

**Price Outlook:**

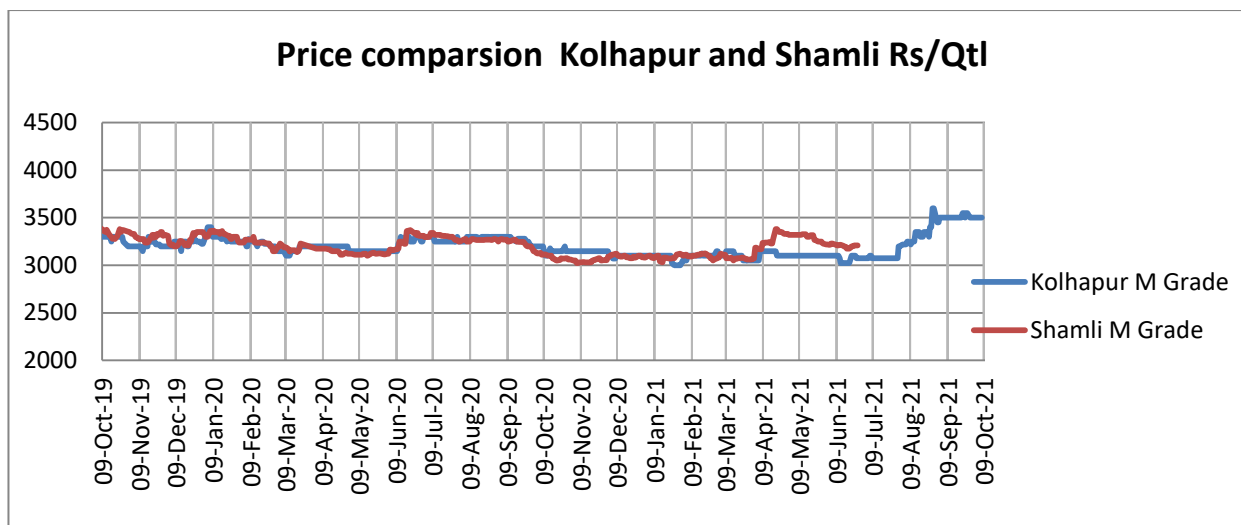
The food ministry has allocated 24 LMT of monthly sales quota for October 2021. Maharashtra Sugar mills will start the cane crushing operation from 15<sup>th</sup> October 2021. The average sugar prices have slightly decreased at Rs. 3650/q from the previous week at Rs.3666/q in Delhi market. The prices 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:**

- Maharashtra sugarcane labourers will get an identity card.** The Maharashtra government has initiated a programme to keep a record of the migrant workers and provide them with an identity card. The government plans to provide health schemes, financial assistance and accommodation for sugarcane cutters and their families and identity cards will help to get the benefits of schemes planned for them. Earlier, Over 6 lakh workers in the Marathwada region of Maharashtra migrated to western parts of the State, and neighboring Karnataka and Andhra Pradesh for six months between October to March to cut sugarcane. However, this massive movement of workers was not on government record and hence they were deprived of development schemes and social security.

### Previous Updates

- **Sugar mills have exported around 7.06 million tonnes of sugar in the 2020-21 season.** According to the All India Sugar Trade Association, out of the total shipments, 7.06 million tonnes of sugar have been exported, while 1,66,335 tonnes are under loading in the 2020-21 season. The maximum exports were undertaken to Indonesia at 1.82 million tonnes, followed by Afghanistan at 6,69,525 tonnes, UAE at 5,24,064 tonnes, and Somalia at 4,11,944 tonnes in 2020-21 season. For the coming 2021-22 sugar season, export deals of about 15 lakh tonnes have taken place till 4<sup>th</sup> October 2021. Whereas, as per the Indian Sugar Mills Association India's sugar export has risen around 20 percent to an all-time high of 7.1 million tonnes during the 2020-21 season.
- **India and Thailand would be competing for sugar export during 2021-22 season.** The India and Thailand would be competing for Indonesia market besides these two nations, Australia will also compete for market share there. Thai sugar will give competition to Indian sugar, especially due to the high freight differential (\$15-\$20) for destinations such as Indonesia. India needs to price its sugar to match Thai offers. Thailand sugar production is projected to rebound by 33 per cent to 10 MT this season. After taking into consideration domestic consumption of 3 MT in Thailand, it would have 7 MT of surplus sugar to export. It is expected to export 2.5-3 MT more sugar than last year. According to ISMA, after a record 7.1 million tonnes (MT) exports last season (October 2020-September 2021), Indian sugar shipments will likely face stiff competition from Thailand during the 2021-22 season. Sugar prices in the domestic market are currently prevailing between Rs. 3200- Rs. 3500 per quintal.
- **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.

