

Price Outlook:

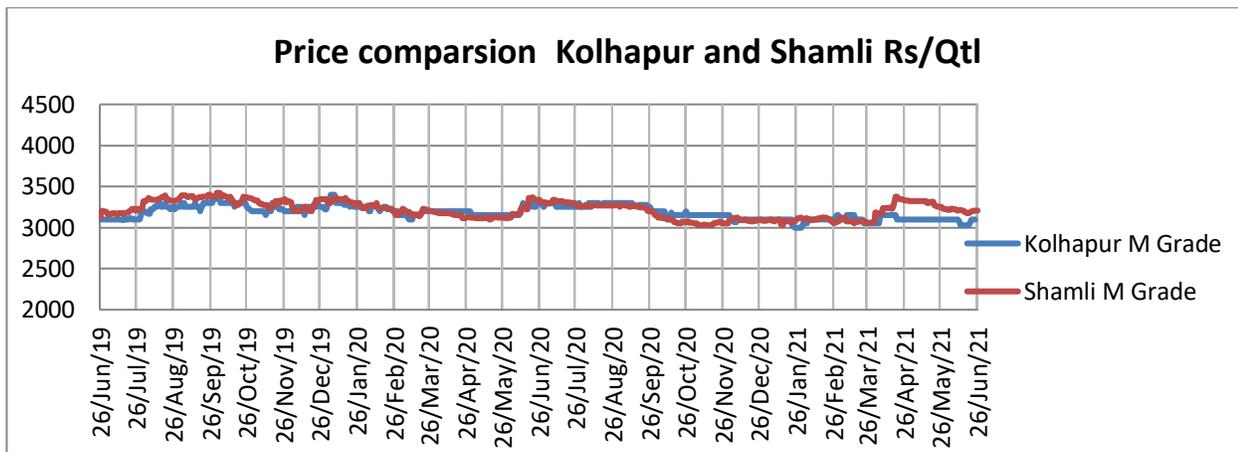
Sugar Production has reached 306.65 lakh tonnes in India. Uttar Pradesh Sugar mills have reported an increase in sugarcane crushing in the current season, whereas sugar production dipped as compared to the previous season. Sugar exports are likely to increase with favorable international prices in the market. The average sugar prices were higher at Rs. 3260/q from the previous week at Rs.3241/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.3000 -3100 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 lower at Rs.3189 per quintal during the week.



Domestic Market Highlights

Recent Updates:

Sugar mills have closed their crushing operation in Uttar Pradesh. Sugar mills have concluded the crushing season in the Meerut region of Uttar Pradesh. Sugar mills have reported an increase in sugarcane crushing in the current season, whereas sugar production dipped as compared to the previous season. The region has also recorded a decline in sugar recovery. Around 1,617.84 lakh quintal sugarcane was crushed during the 2019-20 season whereas, during the 2020-21, the sugar mills have crushed 1664.59 quintal sugarcane, which is 46.75 lakh quintal more than the previous season. In terms of sugar production, the mills had produced 183.33 lakh quintal sugar during the 2019-20 season whereas the sugar output in the 2020-21 season was 180.83 lakh quintal.

Previous Updates

- **Sugarcane farmers from Karnataka are demanding the government to increase the Fair and Remunerative Price (FRP) for sugarcane as the cost of cane cultivation has increased.** According to the

farmers input cost and cultivation cost per tonne of sugarcane is around Rs 3,200 to Rs 3,500 per tonne and the FRP for 2020-21 was Rs 2,850 which is less than what they spend on growing the cultivation. The state government is yet to announce the FRP for the next season, as per the local sources, the area is expected to increase to 6.68 lakh hectares in the current year but it is only possible if the government agrees to hike FRP to the input cost level.

