

Price Outlook:

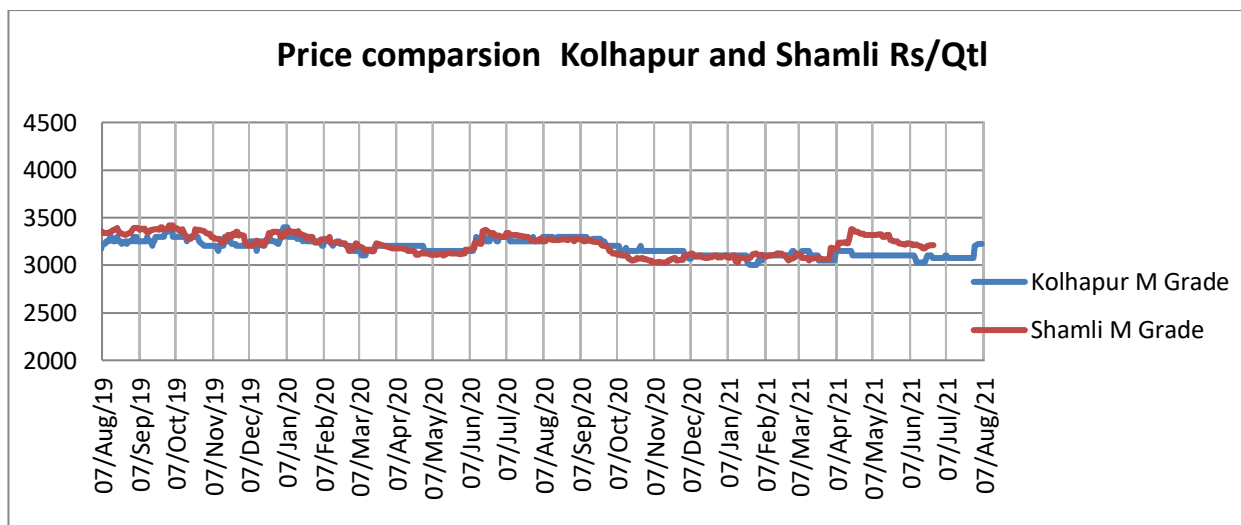
The Central governments and the State government are focusing on ethanol production as the 2020-21 season has come to an end. Crushing is going on in Tamil Nadu. The Assam government has approved ethanol production promotion policy, 2021 in the last week and it shall be valid up to 31st March 2021. Sugar production for 2020-21 seasons are estimated at 309 lakh tonnes. The average sugar prices were higher at Rs. 3308/q from the previous week at Rs.3221/q in Delhi market. The prices in Maharashtra also stood slightly firm at Rs.3141/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.3140 per quintal, while in Shamli district there were no arrivals during the last week.

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

- **Assam has approved ethanol production policy.** The Assam government has approved ethanol production promotion policy, 2021 and it shall be valid up to 31st March 2021. The policy will increase ethanol production in the state; also the standalone green field ethanol producing industrial units will be provided incentives under the policy.

Previous Updates

- **NFCSF demands hike in minimum Selling Price of sugar.** The National Federation of Cooperative Sugar Factories Limited (NFCSF) has demanded that the government to rise the minimum selling price of sugar from Rs. 31 per kg to above Rs. 37.50. They have also demanded grade wise pricing of sugar (small, medium and large size) to remove the current anomaly.
- **Domestic Sugar prices have increased after 7 months.** The domestic sugar prices have seen an uptrend since last 3 days by aggressive offerings and lifting. Demand is expected to increase with the dawn of the most auspicious Hindu month Shravan, the ease in many states imposed lockdown has also brought in demand. Prices have witnessed an upswing of average Rs. 80-100 per quintal nationwide after depressed prices for 7 constant months. Sugar prices in Maharashtra were at Rs. 3120 per quintal to Rs. 3155 per quintal for S grade whereas for M grade it was Rs. 3180 to Rs. 3250 per quintal.
- **Madhya Pradesh government is planning to boost ethanol production in the state.** The state government along with the Central government is planning to boost ethanol production in Madhya Pradesh. The Private players are setting up 20 ethanol units in the state. Currently India's ethanol blending rate with petrol is 8 percent. Also, the central government with an aim to lower the expenditure on foreign exchange has set a target of blending 20 per cent ethanol with petrol by 2025.
- **Uttar Pradesh leads in ethanol production in India.** The state has produced 58 crore litres of ethanol and the total operated distillers were 54, the average ethanol blending rate has reached 7.93 percent. Ethanol output is likely to increase in the upcoming season 2021-22 as government has emphasized its production.