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

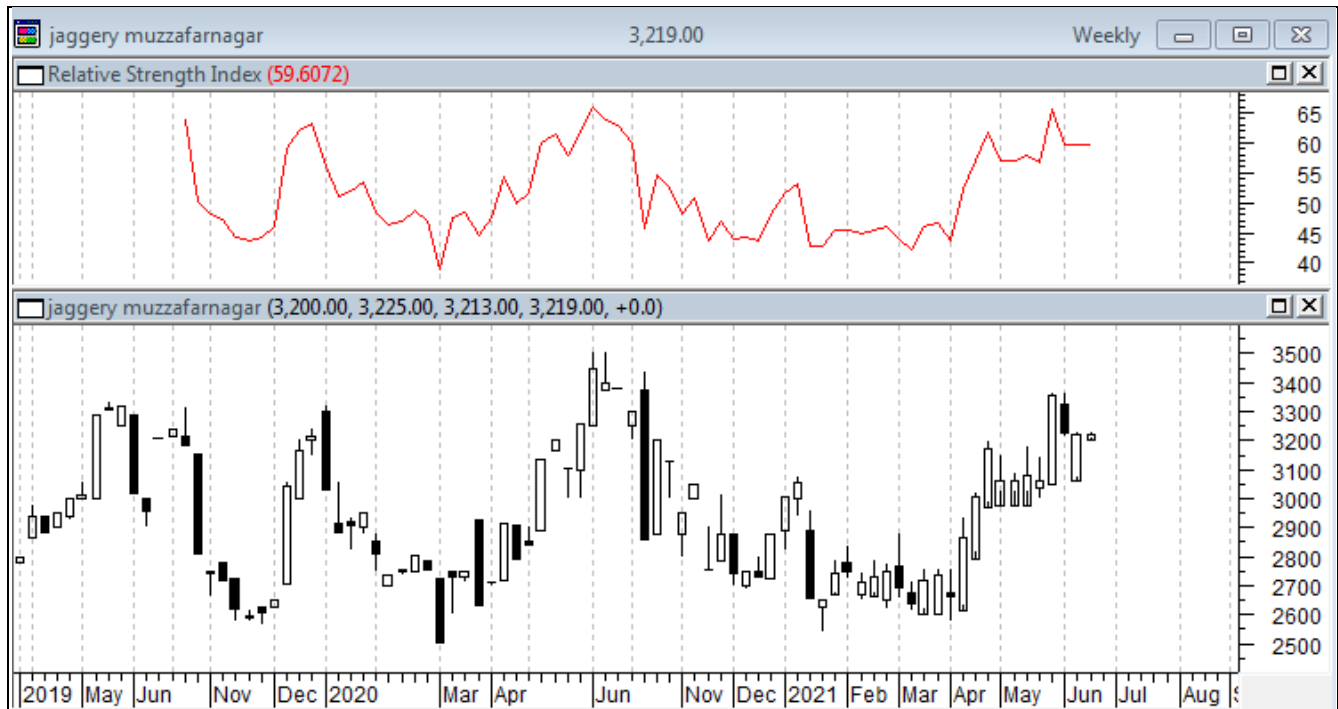
- The sugar spot prices at the benchmark Kolhapur market was higher during last week and ended at Rs.3500/q.
- The next resistance and support level for the next week is expected at Rs.3550 and Rs.3200 per quintal respectively.
- RSI is in the neutral region.



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

##### Gur Market Scenario

- The arrivals have closed in Muzaffarnagar.



