

**Price Outlook:**

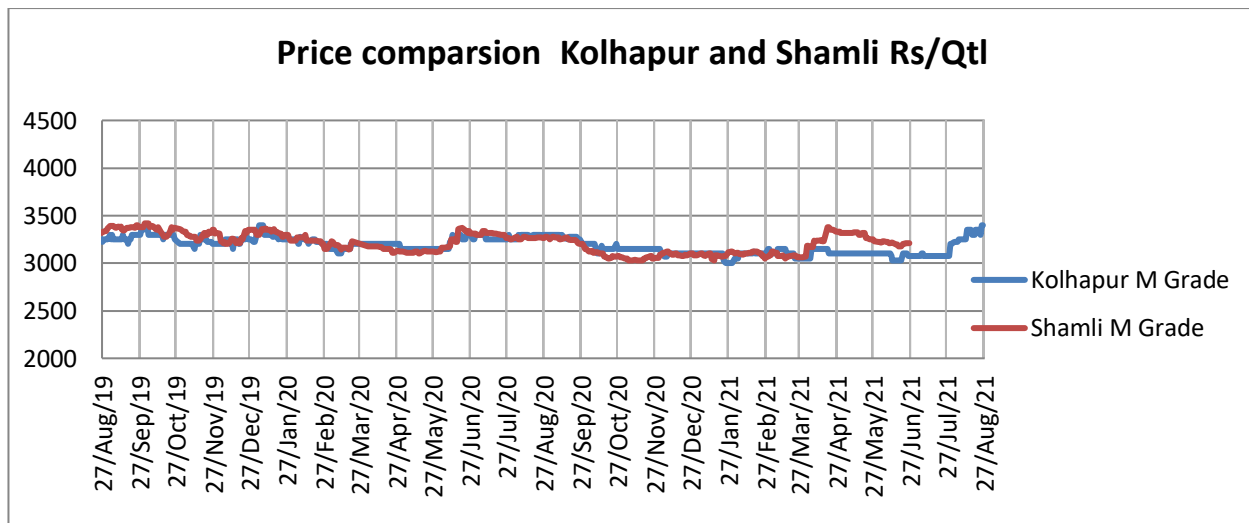
Sugar production for 2020-21 seasons are estimated at 309 lakh tonnes. The government has increased the fair & remunerative price of sugar to Rs. 290 per quintal for 2021-22 season, which will be based on 10 percent recovery. The average sugar prices were higher at Rs. 3520/q from the previous week at Rs.3494/q in Delhi market. The prices in Maharashtra also stood high at Rs.3325/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.3250 -3400 per quintal for next week.

**Domestic Sugar Market Summary**

Average prices for sugar 'M' grade in key Kolhapur market were range bound at Rs.3325 per quintal, while in Shamli district there were no arrivals during the last week.

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

- Government has fixed 22 lakh MT as the monthly sugar sales quota for September 2021:** The Department of Food & Public Distribution has allocated 22 lakh MT monthly sugar sales quota for September 2021, which is same as that of September 2020. In the previous month, August 2021 the government had released 21 lakh MT sugar sales quota.

