

Price Outlook:

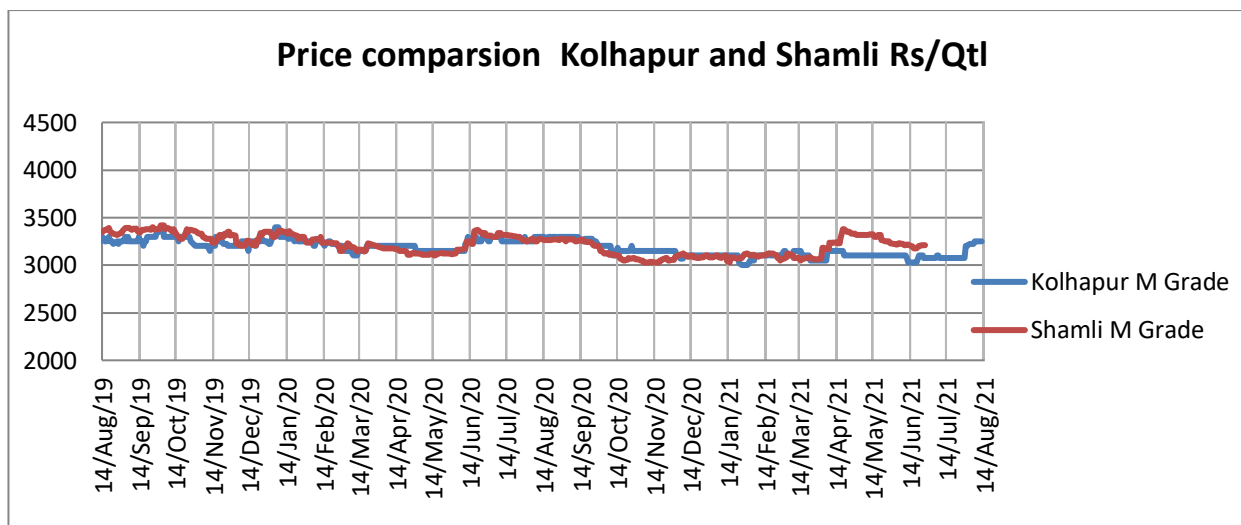
The Central governments and the State government are focusing on ethanol production as the 2020-21 season has come to an end. Top Borer has affected the sugarcane crop in Haryana. Sugar production for 2020-21 seasons are estimated at 309 lakh tonnes. The average sugar prices were higher at Rs. 3338/q from the previous week at Rs.3308/q in Delhi market. The prices in Maharashtra also stood high at Rs.3230/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.3150 -3250 per quintal for next week.

Domestic Sugar Market Summary

Average prices for sugar 'M' grade in key Kolhapur market were range bound at Rs.3250 per quintal, while in Shamli district there were no arrivals during the last week.

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

- **Around 250 sugar mills are non operational in India.** According to the Minister of State and Rural Development, around 250 sugar mills are closed in India due to financial crunch and poor recovery from sugarcane. The highest numbers of closed sugar mill are from Maharashtra followed by Karnataka and Uttar Pradesh.

Previous Updates

- **Sugarcane crop in Haryana has been affected due to pest attack.** The Top Borer has affected the sugarcane crop in Yamunanagar, Karnal and Kurukshetra districts. Pest attack has currently been observed in Co-0238 variety of sugarcane. The farmers have grown CO 0238 variety of sugarcane in over 40 percent of the area, farmers are spending on pesticides to protect their crop.
- **Sugar mills in Dhampur will start operating from 18th October 2021.** The Dhampur sugar mill will start its cane crushing season from 19th October 2021 around 10 days earlier compared to the previous season. The sugar mill has already cleared 100 percent of the cane dues of the farmers amounting Rs. 764.30 crore.
- **Sugar mills in Maharashtra have paid 99 percent of the FRP.** As the crushing season is over in Maharashtra the sugar mills have started clearing cane dues till 31st July 2021 sugar mills in Maharashtra have paid Rs. 30,418.01 crore net fair and remunerative price (FRP) to sugarcane farmers compared to the last year this year's FRP is 222 percent higher with an overall rise of Rs. 16,689 crore. According to the Maharashtra Sugar Commissioner Report, in July 2020 last year the sugar mills had paid Rs.13,728.94 crore net FRP that was about 95 per cent of the total payable FRP. However, this year, mills have set a record by paying 99 per cent of the total Rs.30,809.91 crore payable FRP. Only 1.28 per cent, that is Rs.391.90 crore FRP arrears are pending.
- **Under the Ethanol Blending Program, Ethanol suppliers have contracted to supply 343.16 crore litres of ethanol for 2020-21 seasons.** According to the Minister of State for Petroleum and Natural gas, the Oil Marketing Companies are selling 10 percent ethanol blended petrol which contains 90 percent petrol and 10 percent ethanol from their retail outlets. Under the Ethanol Blended Petrol Program, ethanol suppliers have contracted to supply 343.16 crore litre of ethanol to Public Sector OMC for the ongoing Ethanol Supply Year 2020-21, against which 209.67 crore litres has been received till 02nd August 2021.

