

Sugar &Gur Domestic & International Fundamentals

Recent Update:

Steady tone was witnessed in Sugar physical markets today in India. Sugar prices were lower in Delhi and khatauli by 10-20 at Rs. 3170/q and Rs. 3150/q. Prices were steady in Kolhapur at Rs. 3100/q.

Sugar production in Uttar Pradesh was lower as compared to previous year's Production. According to the Indian Sugar Mills Association, 120 sugar mills in Uttar Pradesh have produced around 42.99 lakh tonnes of sugar till 15th January, 2021, compared to the last season were, 119 sugar mills were in operation and had produced about 43.78 lakh tonnes of sugar. The slightly lower production this year is because of reportedly lower cane yields and lower sugar recoveries in the State.

Weather Forecast:

Dense to very dense fog conditions at a few places very likely over Rajasthan, Odisha and Bihar. Cold day to severe cold day condition in isolated pockets very likely over Bihar and cold day condition in isolated pockets over Punjab, Haryana, Chandigarh & Delhi.

Previous Updates:

Mills in India has produced around 142.70 lakh tonnes of sugar so far. According to the Indian Sugar Mills Association, 487 sugar mills were in operation in the country and have produced around 142.70 lakh tonnes of sugar, as compared to 108.94 lakh tonnes of sugar produced by 440 sugar mills in the previous season, which is 33.76 lakh tonnes higher as compared to last season's production for the corresponding period.

Shrigonda sugar mill leads in sugar recovery rate. Shrigonda sugar mill leads in sugar recovery rate in the district in the current crushing season. Till 13 January, a total of 21 sugar mills were in operations in the district including 13 cooperative and 8 private mills. These mills have crushed around 87,724-tonne sugarcane, out of that with 10.36 per cent sugar recovery rate Shrigonda sugar mill is leading. There are a total of 23 mills in the district, out of which Saikripa-2 and Tanpura Cooperative mills are closed. 13 cooperative mills crushed 58,149 tonnes and 8 private mills crushed 29,575 tonnes of sugarcane.

Sugarcane Development Department has issued advisory to farmers for the protection and management of sugarcane crop. Every year, due to water logging, flooding or drought in sugarcane cultivation, there is a disruption in sowing and weeding of sugarcane. Therefore, by adopting measures for management and safety of sugarcane cultivation, the ill effects of weather can be avoided. According to the advisory, in those areas where there is a possibility of drought or there is no rain for a long period in the rainy season, in such areas sowing should be done with drought tolerant varieties such as Co.lk 94184, Co.lk 12209, Cos. 08279 etc. In sugarcane crop, planting of sugarcane with laying trash between the rows does not require frequent irrigation. Adoption of drip irrigation or spraying method will provide more production with water savings. If the sugarcane leaves begin to wilt during drought, then Before lifesaving irrigation, spraying the crop by 5% solution of potash fertilizer in water reduces the harmful effects of drought. Also, the Cane Commissioner has directed to set up flaxes of the protective measures of sugarcane cultivation described in the advisory at the sugar mill gates and departmental offices and for wide publicity among sugarcane farmers through handbills, wall paintings and daily newspapers.

EID Parry is planning to manufacture sulphur free sugar. East India Distillers (EID) Parry limited is planning to bring sulphur free sugar in all the markets across south India. The company is trying to tap the branded sugar market which is less than 5% of the total sugar market in India. The company is focusing on new products according to the customers demand and which are healthy as well as safe to consume.

India has good opportunity to export sugar as global sugar output dips. The global demand for raw sugar is increasing; India has good opportunity to export sugar if the mills increase the production of raw sugar, as this will benefit the sugar sector in India. The global sugar output is likely to dip by around 50 to 60 lakh tonne for the next two years and India has capacity to meet the global demand. Sugar price in the international market is around Rs 2700 per quintal. With export subsidy of Rs 6000 per tonne, the mills would get Rs 3300 per tonne.

New sugar mills to be setup in Punjab. The Punjab government is planning to set up two new sugar mills in the cooperative sector at Batala and Gudasapur. These sugar mills are likely to benefit the sugarcane farmers and will also increase the sugar output. The government is also taking review of the pending cane dues of about Rs. 150 crore.

