

Price Outlook:

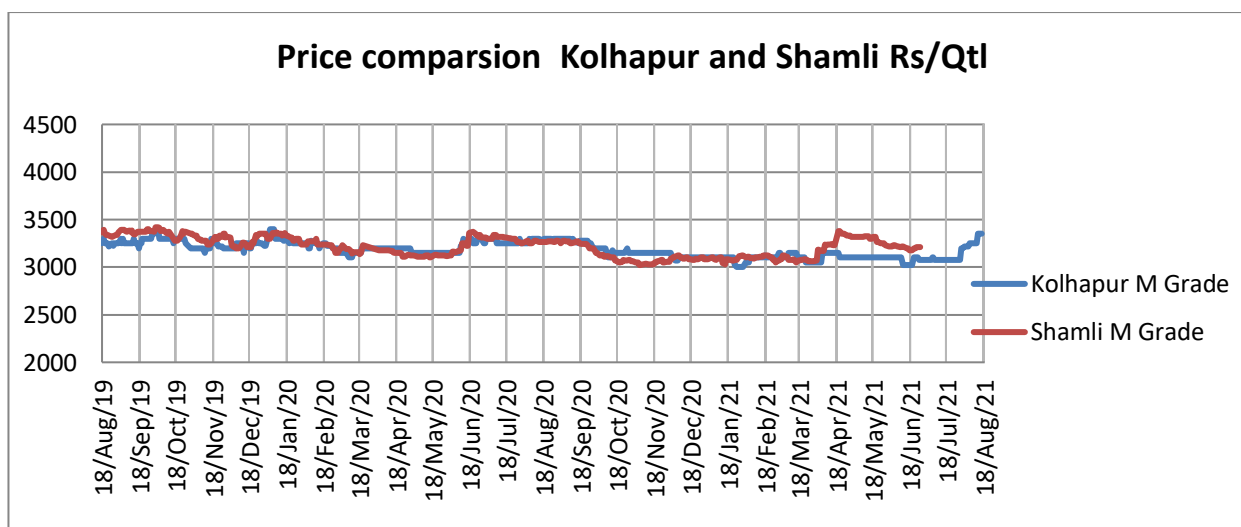
Sugar production for 2020-21 seasons are estimated at 309 lakh tonnes. The average sugar prices were higher at Rs. 3494/q from the previous week at Rs.3338/q in Delhi market. The prices in Maharashtra also stood high at Rs.3300/q.

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:**

- **Indian Sugar Industry is expecting a good export season.** As the world sugar prices are bullish Indian sugar industry is expecting a good run in the overseas market in the coming 2021-22 season. According to Indian Sugar Mills Association, if the current raw sugar prices hold or rise, then India would end up exporting around 30-60 lakh tonnes of sugar in the coming season.

Previous Updates

- **Indian Sugar Mills Association has urged the government to increase the minimum selling price of sugar.** ISMA has urged the government to immediately increase the MSP of sugar from the current Rs. 31 per kg to at least Rs. 34-35 per kg. According to ISMA this will not only improve the revenue realization of sugar

mills from sale of sugar but also will help in clearing the cane arrears of the farmers. Minimum selling price was last increased in 2019.

- **Domestic sugar prices have increased up by Rs.300-400 per quintal in the last two weeks of August 2021.** With the dawn of 'Shravan' month which brings in many auspicious days and prominent festivals across India and easing of state-wise lockdown across the country. The market has changed drastically and the country has started witnessing aggressive demand. Within the first 15 days of the announcement of August month sugar sales quota, sugar sales accounted for over 75 to 80 percent of the quota sale in Maharashtra and roughly 70-75 percent in Uttar Pradesh, leading to supply tightness in the market.
- **Area under sugarcane has increased in Purvanchal.** According to the government officials, area under sugarcane has increased by 1.34 lakh hectares in the past four years, the cane cultivation in Purvanchal has was 4.39 lakh hectares which has increased to 5.37 lakh hectares. Farmer's income has also increased by Rs. 22,000 per hectares. The Average yield of sugarcane has also improved to 722 quintals per hectare from 652.72 quintals per hectare as compared to the past 4 years.
- **According to the Ministry of Agriculture advance estimate for 2020-21 season.** Total production of Sugarcane during 2020-21 season is estimated at 399.25 million tonnes. The production of sugarcane during 2020-21 is higher by 37.18 million tonnes than the average sugarcane production of 362.07 million tonnes.
- **Sugarcane farmers from Saharanpur are demanding hike in sugarcane price.** Sugarcane farmers under the banner of Bhartiya Kisan Sangh have demanded a hike in the sugarcane purchase price to Rs 400 per quintal. The farmers also demanded clearance of the cane dues of the previous crushing season with interest on it.