### Previous Updates

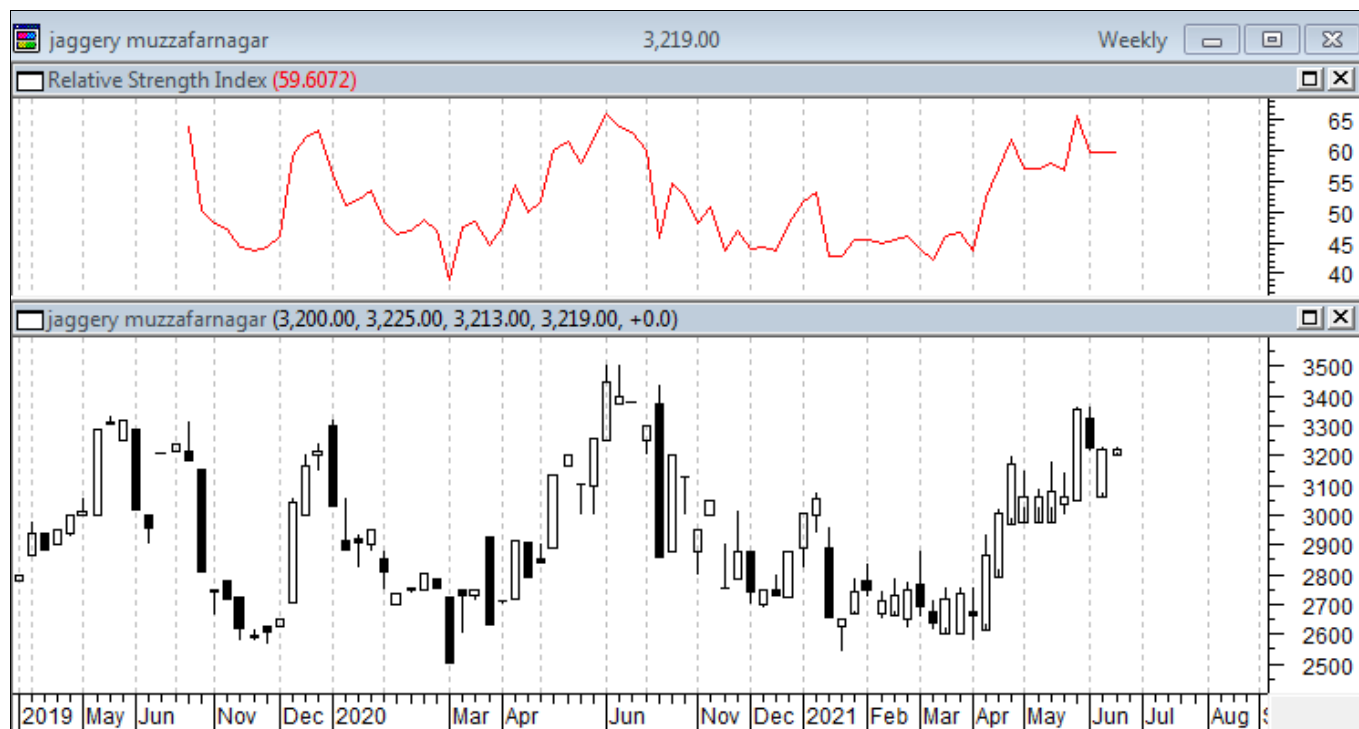
- **Ethanol transported to Kadapa, Andhra Pradesh.** The Loni terminal of Pune division has become the first terminal to load the ethanol rake to transport the fuel to Kadapa in Andhra Pradesh. According to the officials the rake was sent in a Bogie Tank Petrol Naphtha rake on Tuesday.
- **Government increases Fair and Remunerative price of sugarcane for the coming 2021-22 season.** The Fair & remunerative price of sugar has been increased to Rs. 290 per quintal for 2021-22 season, which will be based on 10 percent recovery, providing a premium of Rs. 2.90 per quintal for each 0.1 percent increase in recovery over and above 10 percent & reduction in FRP by Rs. 2.90 per quintal for every 0.1 percent decrease in recovery. If the recovery is less than 9.5 percent then farmers will be given Rs. 275 per quintal for sugarcane against the previous season of Rs. 270.75 per quintal in 2020-21 season. This is the highest ever FRP approved by the government to the cane farmers.
- **Around 54.63 lakh hectares of area has been sown under sugarcane till 19<sup>th</sup> Aug'21.** About 54.63 lakh hectares area was sown in India compared to normal of corresponding week 51.44 lakh hectares last year. Thus 3.19 lakh hectare more area has been covered as compared to corresponding week of last year. Higher area was reported from the states of Maharashtra (3.01 lakh hectares), Karnataka (0.62 lakh hectares), Gujarat (0.49 lakh hectares), Uttar Pradesh (0.41 lakh hectares), Haryana (0.60 lakh hectares), Madhya Pradesh (0.04 lakh hectares), Uttarakhand (0.04 lakh hectares), Assam (0.04 lakh hectares), Odisha (0.03 lakh hectares), and Punjab (0.03 lakh hectares). Less area was reported from the states of Tamil Nadu (0.86 lakh hectares), Andhra Pradesh (0.47 lakh hectares), Chhattisgarh (0.21 lakh hectares), Telangana (0.05 lakh hectares), and West Bengal (0.20 lakh hectares).
- **Karnal sugar mill will be producing sulphur free sugar.** Sugar mill set up in Karnal will be producing sulphur free sugar from this season. The trial of the sugar mill was started in April and it will commence the crushing operations in November. The sugar mill capacity has also increased from 2,200 TCD to 3,500 TCD.
- **Sugar mills have contracted 7 million tonnes of sugar for 2020-21 season.** According to the market sources, around 6 million tonnes have already been exported under the ongoing sugar season, sugar mills have now entered into contracts for about 7 million tonnes in the current sugar season. Some sugar mills are also signing forward contracts for export in ensuring sugar season starting October.
- **Uttar Pradesh government assured farmers to clear the cane dues before starting of the new season.** The government has cleared 80 percent of the cane dues so far and has assured the cane farmers that the sugar mills will clear 100 percent dues before starting the new crushing season 2021-22. Despite the low sugar sales in the previous sugar mills made 100 percent payment for the season 2019-20.