Commodity	USD (\$/Tonne)	Change
Thai Sugar FOB 45 Icumsa	461.70	-2.70

International Sugar Futures ICE(US Cent/lb)

Daily Futures Price Listing Friday January 15 th , 2021									
Most Recent Information							Previous Day		
Mth	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
Sugar #11(ICE)									
Mar-21	210115	16.67	16.71	16.27	16.45	-0.22	45,426	398,252	+824
May-21	210115	15.68	15.72	15.38	15.58	-0.14	30,840	206,953	-1,045
Jul-21	210115	15.01	15.09	14.70	14.99	-0.07	20,795	156,735	-1,949
Oct-21	210115	14.64	14.82	14.40	14.72	Unch	6,144	116,873	+602
Mar-22	210115	14.85	15.05	14.61	14.94	+0.04	2,689	71,611	+186
May-22	210115	13.90	14.16	13.80	14.09	+0.14	1,278	45,045	+12
Jul-22	210115	13.32	13.54	13.20	13.48	+0.13	690	39,143	+186
Oct-22	210115	13.15	13.36	13.07	13.30	+0.12	299	32,657	-50
Total Volume and Open Interest							108,368	1,094,291	-1,161

Source: MRCI

International Sugar Futures LIFFE(US \$/MT)

Daily Futures Price Listing Monday January 18th, 2021									
Most Recent Information							Previous Day		
Mth	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
London Sugar(LCE)									
Mar-21	210118	461.70	468.70	460.00	467.50	+5.80	7,981	41,856	+648
May-21	210118	445.20	449.60	443.60	449.10	+3.90	4,286	39,103	+679
Aug-21	210118	429.00	432.80	427.90	432.70	+3.20	2,146	17,193	+548
Oct-21	210118	413.20	415.00	413.20	415.00	+2.30	492	4,972	-89
Dec-21	210118	407.50	409.90	407.50	409.90	+2.10	507	3,491	+140
Total Volume and Open Interest							15,621	109,484	+1,997

Source: MRCI

DOMESTIC PRICES AND ARRIVAL

Sugar Prices at Key Spot Markets:					
Commodity	Centre	Variety	Prices (Rs/Qtl)		Change
Sugar			19-Jan-21	18-Jan-21	
Delhi	Delhi	M-Grade	3190	3200	-10
	Delhi	S-Grade	3170	3180	-10
Uttar Pradesh	Khatauli	M-Grade	3150	3200	-50
	Ramala	M-Grade	NA	NA	-
	Dhampur	M-Grade Ex-Mill	3045	3075	-30
	Dhampur	S-Grade Ex-Mill	3025	3055	-30
	Dhampur	L-Grade Ex-Mill	3095	3125	-30
Maharashtra	Mumbai	M-Grade	3316	3316	Unch
	Mumbai	S-Grade	3200	3200	Unch
	Nagpur	M-Grade	3225	3225	Unch
	Nagpur	S-Grade	3225	3225	Unch
	Kolhapur	M-Grade	3100	3100	Unch
	Kolhapur	S-Grade	3100	3100	Unch
Assam	Guhawati	S-Grade	3410	3410	Unch
Meghalaya	Shillong	S-Grade	3420	3420	Unch

Andhra Pradesh	Vijayawada	M-Grade (With Duty)	3660	3660	Unch
	Vijayawada	S-Grade (With Duty)	3620	3620	Unch
West Bengal	Kolkata	M-Grade	3650	3650	Unch
Tamil Nadu	Chennai	S-Grade (With GST)	3450	3450	Unch
	Dindigul	M-Grade (DCA)	3600	3600	Unch
	Coimbatore	M-Grade (DCA)	3570	3570	Unch
Chattisgarh	Ambikapur	M-Grade (Without Duty)	3600	3600	Unch

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

*DCA: Department of consumer affairs

Jaggery (Gur) Prices at Key Spot Markets:

Commodity	Centre	Variety	Prices (Rs/Qtl)		Change
			19-Jan-21	18-Jan-21	
Jaggery(Gur)					
Uttar Pradesh	Muzaffarnagar	Chaku Fresh	2813	2813	Unch
	Muzaffarnagar	Chaku(Arrival)(40kg Bag)	5000	8000	-3000
	Muzaffarnagar	Khurpa (Fresh)	2625	2625	Unch
	Muzaffarnagar	Laddoo (Fresh)	2850	2850	Unch
	Muzaffarnagar	Rascut (Fresh)	2525	2525	Unch
	Hapur	Chaurasa	2625	Closed	-
	Hapur	Balti	2550	Closed	-
Andhra Pradesh	Chittur	Gold	NR	NR	-
		White	NR	NR	-
		Black	NR	NR	-
Maharashtra	Latur	Lal Variety	NR	NR	-
Karnataka	Bangalore	Mudde (Average)	4450	4450	Unch
	Belgaum	Mudde (Average)	NA	NA	-
	Belthangadi	Yellow (Average)	NA	NA	-
	Bijapur/Vijayapura	Achhu	NA	NA	-
	Gulbarga/Kalaburgi	Other (Average)	NA	NA	-
	Mahalingapura	Penti (Average)	NA	3226	-
	Mandya	Achhu (Medium)	3050	3100	-50
	Mandya	Kurikatu (Medium)	2950	2950	Unch
	Mandya	Other (Medium)	2800	2800	Unch
	Mandya	Yellow (Medium)	3100	3100	Unch
	Shimoga/Shivamogga	Achhu (Average)	NA	3550	-



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