

**Price Outlook:**

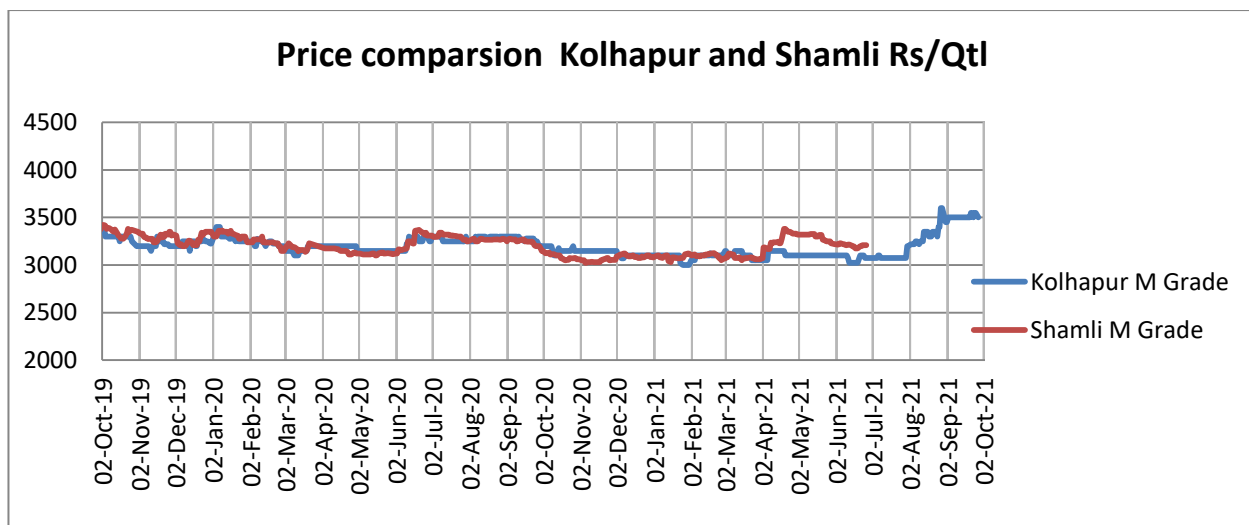
The food ministry has allocated 24 LMT of monthly sales quota for October 2021. Sugar production for 2020-21 seasons are estimated at 309 lakh tonnes. Maharashtra Sugar mills will start the cane crushing operation from 15<sup>th</sup> October 2021. The average sugar prices have slightly increased at Rs. 3666/q from the previous week at Rs.3623/q in Delhi market. The prices in Maharashtra stood high at Rs.3533/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.3450 -3550 per quintal for next week.

**Domestic Sugar Market Summary**

Average prices for sugar 'M' grade in key Kolhapur market were range bound at Rs.3500 per quintal, while in Shamli district there were no arrivals during the last week.

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

- Government has fixed 24 lakh MT as the monthly sugar sales quota for October 2021:** The Department of Food & Public Distribution has allocated a 24 lakh MT monthly sugar sales quota for October 2021 to 558 sugar mills, which is 1 LMT higher than that of October 2020. Furthermore, an extension of 30 days to sell the unsold stocks of September 2021 has also been announced.

Previous Updates

- **Sugarcane arrears have been recorded at a lower level of Rs. 6,667 crore at the end of sugar season 2020-21.** The cane arrears at the end of the 2019-20 sugar season was around Rs 10,342 crore, which was 13.62% of Rs 75,928 crore payable to farmers. The sugar mills in the country had procured cane worth Rs 91,685 crore and cleared almost 93% of the dues and are yet to pay only Rs 6,667 crore. According to the officials the cane arrears figure for 2020-21 is provisional and is expected to go down to Rs 6,000 crore in the final data.
- **Maharashtra may surpass Uttar Pradesh in Sugar production during 2021-22 seasons.** The Sugar output in Maharashtra is expected to be at 11.2 million tonnes whereas the existing top producer Uttar Pradesh is estimated to produce 11.1 million tonnes of sugar.
- **Uttar Pradesh government has increased the state advised price for sugarcane.** The Uttar Pradesh government has announced a hike in the state advised price for sugarcane by Rs. 25 per quintal for the 2021-22 seasons that will began this month. The government has raised the cane price for the early maturing variety from Rs. 325 quintal to Rs. 350 per quintal while the price for the common variety has been raised from Rs. 315 to Rs. 340 per quintal. Earlier, SAP was last increased by Rs.10 per quintal in 2017.
- **The food Ministry has allocated an additional 2.5 LMT monthly sugar sales quota for September month.** The food ministry on 24<sup>th</sup> September 2021 under a notification has allocated an additional 2.5 LMT of monthly sales quota for September 2021 as due to good sugar demand in September 2021 and to ensure sufficient availability of sugar for domestic consumption. Earlier, the food ministry has allocated 22 LMT quota to 558 sugar mills in September 2021. Traders in the domestic market are afraid as the sugar prices may come down sharply after the food ministry decision. Sugar prices have reached a high after 7 months and are currently ranging between Rs. 3500- Rs. 3600 per quintal.