### International Market Highlights

#### Recent Updates:

**Pakistan's government is planning to increase the minimum purchase price (MRP) of sugarcane from Rs. 220 per 40 kg to Rs. 250 per 40kg this season.** The Sugarcane Control Board (SCCB) is planning to propose a hike of at least Rs. 30 per 40kg in the previous year's rate, the meeting is scheduled for the next week. The cane prices are scheduled to increase due to an increase in the farm input price and high electricity rates for tube wells. According to the Punjab Crop Reporting survey, the failure of the cotton crop has led the farmers to turn to cane cultivation. The area under sugarcane cultivation in the country has also increased by 12 percent to 2.148 million acres against the set target of 1.880 million acres.

#### Previous 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.

- **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.

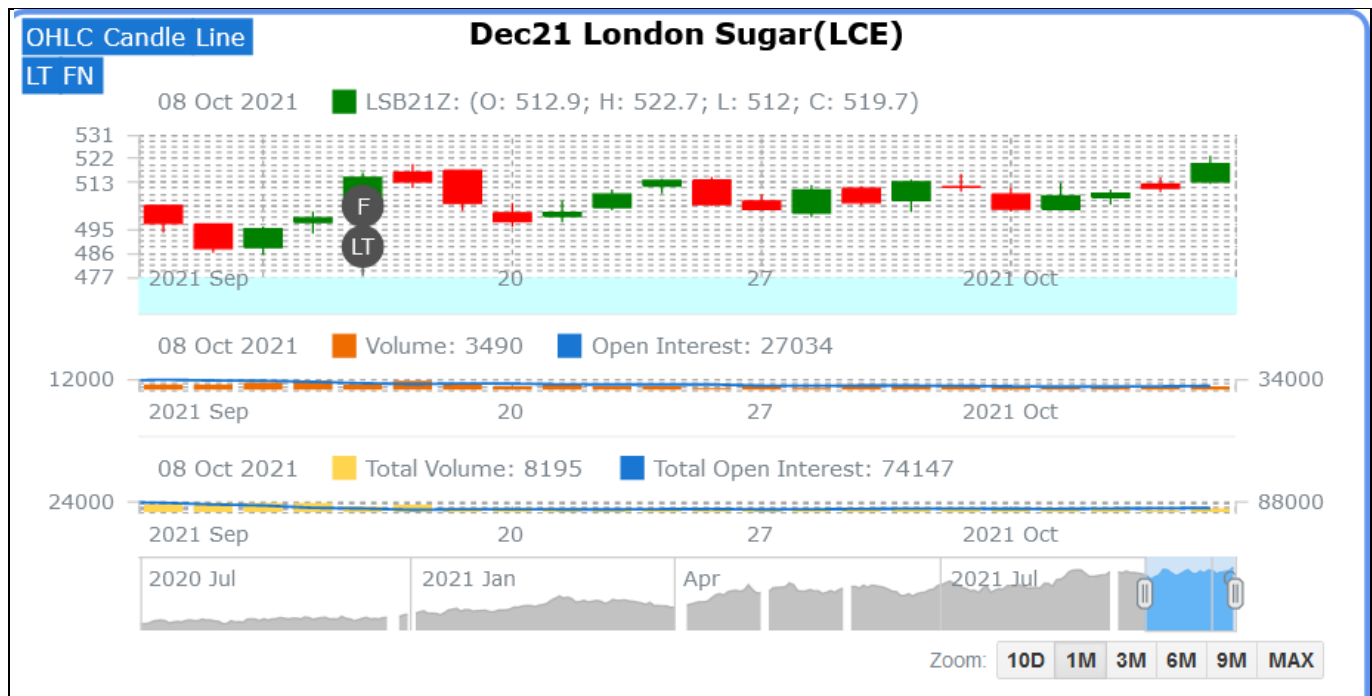
#### International Sugar Futures Price Projection

