttar Pradesh	Muzaffarnagar	ChakuSukha	3275	3150	3200	3000
	Muzaffarnagar	Chaku(Arrival)(40kg Bag)	1200	1500	3000	5000
	Muzaffarnagar	Khurpa	3000	2838	2950	2878
	Muzaffarnagar	Laddoo	3313	3088	3125	3100
	Muzaffarnagar	Rascut	NA	0	2500	2600
	Hapur	Chaurasa	NA	2963	2875	0
	Hapur	Balti	NA	0	2925	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	0	0
	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)	3381	0	0	3327
	Mandya	Achhu (Medium)	3830	3830	4100	3300
	Mandya	Kurikatu (Medium)	3550	3450	3400	3150
	Mandya	Other (Medium)	3650	3390	3750	3200
	Mandya	Yellow (Medium)	3500	3580	3800	3380
	Shimoga	Achhu (Average)	3600	3600	3450	3750

International Sugar Prices (Weekly Average)				
	Contract Month	20th May'21 to 26th May'21	13th May'21 to 19th May'21	Change
ICE Sugar #11 (US Cent/lb)	21-Mar	17.06	17.21	-0.15
	21-May	16.18	16.37	-0.19
	21-Jul	16.35	17.04	-0.69
LIFFE Sugar (US \$/MT)	21-Mar	455.56	459.04	-3.48
	21-May	446.62	450.90	-4.28
	21-Aug	449.92	454.66	-4.74

Source: MRCI

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