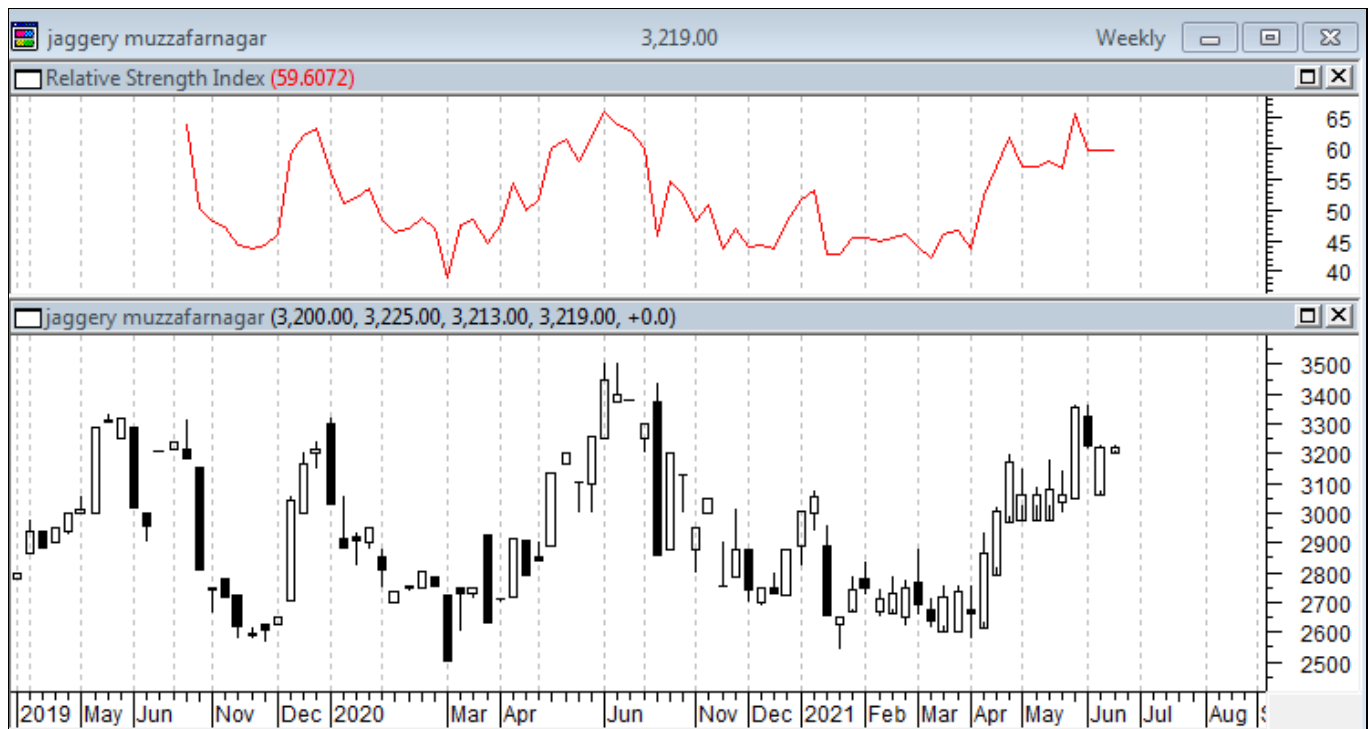
Technical Analysis - Sugar (M grade) Spot Market at Kolhapur market

- 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:

Pakistan Trading Corporation has issued a tender to purchase 200,000 tonnes of white sugar. An international tender has been issued by the Trading Corporation of Pakistan and the deadline for submission of price offers is 24th August 2021. The tender has been issued to increase the sugar supply in the country to meet the domestic demand and arrest the rising prices. Earlier, the Economic Coordination Committee (ECC) has approved an increase in rates of sugar, ghee, and wheat flour at Utility Stores Corporation of Pakistan in July 2021. Sugar prices in Pakistan after that had reached to Rs. 80- 100 per kg from Rs. 68-85 per kg in all the major markets.