- **India's sugar production is at 30.67 million tonnes (MT).** According to the Indian Sugar Mills Association, Sugar mills are confident that they would be able to sell 0.8 -1 MT more in domestic market compared with last year and export 7 MT, which is 1.1 MT more than the previous season. This is expected to leave the sugar industry with 2-2.5 MT less sugar stocks at the end of the season to September 30. According to the Department of Food and Public Distribution records, closing stocks at the end of the last season was 110 MT. As on June 15, only five sugar mills are continuing with sugarcane crushing and the rest of the mills across the country have closed crushing operations already.
- **According to ISMA, sugar mills have produced 306.65 lakh tonne of sugar till 15th June 2021:** Around 502 sugar mills were operating in the current season as compared to 457 sugar mills in the previous season. Till 15th June 2021, 5 sugar mills were crushing sugarcane, which is similar to that were operating the same time the previous season. Sugar mills have produced around 306.65 lakh tonnes of sugar till 15th June'2021, as compared to 271.11 lakh tonnes produced during the same period last year.

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

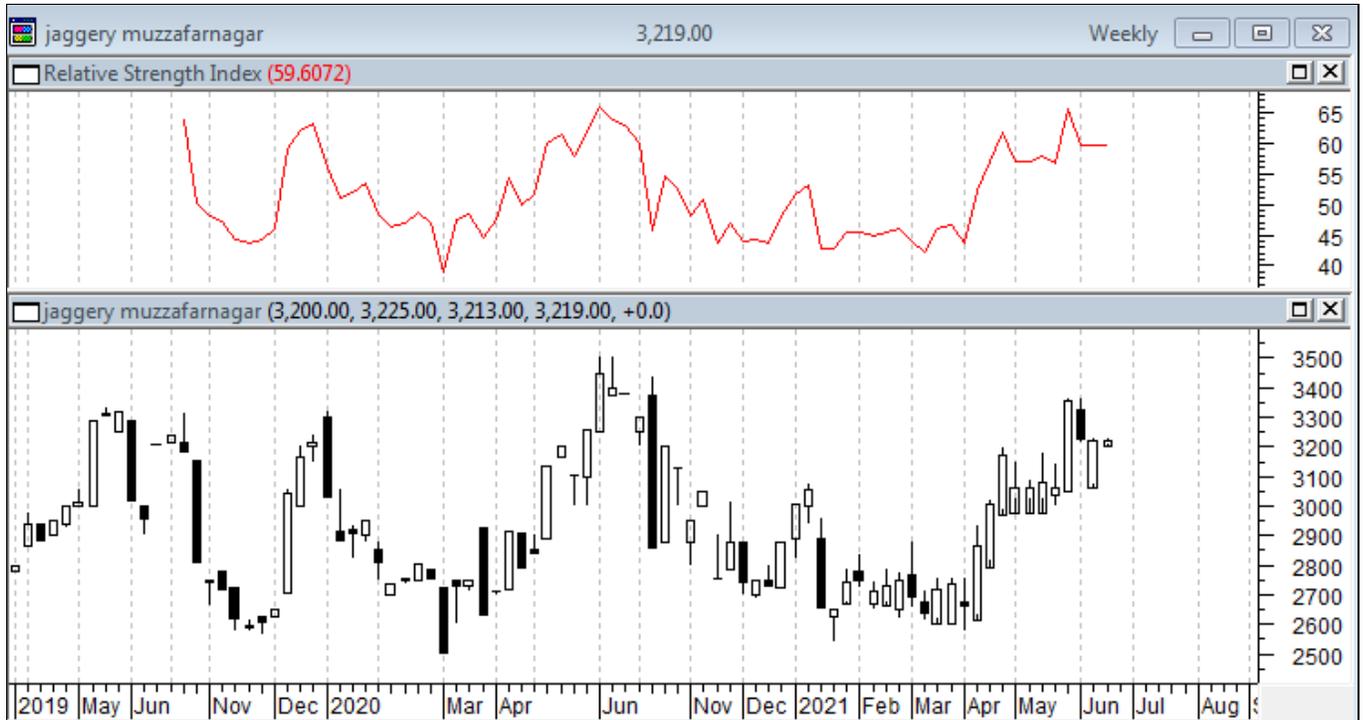
- The sugar spot prices at the benchmark Kolhapur market remained lower during last week and ended at Rs.3037/q.
- The next resistance and support level for the next week is expected at Rs.3100 and Rs.3050 per quintal respectively.
- RSI is in the neutral region.