**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.3350/q.
- The next resistance and support level for the next week is expected at Rs.3380 and Rs.3200 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:

**According to the International Sugar Organization (ISO), the global sugar deficit in the 2021-22 sugar season is forecasted to be 3.8 million tonnes.** ISO in its May report predicted the global sugar deficit to be 2 million tonnes but due to the unfavorable conditions in major sugar-producing countries led to an increase in sugar deficit to 3.8 million tonnes. It has also stated that the sugar production is rising by 0.2% to 170.6 million tonnes in the forthcoming season as against the consumption is increasing by 1.6% to 174.5

#### Previous 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 24<sup>th</sup> 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.

- **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 1<sup>st</sup> 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 1<sup>st</sup> 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.

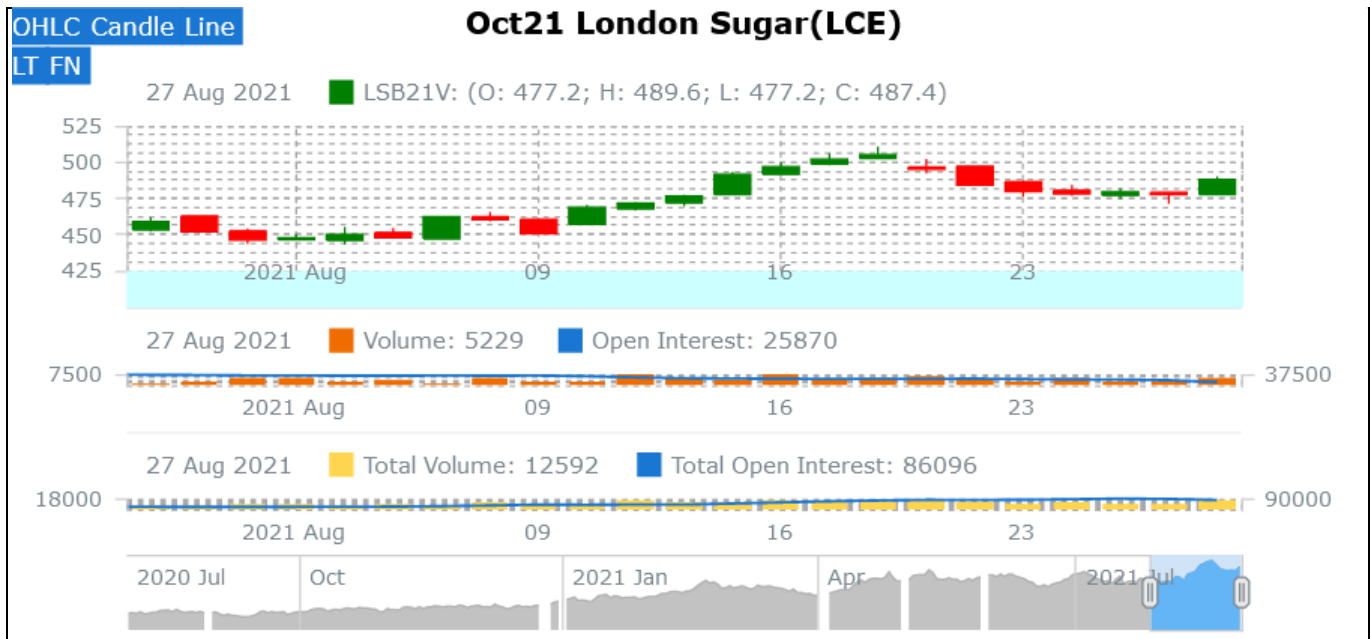
### International Sugar Futures Price Projection