Previous 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.
- **Bangladesh may face a sugarcane shortage.** With the decrease in area under sugarcane crop by almost half to 49,900 acres compared to the previous season of 1.09 lakh acres. Bangladesh may face a sugarcane shortage this year, earlier in the previous season the sudden closure of six sugar mills in the country has affected the cane farmers, and as a result area under sugarcane has decreased this year. The Bangladesh Sugar and Food Industries Corporation had decided to close six loss making sugar mills last year in order to

improve their production standards. All 9 sugar mills operating across the country may face cane shortage this year. The sugarcane crushing season will begin in December 2021.

- **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.

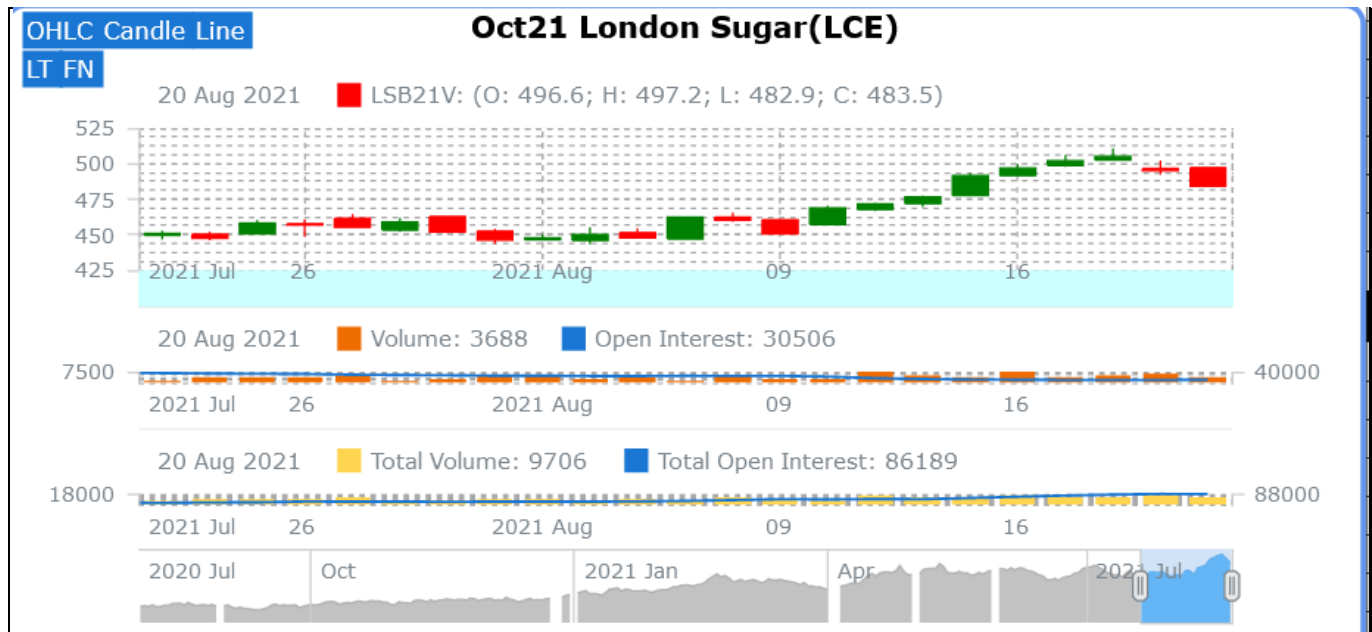
International Sugar Futures Price Projection

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 498, T1 484

International Sugar Futures Price Projection			
	Contract Month	Present Quote	The expected Price level for next week
LIFFE Sugar (US \$/MT)	Oct'21	497	496-500

