

## Sugar &Gur Domestic & International Fundamentals

### Recent Update:

**Steady tone was witnessed in Sugar physical markets today in India.** Sugar prices were lower in Mumbai by 10-20 at Rs. 3300/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 Punjab, Haryana, Chandigarh & Delhi and dense fog in isolated pockets over Uttar Pradesh and Bihar.

### 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.

Commodity	USD (\$/Tonne)	Change
Thai Sugar FOB 45 Icmsa	451.20	-16.30

#### International Sugar Futures ICE(US Cent/lb)

Daily Futures Price Listing Tuesday January 19 <sup>th</sup> , 2021									
Most Recent Information							Previous Day		
Mth	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
Sugar #11(ICE)									
<a href="#">Mar-21</a>	210119	16.50	16.70	16.06	16.10	-0.35	73,484	404,909	+6,657
<a href="#">May-21</a>	210119	15.64	15.79	15.21	15.25	-0.33	42,105	205,960	-993
<a href="#">Jul-21</a>	210119	15.00	15.13	14.64	14.66	-0.33	30,741	158,170	+1,435
<a href="#">Oct-21</a>	210119	14.72	14.83	14.42	14.43	-0.29	17,892	118,395	+1,522
<a href="#">Mar-22</a>	210119	14.94	15.06	14.63	14.67	-0.27	8,235	72,054	+443
<a href="#">May-22</a>	210119	14.11	14.20	13.80	13.86	-0.23	2,968	45,612	+567
<a href="#">Jul-22</a>	210119	13.53	13.59	13.19	13.26	-0.22	2,220	38,701	-442
<a href="#">Oct-22</a>	210119	13.40	13.41	13.02	13.06	-0.24	560	32,757	+100
Total Volume and Open Interest							178,767	1,103,636	+9,345

Source: MRCI

## International Sugar Futures LIFFE(US \$/MT)

Daily Futures Price Listing Tuesday January 19th, 2021									
Most Recent Information							Previous Day		
Mth	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
London Sugar(LCE)									
<a href="#">Mar-21</a>	210119	467.20	467.20	450.60	451.20	-16.30	7,521	41,870	+14
<a href="#">May-21</a>	210119	449.10	450.00	433.70	434.20	-14.90	4,043	39,268	+165
<a href="#">Aug-21</a>	210119	431.20	433.00	420.00	420.40	-12.30	2,516	17,200	+7
<a href="#">Oct-21</a>	210119	415.00	415.00	405.50	406.20	-8.80	446	5,228	+256
<a href="#">Dec-21</a>	210119	410.00	410.00	402.00	402.00	-7.90	52	3,488	-3
Total Volume and Open Interest							14,633	109,941	+457

Source: MRCI

DOMESTIC PRICES AND ARRIVAL

Sugar Prices at Key Spot Markets:					
Commodity	Centre	Variety	Prices (Rs/Qtl)		Change
Sugar			20-Jan-21	19-Jan-21	
Delhi	Delhi	M-Grade	3190	3190	Unch
	Delhi	S-Grade	3170	3170	Unch
Uttar Pradesh	Khatauli	M-Grade	3150	3150	Unch
	Ramala	M-Grade	NA	NA	-
	Dhampur	M-Grade Ex-Mill	3045	3045	Unch
	Dhampur	S-Grade Ex-Mill	3025	3025	Unch
	Dhampur	L-Grade Ex-Mill	3095	3095	Unch
Maharashtra	Mumbai	M-Grade	3300	3316	-16
	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
Jaggery(Gur)			20-Jan-21	19-Jan-21	
Uttar Pradesh	Muzaffarnagar	Chaku Fresh	2850	2813	38
	Muzaffarnagar	Chaku(Arrival)(40kg Bag)	15000	5000	10000
	Muzaffarnagar	Khurpa (Fresh)	2600	2625	-25
	Muzaffarnagar	Laddoo (Fresh)	2803	2850	-48
	Muzaffarnagar	Rascut (Fresh)	2525	2525	Unch
	Hapur	Chaurasa	2625	2625	Unch
	Hapur	Balti	2550	2550	Unch
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)	3158	3150	8
	Mandya	Achhu (Medium)	3100	3050	50
	Mandya	Kurikatu (Medium)	2980	2950	30
	Mandya	Other (Medium)	2830	2800	30
	Mandya	Yellow (Medium)	3000	3100	-100
	Shimoga/Shivamogga	Achhu (Average)	3550	3550	Unch



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