#### 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 487

International Sugar Futures Price Projection			
	Contract Month	Present Quote	The expected Price level for next week
LIFFE Sugar (US \$/MT)	Oct'21	489	490-500

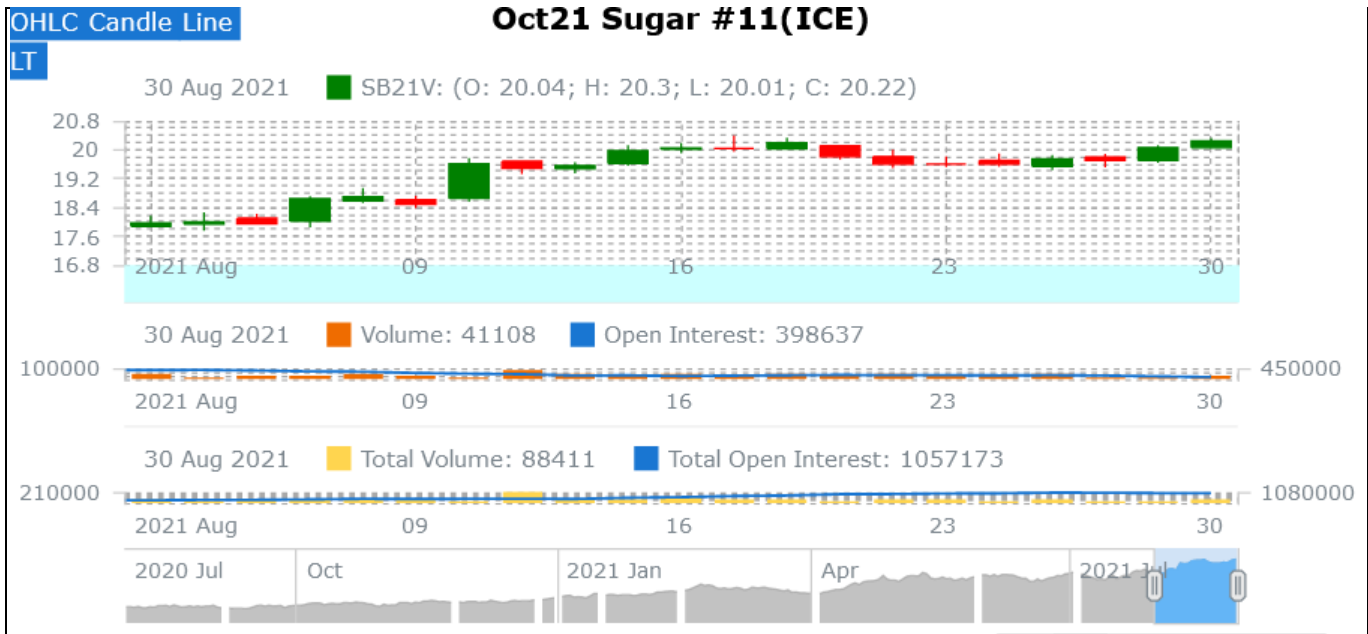


### ICE (Raw Sugar Exchange) Future Market Scenario (Oct'21 Contract)

#### 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 20.3 Targeting 20.21.

International Sugar Futures Price Projection			
	Contract Month	Present Quote	The expected Price level for next week
ICE Sugar #11 (US Cent/lb)	Oct'21	20.3	20.2– 20.8



### Spot Sugar Prices Scenario (Weekly) (Average)

Commodity	Centre	Variety	Average Prices (Rs/Qtl)		Change
			19th Aug'21 to 25th Aug'21	12th Aug'21 to 18th Aug'21	
Delhi	Delhi	M-Grade	3520	3494	26
	Delhi	S-Grade	3500	3474	26
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	3717	3565	152
	Mumbai	S-Grade	3576	3424	152
	Nagpur	M-Grade	3450	3425	25
	Nagpur	S-Grade	3350	3325	25
	Kolhapur	M-Grade	3325	3300	25
	Kolhapur	S-Grade	3225	3200	25
Assam	Guhawati	S-Grade	3485	3460	25
Meghalaya	Shillong	S-Grade	3545	3520	25
Andhra Pradesh	Vijayawada	M-Grade (With Duty)	3780	3677	103
	Vijayawada	S-Grade (With Duty)	3880	3777	103
West Bengal	Kolkata	M-Grade	3665	3480	185