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

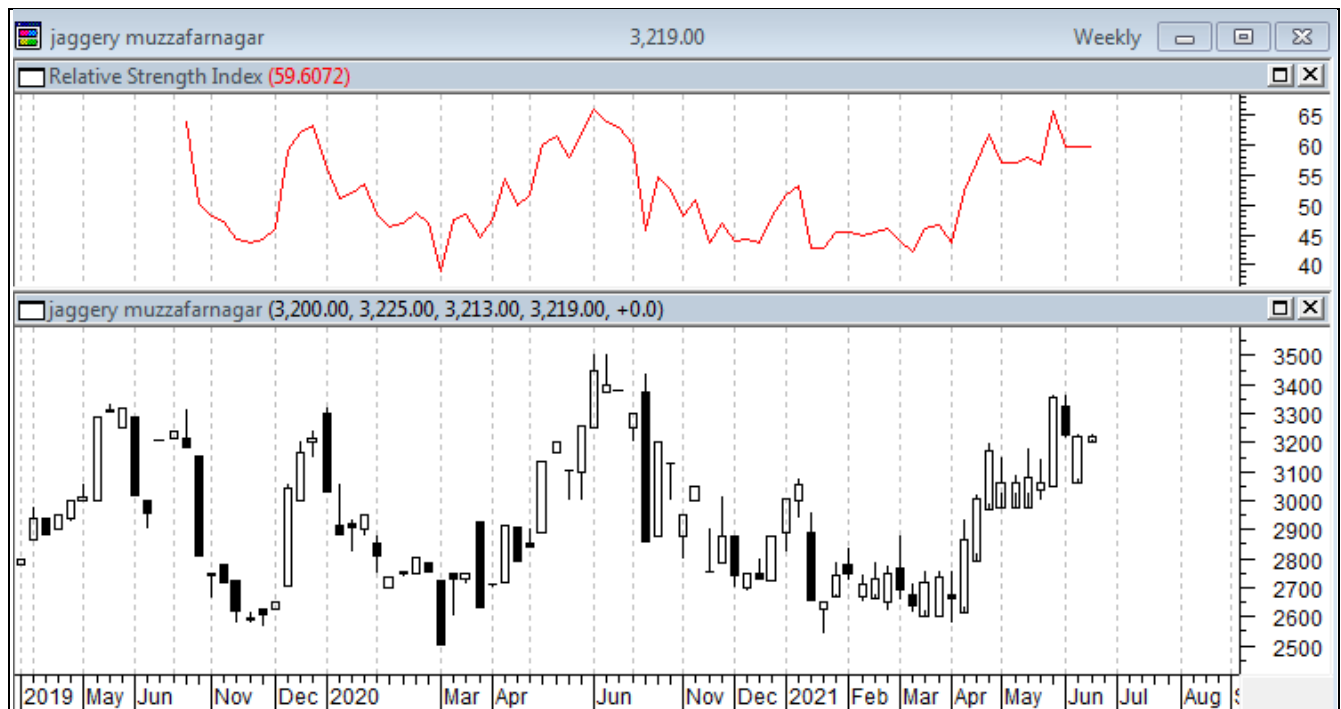
- The sugar spot prices at the benchmark Kolhapur market was higher during last week and ended at Rs.3550/q.
- The next resistance and support level for the next week is expected at Rs.3580 and Rs.3200 per quintal respectively.
- RSI is in the neutral region.



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

##### Gur Market Scenario

- The arrivals have closed in Muzaffarnagar.



## International Market Highlights

### Recent Updates:

**Brazil's sugar production has reached 2,55 million tons in the first half of September 2021.** According to UNICA's latest harvest report for the first half of September 2021 for Central South. Brazil's sugar production has reached 2,55 million tons in the first half of September 2021. Since the beginning of the 2021/2022 harvest up to 16<sup>th</sup> September 2021, accumulated sugar production has reached 26,83 million tons while in the same period at 2020-2021 harvest season it was reported 29,19 million tons. The volume of ethanol produced has reached 2,06 billion liters in the first half of September. The accumulated production of ethanol reached 20,75 billion liters, with 8,05 billion liters of anhydrous ethanol and 12,70 billion liters of hydrous ethanol. Of the total fuel produced, 1,48 billion liters of biofuel were produced from corn.