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

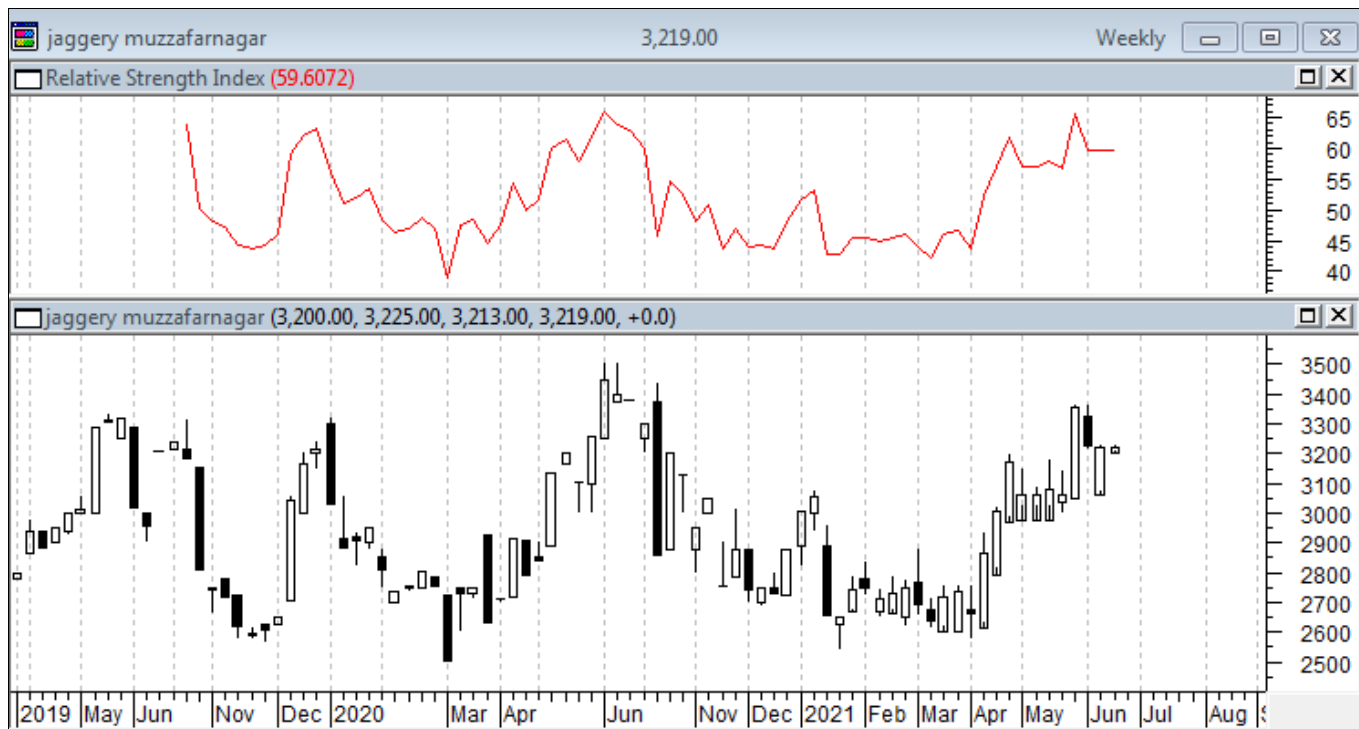
- The sugar spot prices at the benchmark Kolhapur market was higher during last week and ended at Rs.3250/q.
- The next resistance and support level for the next week is expected at Rs.3280 and Rs.3100 per quintal respectively.
- RSI is in the neutral region.