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

Gur Market Scenario

- There was a decrease in arrivals and it stood around 3250 last week of Chaku variety of gur in key Muzaffarnagar market.
- The average price during the last week was at Rs. 3233/q and the prices in the last year were higher at Rs. 3416/q.
- RSI stood in the neutral region.



International Market Highlights

Recent Updates:

The sugarcane output in Thailand for the 2021-22 seasons is expected to drop below 100 million tonnes. According to Thai Sugar Millers Corporation (TSMC) Thailand will receive less rainfall this year during the wet season. The sugarcane production is likely to be 70-75 million tonnes in the new crop year. Thai sugarcane output decreased to 66.7 million tonnes in 2020-21 from 74.9 million tonnes in 2019-20. According to TSMC, sugar millers are likely to produce less

Previous Updates

- **Philippines have achieved the sugar production target.** Sugar output in the Philippines has reached the set target for the season with 2.1 million metric tonnes. The sugar crop year in the country is from September to August. According to Sugar Regulatory Administration, the sugar output has increased by 0.53% from the 2.098 million MT production registered during the same period last year.
- **According to Food and Agriculture Organization, Sugar production is estimated at 170.3 million tonnes in 2020-21 sugar season with a decline of 1.6 million tonnes.** The decline for a third consecutive season is mainly because of the production decline in Brazil, European Union, Russia and Thailand whereas the sugar consumption was forecasted to reach 172 million tonnes in 2020-21 higher by 3.2 million tonnes. The increase mostly comes from the expected recovery in the global economy after the downturn in past season because of the corona virus.

- **Global Sugar Consumption is expected to decline marginally.** International sugar organization has changed the earlier estimates of sugar deficit for 2020-21 season owing to the reduction in consumption across the world. The ISO, in a quarterly update has lowered the forecast of a global deficit from 4.8 million tonnes to 3.1 million tonnes in the ongoing season 2020-21. The ISO expects that the global sugar consumption will be down from 173.8 million tonnes to 172.4 million tonnes. The increases in the covid-19 cases in India and Brazil and various restrictions have led to the decline in sugar consumption.

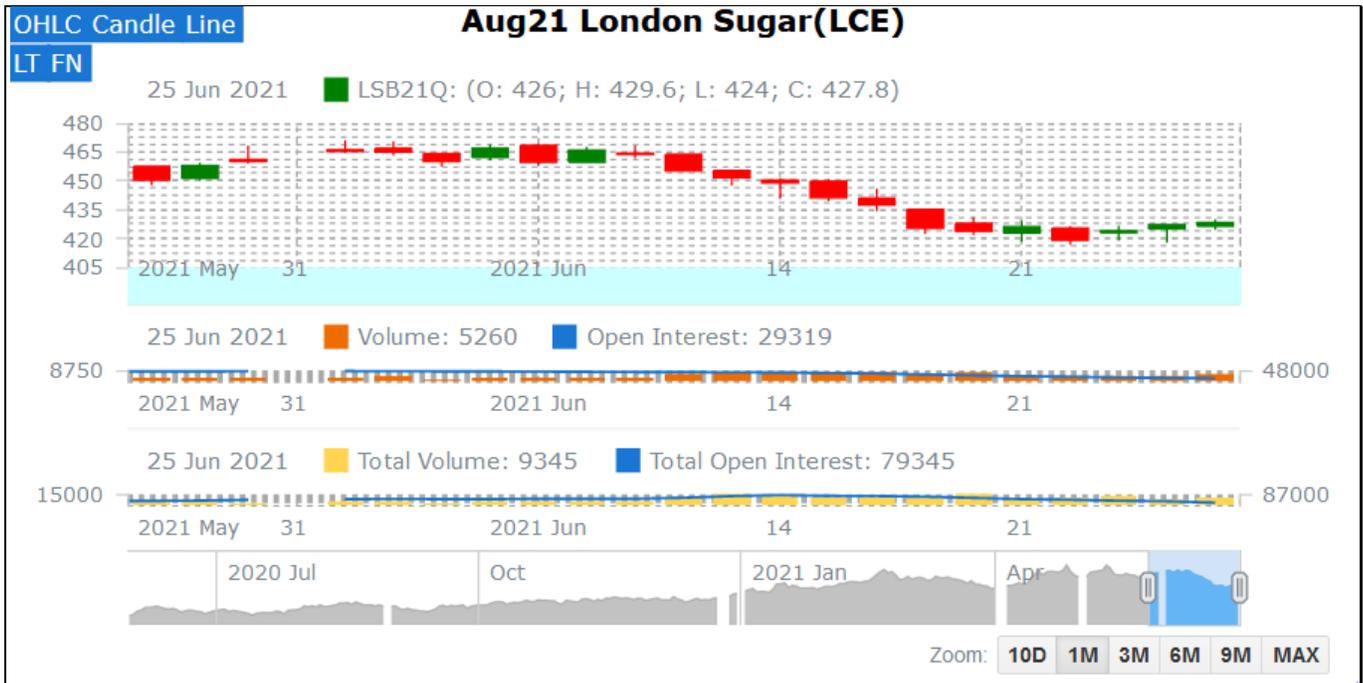
International Sugar Futures Price Projection