### Previous Updates

- **Malaysia sugar demand has increased by 5-10 percent in the first half of 2021.** Due to ease in the lockdown restrictions and industries continuing to open, the sugar demand had picked up by 5-10 percent in the first half of this year and is expected to increase further in the second half of 2021. Earlier the pandemic has impacted the sugar consumption in Malaysia lowering the consumption from 1.5 million tonnes to 1.2 -1.3 million tonnes.
- **Bangladesh has fixed the Maximum retail price of sugar at TK 75 per kg.** The prices of packed sugar were fixed at TK 75 per kg and loose sugar at TK 74 per kg. Despite the government has fixed the maximum retail price of sugar the prices of sugar in the domestic market continue to increase, the sugar is sold at TK 80-88 per kg in the retail market.
- **Fiji sugar production has reached 60,000 tonnes.** According to the Fiji Sugar Corporation (FSC) sugar mills have crushed around 700,000 tonnes of cane and produced 60,000 tonnes of sugar so far. Despite the Covid pandemic challenges the sugar production is increasing in Fiji, the Labasa mill is leading the sugar production by supplying more than 250,000 tonnes of cane and producing 24,000 tonnes of sugar.
- **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.

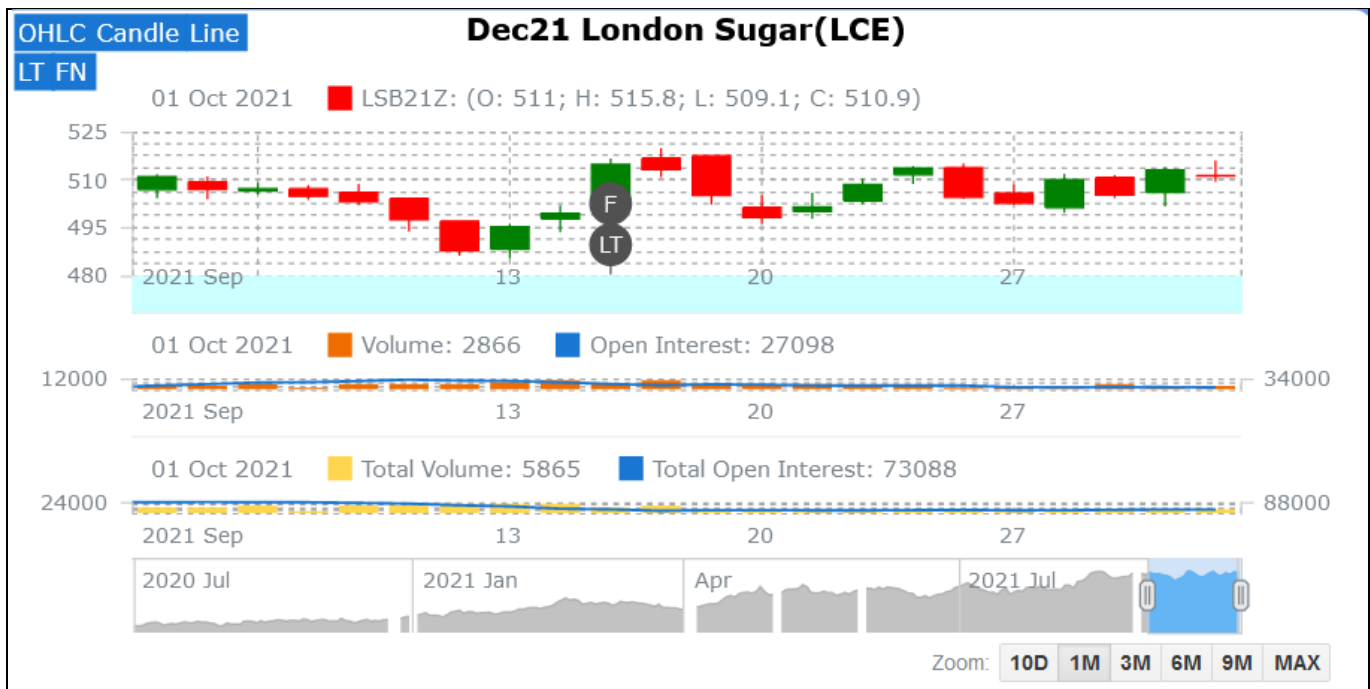
## International Sugar Futures Price Projection