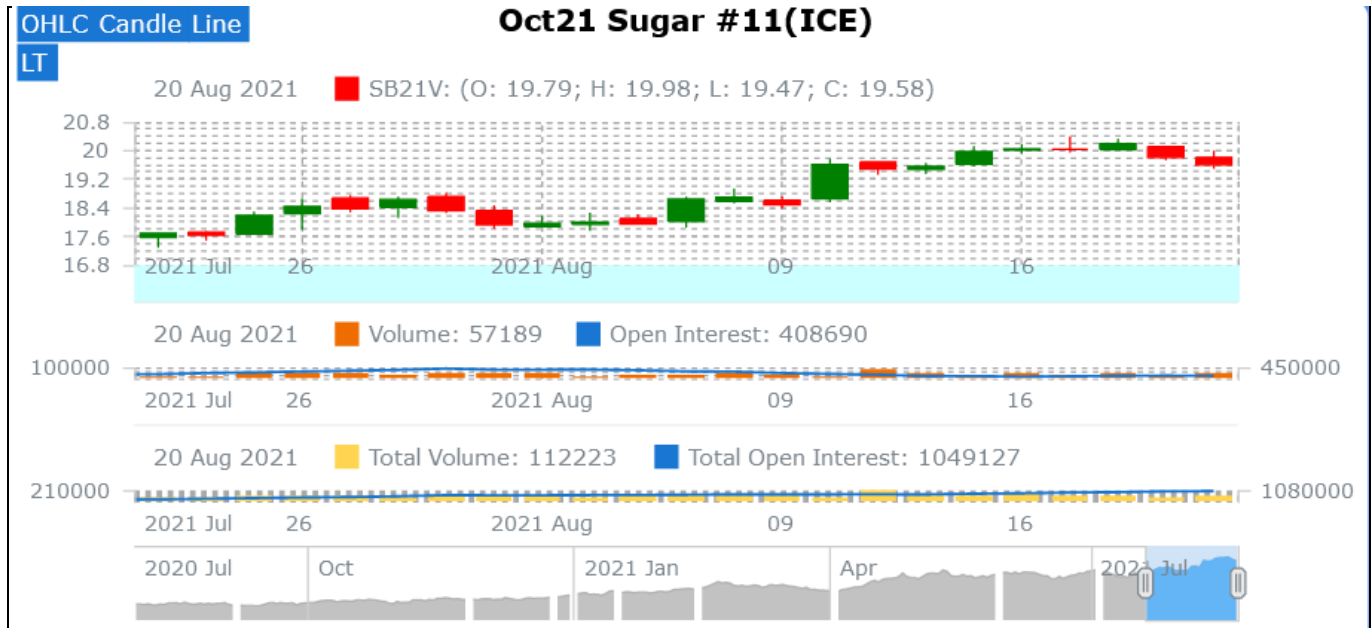


ICE (Raw Sugar Exchange) Future Market Scenario (Oct'21 Contract)

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 19.98 Targeting 19.96.

International Sugar Futures Price Projection			
	Contract Month	Present Quote	The expected Price level for next week
ICE Sugar #11 (US Cent/lb)	Oct'21	19.98	19.58– 20.8



Spot Sugar Prices Scenario (Weekly) (Average)

Commodity	Centre	Variety	Average Prices (Rs/Qtl)		Change
			12th Aug'21 to 18th Aug'21	05th Aug'21 to 11th Aug'21	
Delhi	Delhi	M-Grade	3494	3338	156
	Delhi	S-Grade	3474	3318	156
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	3565	3464	101
	Mumbai	S-Grade	3424	3315	109
	Nagpur	M-Grade	3425	3355	70
	Nagpur	S-Grade	3325	3252	73
	Kolhapur	M-Grade	3300	3230	70
	Kolhapur	S-Grade	3200	3127	73
Assam	Guhawati	S-Grade	3460	3387	73
Meghalaya	Shillong	S-Grade	3520	3447	73
Andhra Pradesh	Vijayawada	M-Grade (With Duty)	3677	3607	70
	Vijayawada	S-Grade (With Duty)	3777	3697	80
West Bengal	Kolkata	M-Grade	3480	3480	Unch

Tamil Nadu	Chennai	S-Grade (With GST)	3430	3600	-170
	Dindigul	M-Grade (DCA)	3520	3520	Unch
	Coimbatore	M-Grade (DCA)	3600	3570	30
Chattisgarh	Ambikapur	M-Grade (Without Duty)	NA	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)			12th Aug'21 to 18th Aug'21	05th Aug'21 to 11th 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)	4590	4500	90
	Belgaum	Mudde (Average)	NA	NA	-
	Belthangadi	Yellow (Average)	NA	NA	-
	Bijapur	Achhu	NA	NA	-
	Gulbarga	Other (Average)	NA	NA	-
	Mahalingapura	Penti (Average)	3380	3299	81
	Mandya	Achhu (Medium)	3197	3213	-17
	Mandya	Kurikatu (Medium)	3115	3133	-18
	Mandya	Other (Medium)	3108	3045	63
	Mandya	Yellow (Medium)	3215	3150	65
	Shimoga	Achhu (Average)	3650	3650	Unch