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

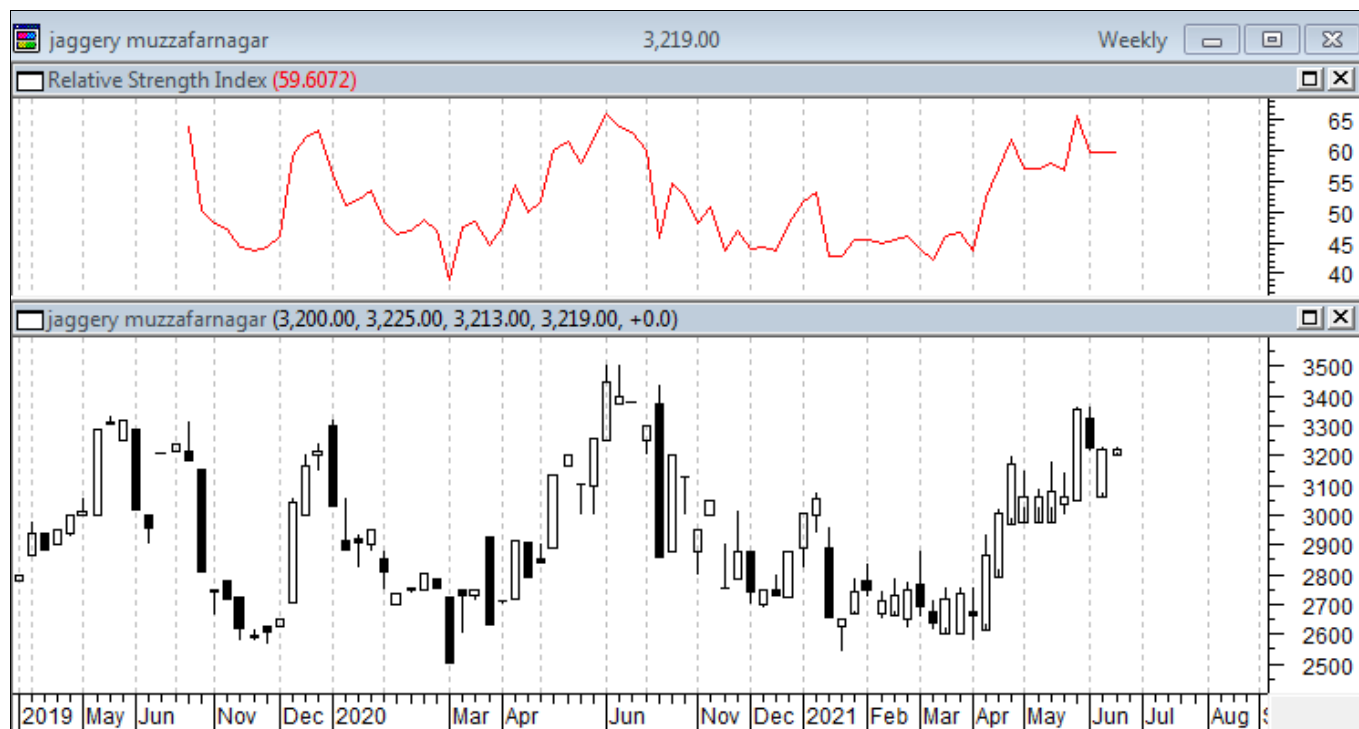
- The sugar spot prices at the benchmark Kolhapur market was higher during last week and ended at Rs.3141/q.
- The next resistance and support level for the next week is expected at Rs.3150 and Rs.3100 per quintal respectively.
- RSI is in the neutral region.



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

Gur Market Scenario

- The arrivals have closed in Muzaffarnagar.