##### 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	522	520-530

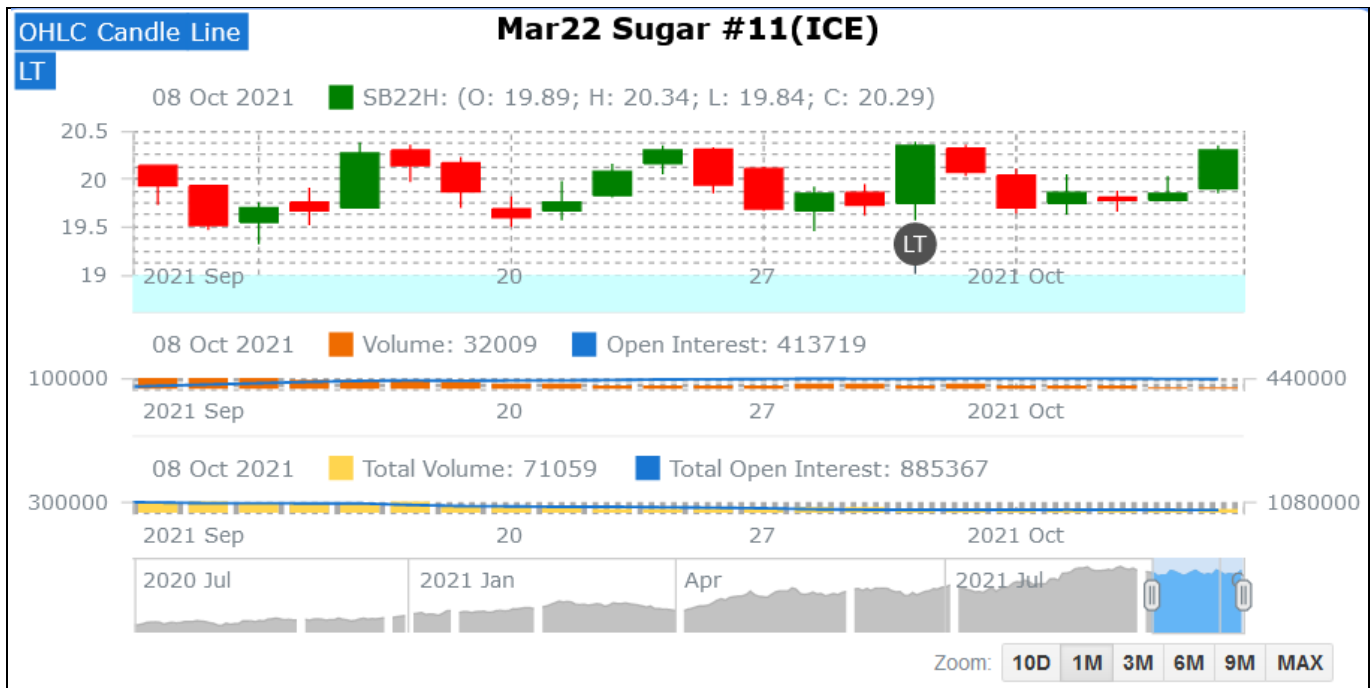


### ICE (Raw Sugar Exchange) Future Market Scenario (Mar'22 Contract)

#### 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	20.34	19.80– 21.0



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

Commodity	Centre	Variety	Average Prices (Rs/Qtl)		Change
			30th Sep'21 to 06th Oct'21	23rd Sep'21 to 29th Sep'21	
Delhi	Delhi	M-Grade	3670	3686	-16
	Delhi	S-Grade	3650	3666	-16
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	3785	3783	2
	Mumbai	S-Grade	3554	3638	-84
	Nagpur	M-Grade	3625	3658	-33
	Nagpur	S-Grade	3525	3542	-17
	Kolhapur	M-Grade	3500	3533	-33
	Kolhapur	S-Grade	3400	3417	-17
Assam	Guhawati	S-Grade	3660	3677	-17
Meghalaya	Shillong	S-Grade	3720	3737	-17
Andhra Pradesh	Vijayawada	M-Grade (With Duty)	4003	4053	-50

	Vijayawada	S-Grade (With Duty)	3903	3930	-27
West Bengal	Kolkata	M-Grade	3950	3890	60
Tamil Nadu	Chennai	S-Grade (With GST)	3820	3850	-30
	Dindigul	M-Grade (DCA)	3890	3870	20
	Coimbatore	M-Grade (DCA)	3860	3860	Unch
Chattisgarh	Ambikapur	M-Grade (Without Duty)	3800	3650	150
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)			30th Sep'21 to 06th Oct'21	23rd Sep'21 to 29th 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)	4350	4290	60
	Belgaum	Mudde (Average)	NA	NA	-
	Belthangadi	Yellow (Average)	NA	NA	-
	Bijapur	Achhu	NA	NA	-
	Gulbarga	Other (Average)	NA	NA	-
	Mahalingapura	Penti (Average)	3378	3316	62
	Mandya	Achhu (Medium)	3013	3028	-15
	Mandya	Kurikatu (Medium)	2933	3010	-77
	Mandya	Other (Medium)	2857	2984	-127
	Mandya	Yellow (Medium)	3050	3070	-20
	Shimoga	Achhu (Average)	3700	3670	30

