

Price Outlook:

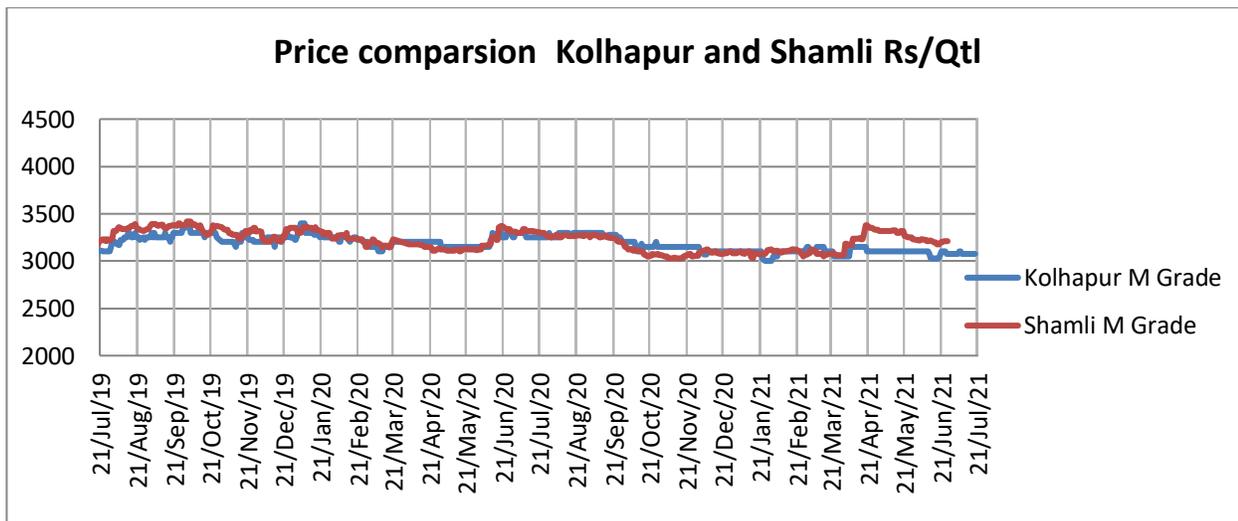
Sugarcane arrears till May 2021 have reached Rs. 21,321 crore, and are highest in Uttar Pradesh. Sugar Production has reached 307 lakh tonnes in India till 14th July 2021; sugar production for 2020-21 seasons is estimated at 309 lakh tonnes. The average sugar prices were lower at Rs. 3248/q from the previous week at Rs.3262/q in Delhi market. The prices in Maharashtra also stood slightly firm at Rs.3069/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.3069 -3000 per quintal for next week.

Domestic Sugar Market Summary

Average prices for sugar ‘M’ grade in key Kolhapur market were range bound at Rs.3075 per quintal, while in Shamli district there were no arrivals during the last week.



Domestic Market Highlights

Recent Updates:

- Sugarcane dues reaches above Rs. 21,000 crore.** Sugarcane arrears till May 2021 have reached Rs. 21,321 crore, highest in Uttar Pradesh. The total cane dues of Rs. 18,820 crore is from the current cane crushing season and Rs. 2,501 crore from previous season. For the 2020-21 seasons, around 63 percent of the cane dues are from Uttar Pradesh and rest are from Maharashtra, Karnataka and other states. As per the market the sugar mills said, that the low sugar sales have affected their business and therefore they failed to accumulate the capital and hence affecting the cane dues settlement.