International Market Highlights

Recent Updates:

Fiji sugar production has reached 24,000 tonnes till 1st August 2021. According to the Fiji Sugar Corporation (FSC) sugar mills have crushed around 283,000 tonnes of cane and produced 24,000 tonnes of sugar till 1st August 2021. The mills have crushed the sugarcane with an average TCTS (tonnes cane to tonnes sugar) of 11.91. As per National Farmer Union, all the three sugar mills are under performing due to mechanical and processing problems that are hampering the performance of the mills. This is causing huge loss to farmers and the sugar industry as a whole. Whereas on the other hand Fiji Sugar Corporation said that there is an issue of cane supply at Labasa sugar mill and there were minor issues at the Lautoka and Rarawai mills in the first 2 weeks of the season which have been resolved and all mills are operating well now.

Previous Updates

- **Brazil Sugar Production have decreased in July 2021.** According to data released by the trade association, UNICA Sugar production in the center-south region of Brazil has lowered by 2.8 percent in the first half of July compared with last year. The mills in the region have produced 2.94 million tonnes of sugar. As per the information shared by the 24 mills, agriculture yield of sugarcane was 14% lower in the first half of July compared to last year. The mills have in the first half of July crushed 45.6 million tonnes of cane which was 2.3% less compared to last year. At the same time, ethanol production increased by 1.1% to 2.16 billion litres.
- **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.

- **Philippines sugar production reached at 2.13 million metric tonnes.** According to the Sugar Regulatory Administration (SRA), Sugar output in Phillippines 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.

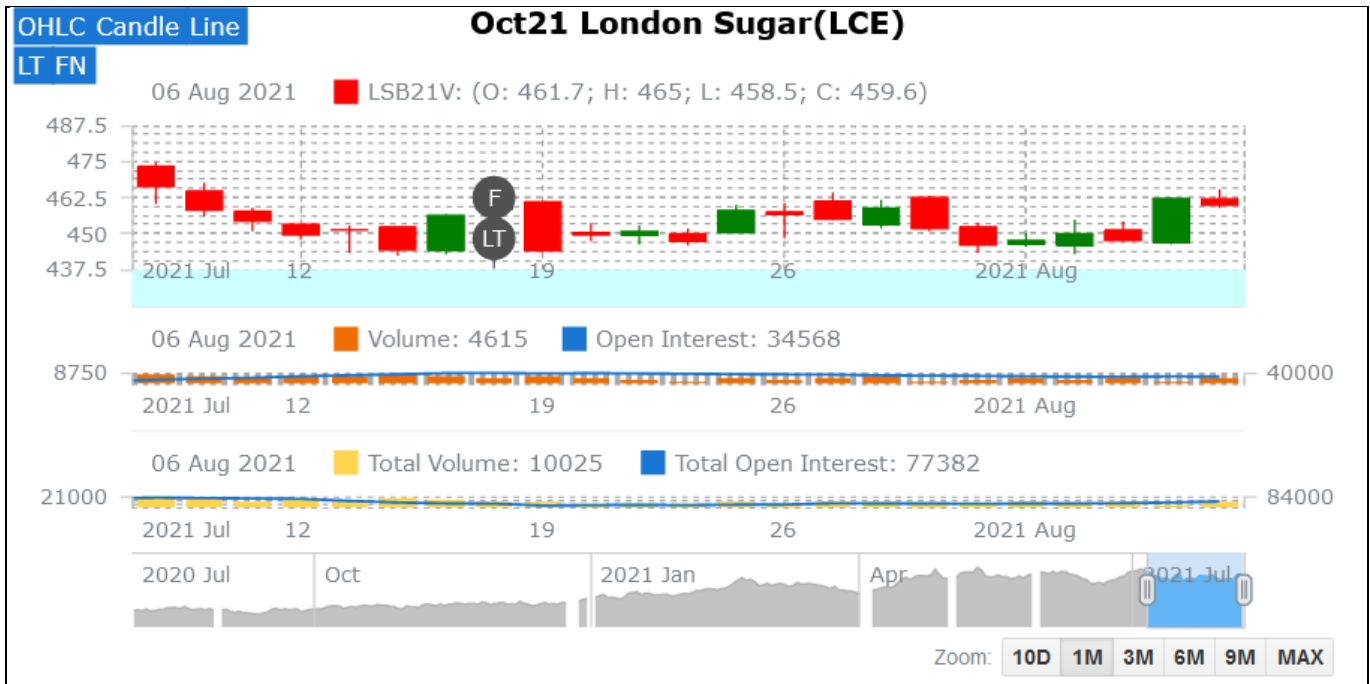
International Sugar Futures Price Projection