## LIFFE (White Sugar Exchange) Future Market Sugar Scenario (Dec'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 516, T1 510

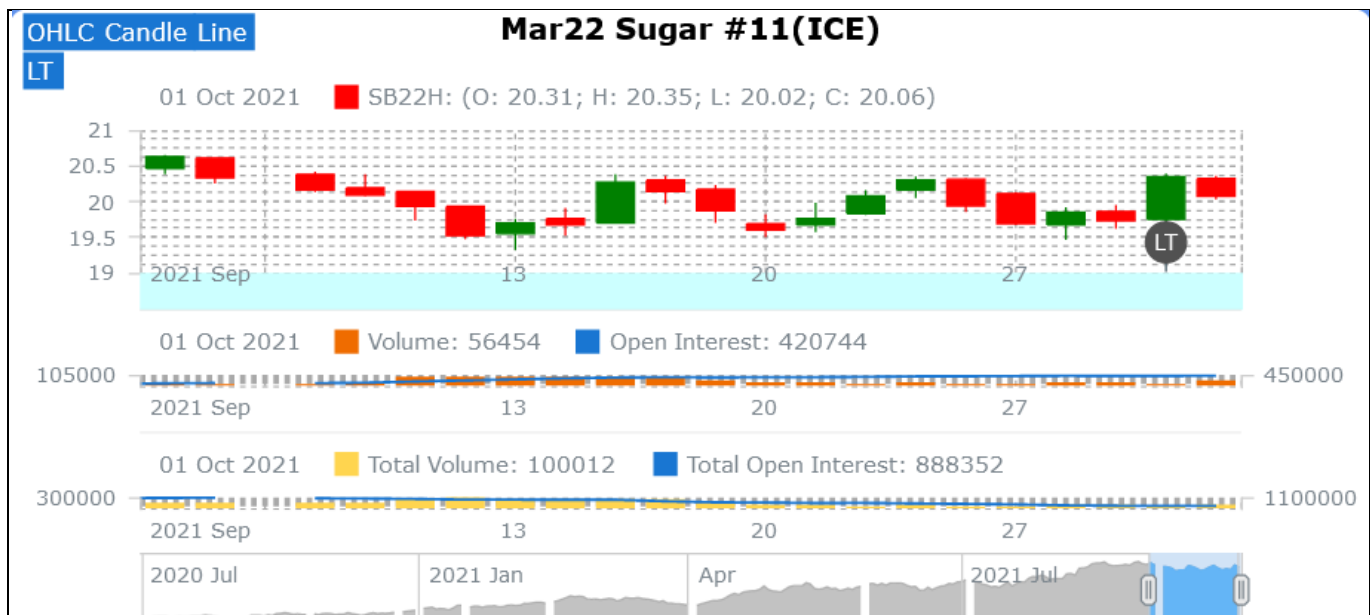
International Sugar Futures Price Projection			
	Contract Month	Present Quote	The expected Price level for next week
LIFFE Sugar (US \$/MT)	Dec'21	515	515-520



**ICE (Raw Sugar Exchange) Future Market Scenario (Mar'22 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 20.35 Targeting 20.05.

International Sugar Futures Price Projection			
	Contract Month	Present Quote	The expected Price level for next week
ICE Sugar #11 (US Cent/lb)	Mar'22	20.35	19.80– 21.0



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

Commodity	Centre	Variety	Average Prices (Rs/Qtl)		Change
Sugar			23rd Sep'21 to 29th Sep'21	16th Sep'21 to 22nd Sep'21	
Delhi	Delhi	M-Grade	3686	3643	43
	Delhi	S-Grade	3666	3623	43
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	3783	3789	-6
	Mumbai	S-Grade	3638	3653	-15
	Nagpur	M-Grade	3658	3625	33
	Nagpur	S-Grade	3542	3525	17
	Kolhapur	M-Grade	3533	3500	33
	Kolhapur	S-Grade	3417	3400	17
Assam	Guhawati	S-Grade	3677	3660	17
Meghalaya	Shillong	S-Grade	3737	3720	17
Andhra Pradesh	Vijayawada	M-Grade (With Duty)	4053	3980	73
	Vijayawada	S-Grade (With Duty)	3930	4080	-150
West Bengal	Kolkata	M-Grade	389	3850	-3461
Tamil Nadu	Chennai	S-Grade (With GST)	3850	3925	-75
	Dindigul	M-Grade (DCA)	3870	3702	168
	Coimbatore	M-Grade (DCA)	3860	3860	Unch
Chattisgarh	Ambikapur	M-Grade (Without Duty)	3650	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)			23rd Sep'21 to 29th Sep'21	16th Sep'21 to 22nd Sep'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)	4290	4350	-60
	Belgaum	Mudde (Average)	NA	NA	-
	Belthangadi	Yellow (Average)	NA	NA	-
	Bijapur	Achhu	NA	NA	-
	Gulbarga	Other (Average)	NA	NA	-
	Mahalingapura	Penti (Average)	3316	3369	-53
	Mandya	Achhu (Medium)	3028	3098	-70
	Mandya	Kurikatu (Medium)	3010	3042	-32
	Mandya	Other (Medium)	2984	2968	16
	Mandya	Yellow (Medium)	3070	3128	-58
	Shimoga	Achhu (Average)	3670	3650	20