Previous Updates

- **Bijnor sugar mill will focus on ethanol production.** Around five sugar mills in the district have accelerated ethanol production. The mills have produced around 9,60,40,000 litres of ethanol, out of which 8,86,94000 litres of ethanol have been sold, mills have paid 55 per cent of the money earned by selling ethanol to sugarcane farmers. The mills from the district have sold ethanol worth Rs 504.72 crore. Currently, for the coming season 2021-22 ethanol output is likely to increase as the government has emphasized its production.
- **Sugar Industry waits for hike in Minimum Selling Price of Sugar.** Domestic sugar prices have been depressed in the wake of surplus sugar production for sugar season 2019-20 and 2020-21. Millers have been liquid-strapped given the depressed ex-mill prices along with harming the capability of paying cane dues in the given time. As per the latest reports, the cane dues for the ongoing season 2020-21 are around ₹18820 crores. The sugar industry has been seeking a hike in the MSP of sugar that would help in covering the cost of production, including interest and maintenance costs. The sugarcane FRP has not been increased from last 2 seasons.
- **Mawana Sugar Mill has cleared cane dues of Rs. 102 crore.** The sugar mill has crushed 202.08 and 104.78 lakh quintals of sugarcane respectively in the crushing season 2020-21 in their 2 sugar mills Mawana sugar mill and Mawana & Nanglamal sugar complex. The sugar mill on 24th July'21 has cleared cane dues of Rs. 102 crore which include Rs. 50.19 crore by Mawana sugar works and Rs. 51.81 crore by the Nanglamal sugar complex.
- **ISMA has estimated Sugar Production for 2020-21 seasons at 309 lakh tonnes.** According to ISMA, opening balance is estimated at 107 lakh tonnes, whereas sugar production for the current sugar season 2020-21 is estimated around 309 lakh tonnes, expected domestic sales of around 260 lakh tonnes and exports are estimated at around 70 lakh tonnes. The opening balance of about 87 lakh tons on 1st Oct. 2021, will be about 20 lakh tonnes less than the opening stock as on 1st Oct 2020.

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

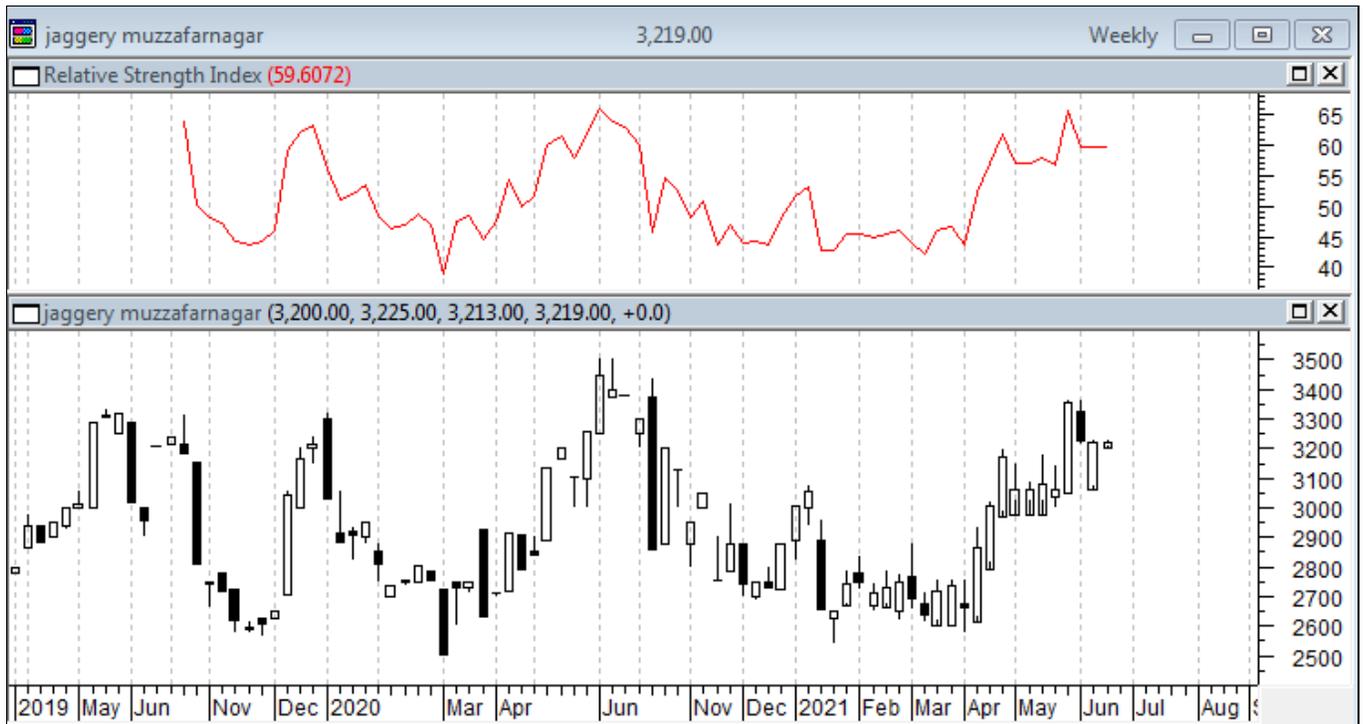
- The sugar spot prices at the benchmark Kolhapur market remained lower during last week and ended at Rs.3069/q.
- The next resistance and support level for the next week is expected at Rs.3000 and Rs.3050 per quintal respectively.
- RSI is in the neutral region.