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: Sell at level 430, T1 426

International Sugar Futures Price Projection			
	Contract Month	Present Quote	The expected Price level for next week
LIFFE Sugar (US \$/MT)	Aug'21	429.6	428-440

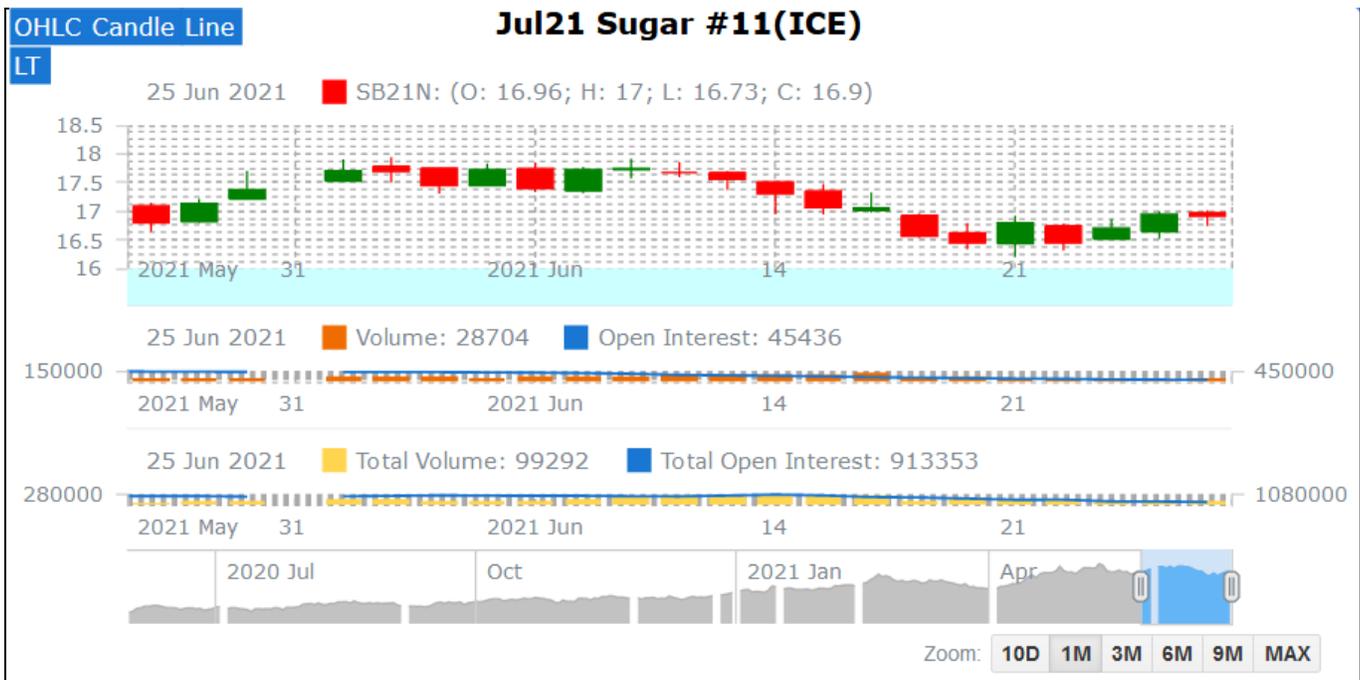


ICE (Raw Sugar Exchange) Future Market Scenario (Jul'21 Contract)

Technical Commentary:

- ICE raw sugar futures remained steady to weak during the week.
- Both total volume increased & open interest increased in a week.
- Strategy: Buy at rate 17.02 Targeting 16.9.

International Sugar Futures Price Projection			
	Contract Month	Present Quote	The expected Price level for next week
ICE Sugar #11 (US Cent/lb)	Jul'21	17.00	16.68 – 17.78



Spot Sugar Prices Scenario (Weekly) (Average)					
Commodity	Centre	Variety	Average Prices (Rs/Qtl)		Change
Sugar			17th June'21 to 23rd June'21	10th June'21 to 16th June'21	
Delhi	Delhi	M-Grade	3193	3238	-45
	Delhi	S-Grade	3173	3218	-45
Uttar Pradesh	Khatauli	M-Grade	3260	3241	19
	Ramala	M-Grade	3176	3180	-4
	Dhampur	M-Grade Ex-Mill	3127	3130	-3
	Dhampur	S-Grade Ex-Mill	3107	3110	-3
	Dhampur	L-Grade Ex-Mill	3177	3180	-3
Maharashtra	Mumbai	M-Grade	3314	3312	2