Spot Sugar Prices Scenario (Weekly)

Commodity	Centre	Variety	Today	Week Ago	Month Ago	Year Ago
Sugar			19-Aug-21	11-Aug-21	20-Jul-21	19-Aug-20
Delhi	Delhi	M-Grade	3580	3320	3270	3310
	Delhi	S-Grade	3560	3300	3250	3290
Uttar Pradesh	Khatauli	M-Grade	NR	NR	0	3320
	Ramala	M-Grade	NR	NR	0	0
	Dhampur	M-Grade Ex-Mill	NR	NR	0	3200
	Dhampur	S-Grade Ex-Mill	NR	NR	0	3180
	Dhampur	L-Grade Ex-Mill	NR	NR	0	3250
Maharashtra	Mumbai	M-Grade	3680	3490	3390	3500
	Mumbai	S-Grade	3600	3326	3206	3360
	Nagpur	M-Grade	3425	3345	3200	3405
	Nagpur	S-Grade	3325	3245	3125	3305
	Kolhapur	M-Grade	3300	3220	3075	3280
	Kolhapur	S-Grade	3200	3120	3000	3180
Assam	Guhawati	S-Grade	3512	3431	3309	3492
Meghalaya	Shillong	S-Grade	3520	3440	3320	3500
Andhra Pradesh	Vijayawada	M-Grade (With Duty)	3740	3640	3570	3640
	Vijayawada	S-Grade (With Duty)	3840	3740	3520	3700
West Bengal	Kolkata	M-Grade	3480	3480	3480	3700
Tamil Nadu	Chennai	S-Grade	3670	3550	3500	3700
	Dindigul	M-Grade (DCA)	3520	3520	3520	3780
	Coimbatore	M-Grade (DCA)	3600	3600	3540	3620
Chattisgarh	Ambikapur	M-Grade (Without Duty)	NA	NA	0	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)			19-Aug-21	11-Aug-21	20-Jul-21	19-Aug-20
Uttar Pradesh	Muzaffarnagar	Chaku Sukha	NA	NA	0	0
	Muzaffarnagar	Chaku(Arrival)(40kg Bag)	NA	NA	0	0
	Muzaffarnagar	Khurpa	NA	NA	0	0
	Muzaffarnagar	Laddoo	NA	NA	0	0
	Muzaffarnagar	Rascut	NA	NA	0	0
	Hapur	Chaurasa	NA	NA	0	0
	Hapur	Balti	NA	NA	0	0
Andhra Pradesh	Chittur	Gold	NR	NR	0	0

		White	NR	NR	0	0
		Black	NR	NR	0	0
Maharashtra	Latur	Lal Variety	NR	NR	0	0
Karnataka	Bangalore	Mudde (Average)	NA	4500	4600	4500
	Belgaum	Mudde (Average)	NA	NA	0	3500
	Belthangadi	Yellow (Average)	NA	NA	0	0
	Bijapur	Achhu	NA	NA	0	0
	Gulbarga	Other (Average)	NA	NA	0	0
	Mahalingapura	Penti (Average)	NA	3278	3252	0
	Mandya	Achhu (Medium)	3150	3180	3150	3780
	Mandya	Kurikatu (Medium)	3100	3100	3100	3430
	Mandya	Other (Medium)	3050	3120	3050	3500
	Mandya	Yellow (Medium)	3280	3150	3150	4020
	Shimoga	Achhu (Average)	3650	3650	3650	3750

International Sugar Prices (Weekly Average)				
	Contract Month	12th Aug'21 to 18th Aug'21	05th Aug'21 to 11th Aug'21	Change
ICE Sugar #11 (US Cent/lb)	21-Jul	19.48	18.51	0.97
	21-Oct	18.34	17.59	0.75
	22-Mar	19.94	18.97	0.97
LIFFE Sugar (US \$/MT)	21-Aug	515.36	486.86	28.50
	21-Oct	508.48	483.98	24.50
	21-Dec	493.98	473.62	20.36

Source: MRCI

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