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

Gur Market Scenario

- The arrivals have closed in Muzaffarnagar.



International Market Highlights

Recent Updates:

India’s production is forecasted to reach 35.6 million tonnes by 2030. According to FAO Agricultural Outlook Report, World Sugarcane production is projected to grow by 1 percent per annum and reach 1,960 million tonnes by 2030 with Brazil and India anticipated to contribute 65 percent of the change in global output. Brazil Sugar production is projected to increase to 41.0 ml t, production in India is forecasted to reach 35.6 ml t by 2030.

Previous Updates

- **Philippines sugar production reached at 2.13 million metric tonnes.** According to the Sugar Regulatory Administration (SRA), Sugar output in Phillipines has reached 2.137 million metric tonnes in the first week of July which is slightly lower around 2.14 million MT during the same period last year. However, despite the decline, the sugar output in the country has already exceeded its set target. According to the SRA, the sugar production for the current season has surpassed the government’s full-year target. The sugar crop year starts in September and ends in August.
- **Thailand sugar millers predicts sugar production around 6.6 million tonnes in 2020-21 season.** According to the Thai Sugar Millers Corporation, the domestic sugar production for the 2020-21 is around 6.6 million tonnes, which is lowest in the decade. Thailand had received less rainfall this year during the rainy

season and also drought in the previous year which has impacted the sugar production. Many farmers are shifting to cassava which is drought resistant.

- **European Union’s sugar production is likely to rise in the season 2021-22.** According to the European Commission short-term outlook report, Sugar output in EU is estimated to increase in 2021-22 season. Sugar production in the previous season was 14.5 million tonnes, whereas in the 2021-22 seasons it is forecasted to increase 15.5 million tonnes.
- **Sri Lanka is planning to import sugar from India.** Sri Lanka government is planning to import sugar from India to cool down the rising commodity prices in the country. Currently, the sugar imports are under license and require prior consent from the Controller of Imports and Exports. On recommendation of the trade ministry cabinet has allowed importing 2,500 tonnes of sugar per month.