Tamil Nadu	Chennai	S-Grade (With GST)	3697	3430	267
	Dindigul	M-Grade (DCA)	3520	3520	Unch
	Coimbatore	M-Grade (DCA)	3600	3600	Unch
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)			19th Aug'21 to 25th Aug'21	12th Aug'21 to 18th 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)	4375	4590	-215
	Belgaum	Mudde (Average)	NA	NA	-
	Belthangadi	Yellow (Average)	NA	NA	-
	Bijapur	Achhu	NA	NA	-
	Gulbarga	Other (Average)	NA	NA	-
	Mahalingapura	Penti (Average)	3428	3380	48
	Mandya	Achhu (Medium)	3184	3197	-13
	Mandya	Kurikatu (Medium)	3118	3115	3
	Mandya	Other (Medium)	3048	3108	-60
	Mandya	Yellow (Medium)	3286	3215	71
	Shimoga	Achhu (Average)	3650	3650	Unch

Spot Sugar Prices Scenario (Weekly)						
Commodity	Centre	Variety	Today	Week Ago	Month Ago	Year Ago
Sugar			28-Aug-21	20-Aug-21	29-Jul-21	28-Aug-20
Delhi	Delhi	M-Grade	3440	3500	3200	3315



	Delhi	S-Grade	3420	3480	3180	3295
Uttar Pradesh	Khatauli	M-Grade	NR	NR	0	3320
	Ramala	M-Grade	NR	NR	0	0
	Dhampur	M-Grade Ex-Mill	NR	NR	0	3300
	Dhampur	S-Grade Ex-Mill	NR	NR	0	3280
	Dhampur	L-Grade Ex-Mill	NR	NR	0	3350
Maharashtra	Mumbai	M-Grade	3700	3740	3350	3496
	Mumbai	S-Grade	3536	3640	3210	3360
	Nagpur	M-Grade	3525	3425	3200	3425
	Nagpur	S-Grade	3425	3325	3150	3325
	Kolhapur	M-Grade	3400	3300	3075	3300
	Kolhapur	S-Grade	3300	3200	3025	3200
Assam	Guhawati	S-Grade	3613	3512	3334	3512
Meghalaya	Shillong	S-Grade	3620	3520	3345	3520
Andhra Pradesh	Vijayawada	M-Grade (With Duty)	3820	3740	3500	3640
	Vijayawada	S-Grade (With Duty)	3920	3840	3500	3700
West Bengal	Kolkata	M-Grade	3850	3480	3480	3730
Tamil Nadu	Chennai	S-Grade	3750	3670	3550	3680
	Dindigul	M-Grade (DCA)	3520	3520	3520	3780
	Coimbatore	M-Grade (DCA)	NA	3600	3540	3620
Chattisgarh	Ambikapur	M-Grade (Without Duty)	NA	NA	3600	3650

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)			28-Aug-21	20-Aug-21	29-Jul-21	28-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	NA	4600	0
	Belgaum	Mudde (Average)	NA	NA	0	0
	Belthangadi	Yellow (Average)	NA	NA	0	0

	Bijapur	Achhu	NA	NA	0	0
	Gulbarga	Other (Average)	NA	NA	0	0
	Mahalingapura	Penti (Average)	NA	NA	3255	3547
	Mandya	Achhu (Medium)	3200	NA	3350	3800
	Mandya	Kurikatu (Medium)	3050	NA	3000	3650
	Mandya	Other (Medium)	3050	NA	3150	3450
	Mandya	Yellow (Medium)	3250	NA	3250	3750
	Shimoga	Achhu (Average)	NA	NA	3650	3750

International Sugar Prices (Weekly Average)				
	Contract Month	19th Aug'21 to 25th Aug'21	12th Aug'21 to 18th Aug'21	Change
ICE Sugar #11 (US Cent/lb)	21-Jul	19.44	19.48	-0.04
	21-Oct	18.42	18.34	0.08
	22-Mar	19.65	19.94	-0.29
LIFFE Sugar (US \$/MT)	21-Aug	507.64	515.36	-7.72
	21-Oct	503.64	508.48	-4.84
	21-Dec	491.90	493.98	-2.08

Source: MRCI

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