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

Gur Market Scenario

- The arrivals have closed in Muzaffarnagar.



International Market Highlights

Recent Updates:

Brazil Sugar Production may fall to 32.5 million tonnes in 2021-22 season. Sugar production in the center-south region of Brazil is likely to fall to 32.5 million tonnes from an earlier estimate of 34.1 million tonnes due to drought and frost. Also, this provides opportunities for India to export raw sugar.

Previous 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.
- **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.

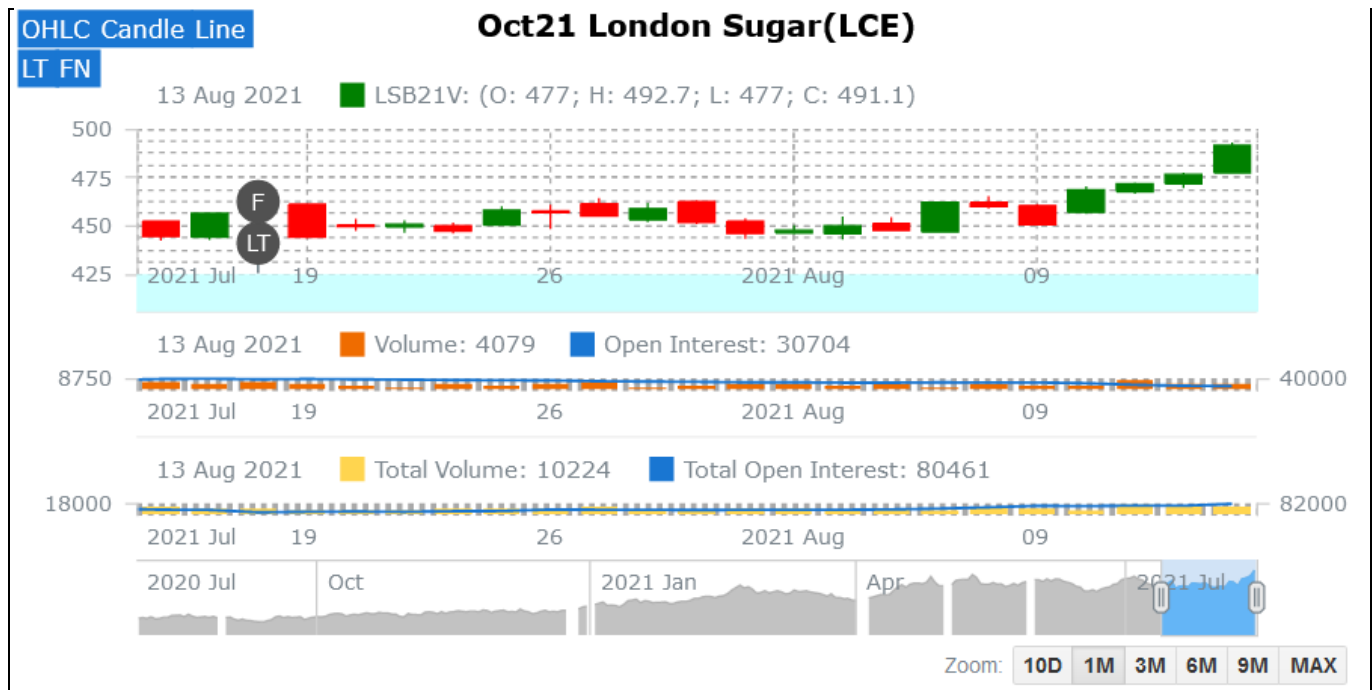
International Sugar Futures Price Projection

LIFFE (White Sugar Exchange) Future Market Sugar Scenario (Oct'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 492, T1 490