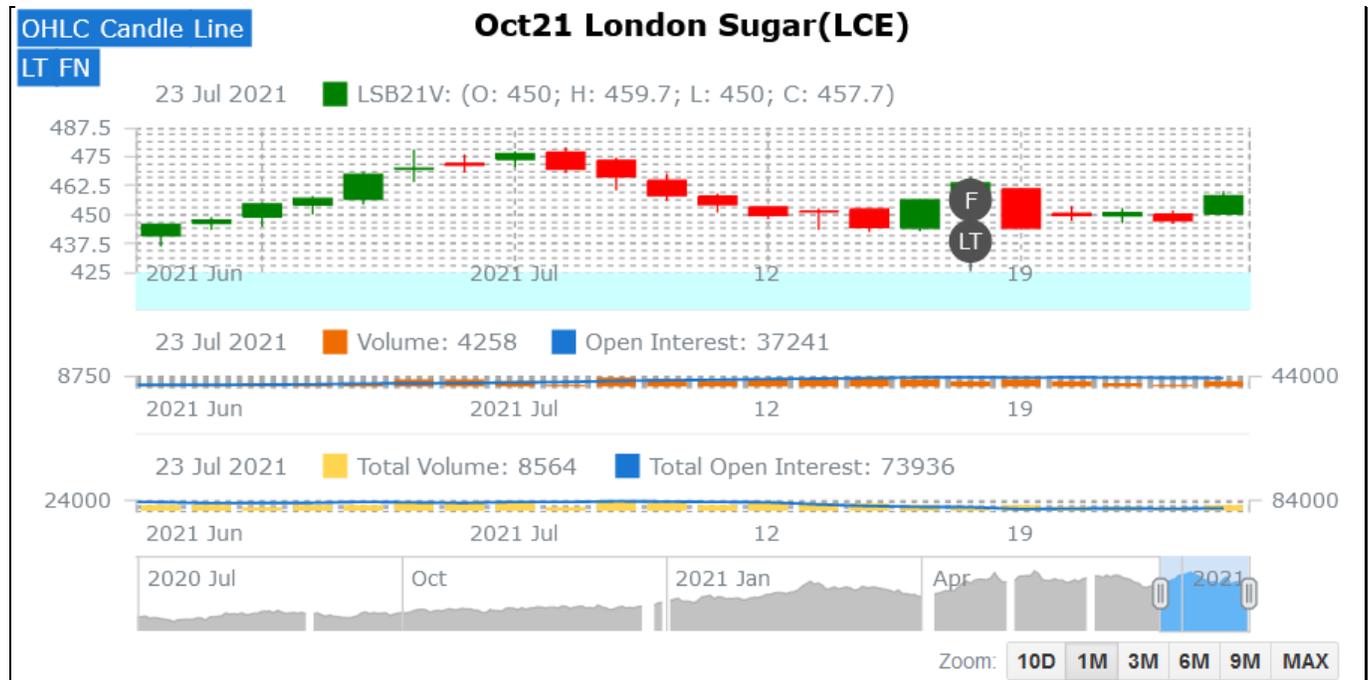
International Sugar Futures Price Projection

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 460, T1 457

International Sugar Futures Price Projection			
	Contract Month	Present Quote	The expected Price level for next week
LIFFE Sugar (US \$/MT)	Oct’21	459	453-464