	Mumbai	S-Grade	3203	3206	-3
	Nagpur	M-Grade	3163	3196	-33
	Nagpur	S-Grade	3127	3129	-2
	Kolhapur	M-Grade	3038	3071	-33
	Kolhapur	S-Grade	3002	3004	-2
Assam	Guhawati	S-Grade	3262	3264	-2
Meghalaya	Shillong	S-Grade	3322	3324	-2
Andhra Pradesh	Vijayawada	M-Grade (With Duty)	3560	3580	-20
	Vijayawada	S-Grade (With Duty)	3560	3560	Unch
West Bengal	Kolkata	M-Grade	3600	3600	Unch
Tamil Nadu	Chennai	S-Grade (With GST)	3550	3575	-25
	Dindigul	M-Grade (DCA)	3580	3580	Unch
	Coimbatore	M-Grade (DCA)	3620	3620	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)			17th June'21 to 23rd June'21	10th June'21 to 16th June'21	
Uttar Pradesh	Muzaffarnagar	Chaku Fresh	NA	3233	-
	Muzaffarnagar	Chaku(Arrival)(40kg Bag)	NA	3500	-
	Muzaffarnagar	Khurpa (Fresh)	NA	3238	-
	Muzaffarnagar	Laddoo (Fresh)	NA	3518	-
	Muzaffarnagar	Rascut (Fresh)	NA	NA	-

	Hapur	Chaurasa	NA	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)	3250	3298	-48
	Mandya	Achhu (Medium)	3370	3412	-42
	Mandya	Kurikatu (Medium)	3192	3336	-144
	Mandya	Other (Medium)	3112	3250	-138
	Mandya	Yellow (Medium)	3300	3456	-156
	Shimoga	Achhu (Average)	3600	3600	Unch

Spot Sugar Prices Scenario (Weekly)