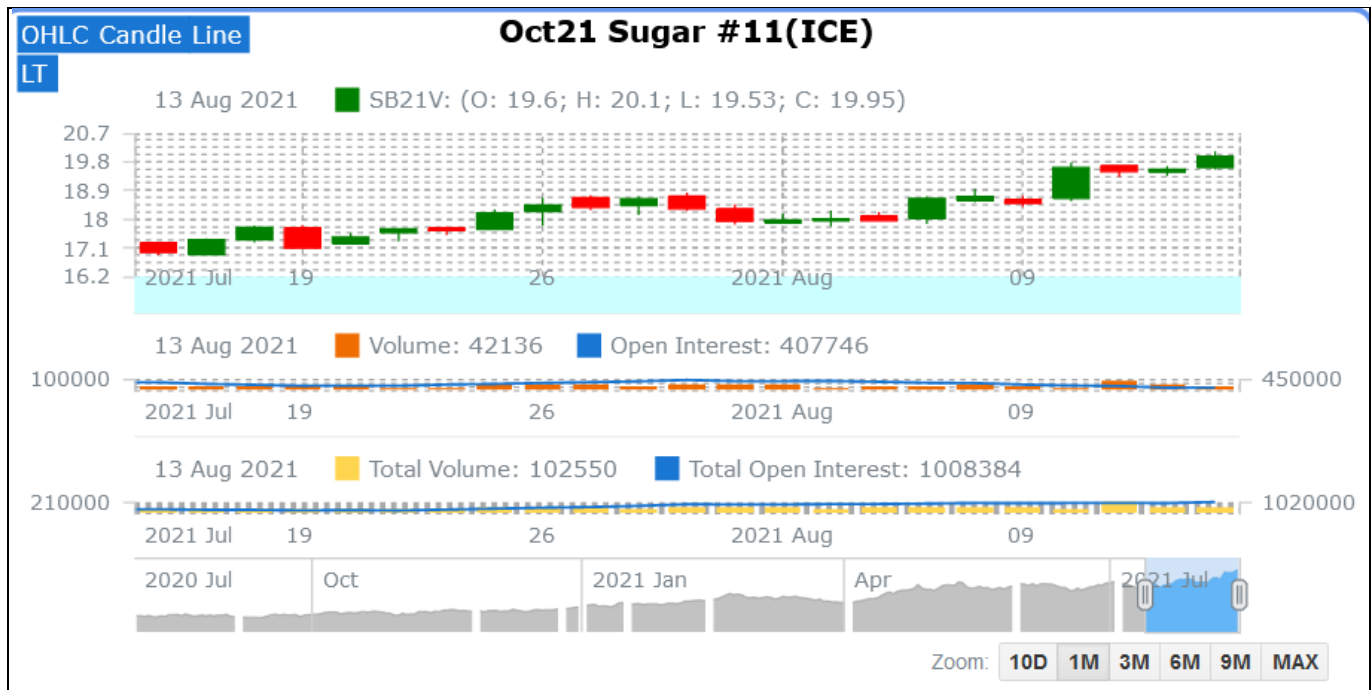
International Sugar Futures Price Projection			
	Contract Month	Present Quote	The expected Price level for next week
LIFFE Sugar (US \$/MT)	Oct'21	492	495-500



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 20.12 Targeting 19.95.

International Sugar Futures Price Projection			
	Contract Month	Present Quote	The expected Price level for next week
ICE Sugar #11 (US Cent/lb)	Oct'21	20.10	20.00– 24.20



Spot Sugar Prices Scenario (Weekly) (Average)

Commodity	Centre	Variety	Average Prices (Rs/Qtl)		Change
Sugar			05th Aug'21 to 11th Aug'21	29th July'21 to 04th Aug'21	
Delhi	Delhi	M-Grade	3338	3308	30
	Delhi	S-Grade	3318	3288	30
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	3464	3390	74
	Mumbai	S-Grade	3315	3297	18
	Nagpur	M-Grade	3355	3266	89
	Nagpur	S-Grade	3252	3191	61
	Kolhapur	M-Grade	3230	3141	89
	Kolhapur	S-Grade	3127	3066	61
Assam	Guhawati	S-Grade	3387	3326	61
Meghalaya	Shillong	S-Grade	3447	3386	61
Andhra Pradesh	Vijayawada	M-Grade (With Duty)	3607	3537	70
	Vijayawada	S-Grade (With Duty)	3697	3577	120
West Bengal	Kolkata	M-Grade	3480	3480	Unch
Tamil Nadu	Chennai	S-Grade (With GST)	3600	3650	-50
	Dindigul	M-Grade (DCA)	3520	3520	Unch
	Coimbatore	M-Grade (DCA)	3570	3540	30
Chattisgarh	Ambikapur	M-Grade (Without Duty)	NA	3600	-