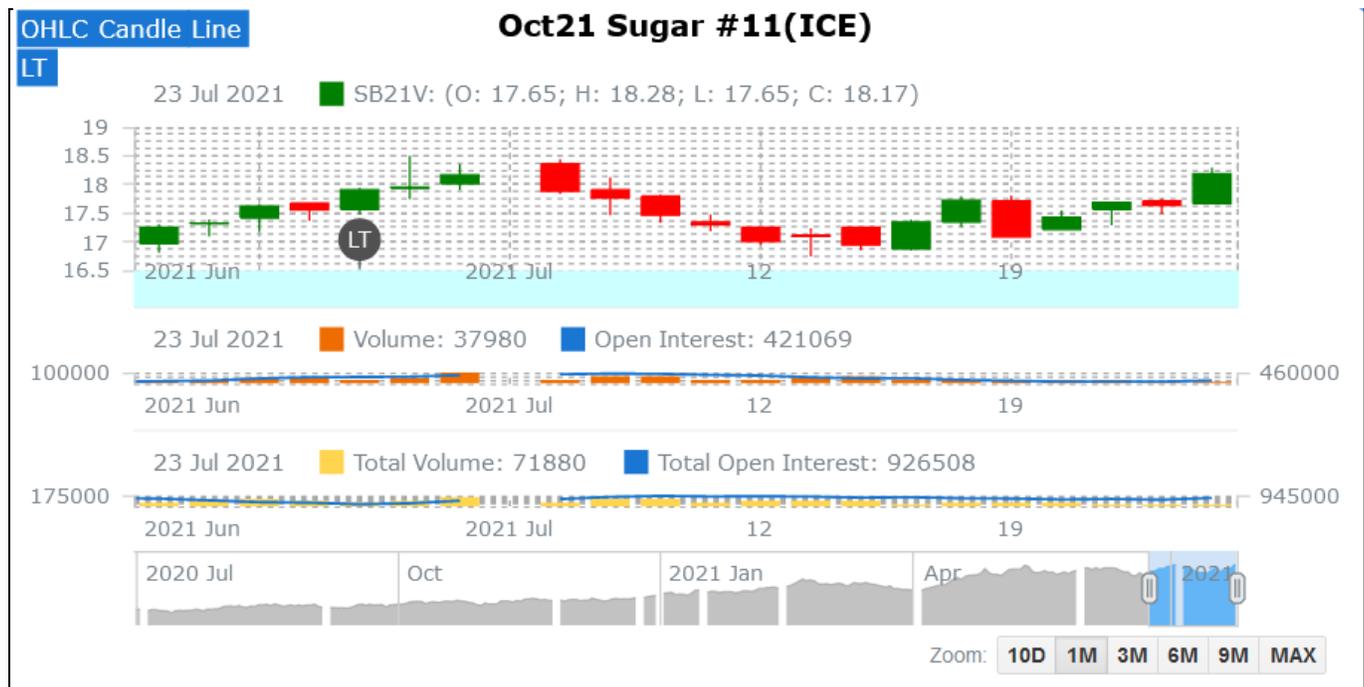


ICE (Raw Sugar Exchange) Future Market Scenario (Oct'21 Contract)

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 18.27 Targeting 18.30.

International Sugar Futures Price Projection			
	Contract Month	Present Quote	The expected Price level for next week
ICE Sugar #11 (US Cent/lb)	Oct'21	18.28	18.24– 18.54



Spot Sugar Prices Scenario (Weekly) (Average)					
Commodity	Centre	Variety	Average Prices (Rs/Qtl)		Change
Sugar			15th July'21 to 21st July'21	08th July'21 to 14th July'21	
Delhi	Delhi	M-Grade	3248	3262	-14
	Delhi	S-Grade	3228	3242	-14
Uttar Pradesh	Khatauli	M-Grade	NA	NA	-
	Ramala	M-Grade	NA	NA	-
	Dhampur	M-Grade Ex-Mill	NA	NA	-
	Dhampur	S-Grade Ex-Mill	NA	NA	-
	Dhampur	L-Grade Ex-Mill	NA	NA	-
Maharashtra	Mumbai	M-Grade	3388	3367	21
	Mumbai	S-Grade	3206	3206	Unch
	Nagpur	M-Grade	3194	3204	-10
	Nagpur	S-Grade	3130	3150	-20
	Kolhapur	M-Grade	3069	3079	-10
	Kolhapur	S-Grade	3005	3025	-20
Assam	Guhawati	S-Grade	3265	3285	-20
Meghalaya	Shillong	S-Grade	3325	3334	-9
Andhra Pradesh	Vijayawada	M-Grade (With Duty)	3540	3520	20
	Vijayawada	S-Grade (With Duty)	3520	3520	Unch
West Bengal	Kolkata	M-Grade	3480	3513	-33
Tamil Nadu	Chennai	S-Grade (With GST)	3500	3542	-42
	Dindigul	M-Grade (DCA)	3520	3540	-20
	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)			15th July'21 to 21st July'21	08th July'21 to 14th July'21	
Uttar Pradesh	Muzaffarnagar	Chaku Fresh	NA	NA	-
	Muzaffarnagar	Chaku(Arrival)(40kg Bag)	NA	NA	-
	Muzaffarnagar	Khurpa (Fresh)	NA	NA	-
	Muzaffarnagar	Laddoo (Fresh)	NA	NA	-
	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)	4600	4600	Unch
	Belgaum	Mudde (Average)	NA	NA	-
	Belthangadi	Yellow (Average)	NA	NA	-
	Bijapur	Achhu	NA	NA	-
	Gulbarga	Other (Average)	NA	NA	-
	Mahalingapura	Penti (Average)	3250	3218	32
	Mandya	Achhu (Medium)	3170	3192	-22
	Mandya	Kurikatu (Medium)	3100	3100	Unch
	Mandya	Other (Medium)	3020	2913	107
	Mandya	Yellow (Medium)	3162	3080	82
	Shimoga	Achhu (Average)	3638	3600	38