Commodity	Centre	Variety	Today	Week Ago	Month Ago	Year Ago
Sugar			26-Jun-21	18-Jun-21	27-May-21	26-Jun-20
Delhi	Delhi	M-Grade	3195	3210	3310	3300
	Delhi	S-Grade	3175	3190	3290	3280
Uttar Pradesh	Khatauli	M-Grade	NR	3260	3270	3360
	Ramala	M-Grade	NR	3160	0	NA
	Dhampur	M-Grade Ex-Mill	NR	3130	3230	3330
	Dhampur	S-Grade Ex-Mill	NR	3110	3210	3310
	Dhampur	L-Grade Ex-Mill	NR	3180	3280	3380
Maharashtra	Mumbai	M-Grade	3316	3312	3332	3540
	Mumbai	S-Grade	3202	3202	3220	3356
	Nagpur	M-Grade	3225	3150	3225	3425
	Nagpur	S-Grade	3135	3125	3125	3325
	Kolhapur	M-Grade	3100	3025	3100	3300
	Kolhapur	S-Grade	3010	3000	3000	3200
Assam	Guhawati	S-Grade	3319	3309	3309	3512
Meghalaya	Shillong	S-Grade	3330	3320	3320	3520
Andhra Pradesh	Vijayawada	M-Grade (With Duty)	3560	3560	3580	3740
	Vijayawada	S-Grade (With Duty)	3560	3560	3560	3680
West Bengal	Kolkata	M-Grade	3600	3600	3600	3710
Tamil Nadu	Chennai	S-Grade	3550	3550	Closed	Closed

	Dindigul	M-Grade (DCA)	3580	3580	0	3640
	Coimbatore	M-Grade (DCA)	3620	3620	0	3620
Chattisgarh	Ambikapur	M-Grade (Without Duty)	3600	3600	3600	0

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)			26-Jun-21	18-Jun-21	27-May-21	26-Jun-20
Uttar Pradesh	Muzaffarnagar	Chaku Sukha	NA	NA	3275	0
	Muzaffarnagar	Chaku(Arrival)(40kg Bag)	NA	NA	1200	0
	Muzaffarnagar	Khurpa	NA	NA	3000	0
	Muzaffarnagar	Laddoo	NA	NA	3313	0
	Muzaffarnagar	Rascut	NA	NA	0	2725
	Hapur	Chaurasa	NA	NA	0	0
	Hapur	Balti	NA	NA	0	0
Andhra Pradesh	Chittur	Gold	NR	NR	0	Closed
		White	NR	NR	0	Closed
		Black	NR	NR	0	Closed
Maharashtra	Latur	Lal Variety	NR	NR	0	0
Karnataka	Bangalore	Mudde (Average)	NA	4350	4350	4300
	Belgaum	Mudde (Average)	NA	NA	0	0
	Belthangadi	Yellow (Average)	NA	NA	0	0
	Bijapur	Achhu	NA	NA	0	3400
	Gulbarga	Other (Average)	NA	NA	0	0
	Mahalingapura	Penti (Average)	NA	3321	3381	3436
	Mandya	Achhu (Medium)	3400	3350	3830	3450
	Mandya	Kurikatu (Medium)	3250	3200	3550	3200
	Mandya	Other (Medium)	3200	3050	3650	3250
	Mandya	Yellow (Medium)	3250	3300	3500	3500
Shimoga	Achhu (Average)	NA	NA	3600	3600	

International Sugar Prices (Weekly Average)				
	Contract Month	17th June'21 to 23rd June'21	10th June'21 to 16th June'21	Change
ICE Sugar #11 (US Cent/lb)	21-Mar	16.55	17.44	-0.89
	21-May	16.81	17.17	-0.36
	21-Jul	17.10	17.32	-0.22
LIFFE Sugar (US \$/MT)	21-Mar	423.28	454.22	-30.94
	21-May	438.16	456.88	-18.72
	21-Aug	446.26	455.82	-9.56

Source: MRCI

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