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)			05th Aug'21 to 11th Aug'21	29th July'21 to 04th Aug'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)	4500	4583	-83
	Belgaum	Mudde (Average)	NA	NA	-
	Belthangadi	Yellow (Average)	NA	NA	-
	Bijapur	Achhu	NA	NA	-
	Gulbarga	Other (Average)	NA	NA	-
	Mahalingapura	Penti (Average)	3299	3287	12
	Mandya	Achhu (Medium)	3213	3230	-17
	Mandya	Kurikatu (Medium)	3133	3060	73
	Mandya	Other (Medium)	3045	3110	-65
	Mandya	Yellow (Medium)	3150	3180	-30
	Shimoga	Achhu (Average)	3650	3650	Unch

Spot Sugar Prices Scenario (Weekly)

Commodity	Centre	Variety	Today	Week Ago	Month Ago	Year Ago
Sugar			14-Aug-21	06-Aug-21	15-Jul-21	14-Aug-20
Delhi	Delhi	M-Grade	3420	3360	3200	3240
	Delhi	S-Grade	3400	3340	3180	3220
Uttar Pradesh	Khatauli	M-Grade	NR	0	0	3335
	Ramala	M-Grade	NR	0	0	0
	Dhampur	M-Grade Ex-Mill	NR	0	0	3225
	Dhampur	S-Grade Ex-Mill	NR	0	0	3205
	Dhampur	L-Grade Ex-Mill	NR	0	0	3275
Maharashtra	Mumbai	M-Grade	3500	3450	3386	3496
	Mumbai	S-Grade	3350	3306	3206	3360
	Nagpur	M-Grade	3375	3345	3200	3425
	Nagpur	S-Grade	3275	3245	3150	3325
	Kolhapur	M-Grade	3250	3220	3075	3300
	Kolhapur	S-Grade	3150	3120	3025	3200
Assam	Guhawati	S-Grade	3461	3431	3334	3512
Meghalaya	Shillong	S-Grade	3470	3440	3345	3520
Andhra Pradesh	Vijayawada	M-Grade (With Duty)	3640	3600	3520	3640
	Vijayawada	S-Grade (With Duty)	3740	3680	3520	3700

West Bengal	Kolkata	M-Grade	3480	3480	3480	3700
Tamil Nadu	Chennai	S-Grade	3550	3600	3500	3750
	Dindigul	M-Grade (DCA)	3520	3520	3520	3780
	Coimbatore	M-Grade (DCA)	3600	3540	3620	3620
Chattisgarh	Ambikapur	M-Grade (Without Duty)	NA	0	3600	3600

Sugar Prices are in INR/Quintal. (1 Quintal=100 kg)

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Spot Jaggery(Gur) Prices Scenario (Weekly)

Commodity	Centre	Variety	Today	Week Ago	Month Ago	Year Ago
Jaggery(Gur)			14-Aug-21	06-Aug-21	15-Jul-21	14-Aug-20
Uttar Pradesh	Muzaffarnagar	Chaku Sukha	NA	0	0	0
	Muzaffarnagar	Chaku(Arrival)(40kg Bag)	NA	0	0	0
	Muzaffarnagar	Khurpa	NA	0	0	0
	Muzaffarnagar	Laddoo	NA	0	0	0
	Muzaffarnagar	Rascut	NA	0	0	0
	Hapur	Chaurasa	NA	0	0	0
	Hapur	Balti	NA	0	0	0
Andhra Pradesh	Chittur	Gold	NR	0	0	0
		White	NR	0	0	0
		Black	NR	0	0	0
Maharashtra	Latur	Lal Variety	NR	0	0	0
Karnataka	Bangalore	Mudde (Average)	NA	4500	4600	4500
	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)	NA	3353	3270	3563
	Mandya	Achhu (Medium)	3200	3250	3300	3850
	Mandya	Kurikatu (Medium)	3100	3150	3100	3400
	Mandya	Other (Medium)	3100	3050	3000	3500
	Mandya	Yellow (Medium)	3160	3150	3180	3930
	Shimoga	Achhu (Average)	NA	3650	3600	3550

International Sugar Prices (Weekly Average)				
	Contract Month	05th Aug'21 to 11th Aug'21	29th July'21 to 04th Aug'21	Change
ICE Sugar #11 (US Cent/lb)	21-Jul	18.51	17.65	0.86
	21-Oct	17.59	16.89	0.70
	22-Mar	18.97	18.01	0.96
LIFFE Sugar (US \$/MT)	21-Aug	486.86	475.84	11.02
	21-Oct	483.98	473.86	10.12
	21-Dec	473.62	464.54	9.08

Source: MRCI

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