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 464, T1 460

International Sugar Futures Price Projection			
	Contract Month	Present Quote	The expected Price level for next week
LIFFE Sugar (US \$/MT)	Oct'21	465	465-474

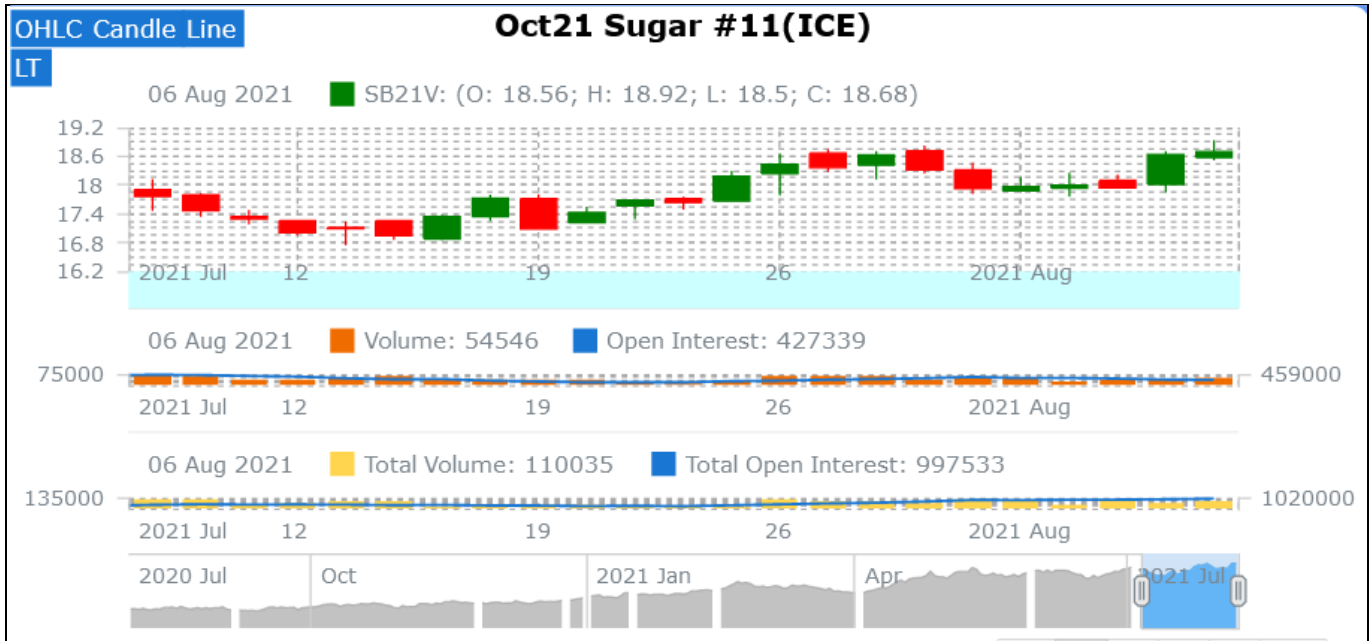


ICE (Raw Sugar Exchange) Future Market Scenario (Oct'21 Contract)

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 18.95 Targeting 18.67.

International Sugar Futures Price Projection			
	Contract Month	Present Quote	The expected Price level for next week
ICE Sugar #11 (US Cent/lb)	Oct'21	18.92	18.90– 19.20



Spot Sugar Prices Scenario (Weekly) (Average)

Commodity	Centre	Variety	Average Prices (Rs/Qtl)		Change
			29th July'21 to 04th Aug'21	22nd July'21 to 28th July'21	
Delhi	Delhi	M-Grade	3308	3221	87
	Delhi	S-Grade	3288	3201	87
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	3390	3390	Unch
	Mumbai	S-Grade	3297	3208	89
	Nagpur	M-Grade	3266	3200	66
	Nagpur	S-Grade	3191	3142	49
	Kolhapur	M-Grade	3141	3075	66
	Kolhapur	S-Grade	3066	3017	49
Assam	Guhawati	S-Grade	3326	3277	49
Meghalaya	Shillong	S-Grade	3386	3337	49
Andhra Pradesh	Vijayawada	M-Grade (With Duty)	3537	3535	2
	Vijayawada	S-Grade (With Duty)	3577	3510	67
West Bengal	Kolkata	M-Grade	3480	3480	Unch