## Spot Sugar Prices Scenario (Weekly)

Commodity	Centre	Variety	Today	Week Ago	Month Ago	Year Ago
-----------	--------	---------	-------	----------	-----------	----------



Sugar			08-Oct-21	30-Sep-21	08-Sep-21	08-Oct-20
Delhi	Delhi	M-Grade	3650	3650	3680	3240
	Delhi	S-Grade	3630	3630	3660	3220
Uttar Pradesh	Khatauli	M-Grade	NR	NR	0	3200
	Ramala	M-Grade	NR	NR	0	0
	Dhampur	M-Grade Ex-Mill	NR	NR	0	3170
	Dhampur	S-Grade Ex-Mill	NR	NR	0	3150
	Dhampur	L-Grade Ex-Mill	NR	NR	0	3220
Maharashtra	Mumbai	M-Grade	3780	3770	3760	3446
	Mumbai	S-Grade	3620	3620	3600	3286
	Nagpur	M-Grade	3625	3625	3625	3325
	Nagpur	S-Grade	3525	3525	3525	3225
	Kolhapur	M-Grade	3500	3500	3500	3200
	Kolhapur	S-Grade	3400	3400	3400	3100
Assam	Guhawati	S-Grade	3715	3715	3715	3410
Meghalaya	Shillong	S-Grade	3720	3720	3720	3420
Andhra Pradesh	Vijayawada	M-Grade (With Duty)	4020	4000	4160	3600
	Vijayawada	S-Grade (With Duty)	3920	3900	4060	3660
West Bengal	Kolkata	M-Grade	3950	3950	3850	3680
Tamil Nadu	Chennai	S-Grade	3880	3820	3980	3650
	Dindigul	M-Grade (DCA)	3900	3880	3610	3780
	Coimbatore	M-Grade (DCA)	3900	3860	0	3620
Chattisgarh	Ambikapur	M-Grade (Without Duty)	3850	3800	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	08-Oct-21	30-Sep-21	08-Sep-21	08-Oct-20
Uttar Pradesh	Muzaffarnagar	Chaku Sukha	NA	0	0	3250
	Muzaffarnagar	Chaku(Arrival)(40kg Bag)	NA	0	0	5000
	Muzaffarnagar	Khurpa	3578	0	0	2750
	Muzaffarnagar	Laddoo	4000	0	0	3063
	Muzaffarnagar	Rascut	NA	0	0	0
	Hapur	Chaurasa	3300	0	0	0
	Hapur	Balti	3425	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)	4550	4350	4350	4450
	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	3398	3205
	Mandya	Achhu (Medium)	3280	2980	3210	3200
	Mandya	Kurikatu (Medium)	3100	3000	3000	3120
	Mandya	Other (Medium)	3000	2880	3080	2900
	Mandya	Yellow (Medium)	3150	3050	3150	3080
	Shimoga	Achhu (Average)	3700	3700	3650	3600

International Sugar Prices (Weekly Average)				
	Contract Month	30th Sep'21 to 06th Oct'21	23rd Sep'21 to 29th Sep'21	Change
ICE Sugar #11 (US Cent/lb)	21-Jul	18.98	19.35	-0.37
	21-Oct	18.56	18.70	-0.14
	22-Mar	19.83	19.05	0.78
LIFFE Sugar (US \$/MT)	21-Aug	504.60	505.10	-0.50
	21-Oct	496.12	495.72	0.40
	21-Dec	488.42	487.34	1.08

Source: MRCI

## Disclaimer

The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at <http://www.agriwatch.com/disclaimer.php> © 2021 Indian Agribusiness Systems Ltd.