Spot Sugar Prices Scenario (Weekly)

Commodity	Centre	Variety	Today	Week Ago	Month Ago	Year Ago
Sugar			24-Jul-21	16-Jul-21	24-Jun-21	24-Jul-20
Delhi	Delhi	M-Grade	3200	3200	3250	3300
	Delhi	S-Grade	3180	3180	3230	3280
Uttar Pradesh	Khatauli	M-Grade	NR	NR	3260	3320
	Ramala	M-Grade	NR	NR	3190	0
	Dhampur	M-Grade Ex-Mill	NR	NR	3110	3300
	Dhampur	S-Grade Ex-Mill	NR	NR	3090	3280
	Dhampur	L-Grade Ex-Mill	NR	NR	3160	3350
Maharashtra	Mumbai	M-Grade	3390	3386	3316	3570
	Mumbai	S-Grade	3206	3206	3206	3350
	Nagpur	M-Grade	3200	3185	3225	3375
	Nagpur	S-Grade	3150	3125	3135	3275
	Kolhapur	M-Grade	3075	3060	3100	3250
	Kolhapur	S-Grade	3025	3000	3010	3150
Assam	Guhawati	S-Grade	3334	3309	3319	3461
Meghalaya	Shillong	S-Grade	3345	3320	3330	3470
Andhra Pradesh	Vijayawada	M-Grade (With Duty)	3570	3520	3560	3700
	Vijayawada	S-Grade (With Duty)	3520	3520	3560	3700
West Bengal	Kolkata	M-Grade	3480	3480	3600	3690
Tamil Nadu	Chennai	S-Grade	3500	3500	3550	3760
	Dindigul	M-Grade (DCA)	3520	3520	3580	3840

	Coimbatore	M-Grade (DCA)	3620	3620	3620	3620
Chattisgarh	Ambikapur	M-Grade (Without Duty)	NA	NA	3600	3600

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)			24-Jul-21	16-Jul-21	24-Jun-21	24-Jul-20
Uttar Pradesh	Muzaffarnagar	Chaku Sukha	NA	NA	NA	0
	Muzaffarnagar	Chaku(Arrival)(40kg Bag)	NA	NA	NA	0
	Muzaffarnagar	Khurpa	NA	NA	NA	0
	Muzaffarnagar	Laddoo	NA	NA	NA	0
	Muzaffarnagar	Rascut	NA	NA	NA	0
	Hapur	Chaurasa	NA	NA	NA	0
	Hapur	Balti	NA	NA	NA	0
Andhra Pradesh	Chittur	Gold	NR	NR	NR	0
		White	NR	NR	NR	0
		Black	NR	NR	NR	0
Maharashtra	Latur	Lal Variety	NR	NR	NR	0
Karnataka	Bangalore	Mudde (Average)	0	4600	4350	4550
	Belgaum	Mudde (Average)	0	NA	NA	0
	Belthangadi	Yellow (Average)	0	NA	NA	0
	Bijapur	Achhu	0	NA	NA	0
	Gulbarga	Other (Average)	0	NA	NA	0
	Mahalingapura	Penti (Average)	0	3268	3263	3493
	Mandya	Achhu (Medium)	0	3150	3450	3750
	Mandya	Kurikatu (Medium)	0	3100	3200	3250
	Mandya	Other (Medium)	0	3000	3270	3450
	Mandya	Yellow (Medium)	0	3180	3250	3600
	Shimoga	Achhu (Average)	0	3650	3600	3650

International Sugar Prices (Weekly Average)				
	Contract Month	15th July'21 to 21st July'21	08th July'21 to 14th July'21	Change
ICE Sugar #11 (US Cent/lb)	21-Jul	17.06	16.78	0.28
	21-Oct	16.38	16.19	0.19
	22-Mar	17.44	17.11	0.33
LIFFE Sugar (US \$/MT)	21-Aug	466.46	460.02	6.44
	21-Oct	465.82	464.58	1.24
	21-Dec	457.82	458.44	-0.62

Source: MRCI

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