Tamil Nadu	Chennai	S-Grade (With GST)	3650	3525	125
	Dindigul	M-Grade (DCA)	3520	3520	Unch
	Coimbatore	M-Grade (DCA)	3540	3540	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)			29th July'21 to 04th Aug'21	22nd July'21 to 28th 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)	4583	4600	-17
	Belgaum	Mudde (Average)	NA	NA	-
	Belthangadi	Yellow (Average)	NA	NA	-
	Bijapur	Achhu	NA	NA	-
	Gulbarga	Other (Average)	NA	NA	-
	Mahalingapura	Penti (Average)	3287	3275	12
	Mandya	Achhu (Medium)	3230	3272	-42
	Mandya	Kurikatu (Medium)	3060	3100	-40
	Mandya	Other (Medium)	3110	3126	-16
	Mandya	Yellow (Medium)	3180	3268	-88
	Shimoga	Achhu (Average)	3650	3650	Unch

Spot Sugar Prices Scenario (Weekly)

Commodity	Centre	Variety	Today	Week Ago	Month Ago	Year Ago
Sugar			07-Aug-21	30-Jul-21	08-Jul-21	07-Aug-20
Delhi	Delhi	M-Grade	3340	3300	3275	3250
	Delhi	S-Grade	3320	3280	3255	3230
Uttar Pradesh	Khatauli	M-Grade	NR	NR	NR	3315
	Ramala	M-Grade	NR	NR	NR	0
	Dhampur	M-Grade Ex-Mill	NR	NR	NR	3225
	Dhampur	S-Grade Ex-Mill	NR	NR	NR	3205
	Dhampur	L-Grade Ex-Mill	NR	NR	NR	3275
Maharashtra	Mumbai	M-Grade	3450	3360	3350	3600
	Mumbai	S-Grade	3306	3260	3206	3350
	Nagpur	M-Grade	3345	3200	3225	3375
	Nagpur	S-Grade	3245	3150	3150	3275
	Kolhapur	M-Grade	3220	3075	3100	3250
	Kolhapur	S-Grade	3120	3025	3025	3150
Assam	Guhawati	S-Grade	3431	3334	3334	3461
Meghalaya	Shillong	S-Grade	3440	3345	3345	3470
Andhra Pradesh	Vijayawada	M-Grade (With Duty)	3600	3500	3520	3640
	Vijayawada	S-Grade (With Duty)	3680	3500	3520	3700
West Bengal	Kolkata	M-Grade	3480	3480	3520	3720
Tamil Nadu	Chennai	S-Grade	3600	3550	3550	3750
	Dindigul	M-Grade (DCA)	3520	3520	3560	3800
	Coimbatore	M-Grade (DCA)	3540	3540	3620	3620
Chattisgarh	Ambikapur	M-Grade (Without Duty)	NA	3600	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)			07-Aug-21	30-Jul-21	08-Jul-21	07-Aug-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)	4500	4600	4600	4550
	Belgaum	Mudde (Average)	NA	NA	NA	0
	Belthangadi	Yellow (Average)	NA	NA	NA	0
	Bijapur	Achhu	NA	NA	NA	0
	Gulbarga	Other (Average)	NA	NA	NA	0
	Mahalingapura	Penti (Average)	NA	NA	3190	3445
	Mandya	Achhu (Medium)	NA	3350	3130	3750
	Mandya	Kurikatu (Medium)	NA	3000	3150	3300
	Mandya	Other (Medium)	NA	3200	2950	3450
	Mandya	Yellow (Medium)	NA	3250	3100	3700
	Shimoga	Achhu (Average)	3650	3650	3600	3500

International Sugar Prices (Weekly Average)

	Contract Month	29th July'21 to 04th Aug'21	22nd July'21 to 28th July'21	Change
ICE Sugar #11 (US Cent/lb)	21-Jul	17.65	17.73	-0.08
	21-Oct	16.89	16.91	-0.02
	22-Mar	18.01	18.23	-0.22
LIFFE Sugar (US \$/MT)	21-Aug	475.84	479.00	-3.16
	21-Oct	473.86	475.28	-1.42
	21-Dec	464.54	465.14	-0.60

Source: MRCI

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