## Spot Sugar Prices Scenario (Weekly)

Commodity	Centre	Variety	Today	Week Ago	Month Ago	Year Ago
Sugar			01-Oct-21	23-Sep-21	01-Sep-21	01-Oct-20
Delhi	Delhi	M-Grade	3630	3750	3610	3220
	Delhi	S-Grade	3610	3730	3590	3200
Uttar Pradesh	Khatauli	M-Grade	NR	0	0	3220
	Ramala	M-Grade	NR	0	0	0
	Dhampur	M-Grade Ex-Mill	NR	0	0	3175
	Dhampur	S-Grade Ex-Mill	NR	0	0	3155
	Dhampur	L-Grade Ex-Mill	NR	0	0	3225
Maharashtra	Mumbai	M-Grade	3756	3796	3840	3480
	Mumbai	S-Grade	3570	3650	3680	3306
	Nagpur	M-Grade	3625	3675	3725	3325
	Nagpur	S-Grade	3525	3525	3575	3225
	Kolhapur	M-Grade	3500	3550	3600	3200
	Kolhapur	S-Grade	3400	3400	3450	3100
Assam	Guhawati	S-Grade	3715	3715	3766	3410
Meghalaya	Shillong	S-Grade	3720	3720	3770	3420
Andhra Pradesh	Vijayawada	M-Grade (With Duty)	4000	4040	4100	3600
	Vijayawada	S-Grade (With Duty)	3900	3960	3960	3660
West Bengal	Kolkata	M-Grade	3950	3850	3850	3680
Tamil Nadu	Chennai	S-Grade	3820	3880	3750	3650



	Dindigul	M-Grade (DCA)	3880	3860	3520	3780
	Coimbatore	M-Grade (DCA)	3860	3860	0	3620
<b>Chattisgarh</b>	Ambikapur	M-Grade (Without Duty)	3800	3600	0	3600

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

\*DCA: Department of consumer affairs

**Spot Jaggery(Gur) Prices Scenario (Weekly)**

Commodity			Today	Week Ago	Month Ago	Year Ago
Jaggery(Gur)	Centre	Variety	01-Oct-21	23-Sep-21	01-Sep-21	01-Oct-20
<b>Uttar Pradesh</b>	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
<b>Andhra Pradesh</b>	Chittur	Gold	NR	0	0	0
		White	NR	0	0	0
		Black	NR	0	0	0
<b>Maharashtra</b>	Latur	Lal Variety	NR	0	0	0
<b>Karnataka</b>	Bangalore	Mudde (Average)	4350	4350	4350	4450
	Belgaum	Mudde (Average)	NA	3500	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	0	0	3321
	Mandya	Achhu (Medium)	NA	3120	3150	2950
	Mandya	Kurikatu (Medium)	NA	3050	3050	3050
	Mandya	Other (Medium)	NA	3050	3000	2850
	Mandya	Yellow (Medium)	NA	3110	3170	3000
	Shimoga	Achhu (Average)	3700	3650	3650	3600

International Sugar Prices (Weekly Average)				
	Contract Month	23rd Sep'21 to 29th Sep'21	16th Sep'21 to 22nd Sep'21	Change
ICE Sugar #11 (US Cent/lb)	21-Jul	19.35	19.34	0.01
	21-Oct	18.70	18.68	0.02
	22-Mar	19.05	19.17	-0.12
LIFFE Sugar (US \$/MT)	21-Aug	505.10	504.28	0.82
	21-Oct	495.72	494.98	0.74
	21-Dec	487.34	487.34	Unch

Source: MRCI

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