

Sugar &Gur Domestic & International Fundamentals

Recent Update:

Steady tone was witnessed in Sugar physical markets today in India. Sugar prices were higher in Delhi & Khatauli by 05-10 at Rs. 3175/q and Rs. 3155/q. Prices were steady in Kolhapur at Rs. 3100/q.

Maharashtra Sugar Mill yet to clear cane dues. The sugar mills in Maharashtra have crushed more cane till December end this season as compared with last season but are yet not paid Rs 2140 crore cane dues to the cane farmers. 182 sugar mills in Maharashtra have crushed around 546 lakh tonnes of Sugar, till 18 January.

Weather Forecast:

Dense to very dense fog conditions at a few places very likely over sub- Himalayan, West Bengal and dense fog in isolated pockets over East Uttar Pradesh and Bihar, Assam, Meghalaya and Nagaland, Manipur, Mizoram & Tripura.

Previous Updates:

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.

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 Icumsa	456.00	4.80

International Sugar Futures ICE(US Cent/lb)

Daily Futures Price Listing Wednesday January 20 th , 2021									
Most Recent Information							Previous Day		
Mth	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
Sugar #11(ICE)									
Mar-21	210120	16.10	16.56	16.02	16.27	+0.17	64,784	403,542	-1,367
May-21	210120	15.24	15.66	15.17	15.41	+0.16	41,196	207,987	+2,027
Jul-21	210120	14.62	15.00	14.59	14.82	+0.16	22,962	157,481	-689
Oct-21	210120	14.46	14.75	14.36	14.59	+0.16	14,837	120,234	+1,839
Mar-22	210120	14.66	14.95	14.60	14.81	+0.14	11,035	70,705	-1,349
May-22	210120	13.95	14.09	13.82	13.97	+0.11	7,975	45,997	+384
Jul-22	210120	13.35	13.45	13.25	13.36	+0.10	3,464	37,790	-911
Oct-22	210120	13.16	13.18	13.05	13.15	+0.09	660	32,877	+120
Total Volume and Open Interest							167,438	1,103,852	+216

Source: MRCI

International Sugar Futures LIFFE(US \$/MT)

Daily Futures Price Listing Wednesday January 20th, 2021									
Most Recent Information							Previous Day		
Mth	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
London Sugar(LCE)									
Mar-21	210120	451.20	461.30	450.80	456.00	+4.80	2,977	42,070	+200
May-21	210120	434.50	444.80	434.10	439.30	+5.10	1,400	39,484	+216
Aug-21	210120	420.70	430.50	420.70	425.90	+5.50	406	17,313	+113
Oct-21	210120	407.40	415.00	406.90	411.20	+5.00	62	5,265	+37
Dec-21	210120	403.50	410.00	402.50	406.60	+4.60	6	3,489	+1
Total Volume and Open Interest							4,851	110,508	+567

Source: MRCI

DOMESTIC PRICES AND ARRIVAL

Sugar Prices at Key Spot Markets:					
Commodity	Centre	Variety	Prices (Rs/Qtl)		Change
Sugar			21-Jan-21	20-Jan-21	
Delhi	Delhi	M-Grade	3195	3190	5
	Delhi	S-Grade	3175	3170	5
Uttar Pradesh	Khatauli	M-Grade	3155	3150	5
	Ramala	M-Grade	NA	NA	-
	Dhampur	M-Grade Ex-Mill	3050	3045	5
	Dhampur	S-Grade Ex-Mill	3030	3025	5
	Dhampur	L-Grade Ex-Mill	3100	3095	5
Maharashtra	Mumbai	M-Grade	3296	3300	-4
	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)			21-Jan-21	20-Jan-21	
Uttar Pradesh	Muzaffarnagar	Chaku Fresh	2813	2850	-38
	Muzaffarnagar	Chaku(Arrival)(40kg Bag)	18000	15000	3000
	Muzaffarnagar	Khurpa (Fresh)	2538	2600	-63
	Muzaffarnagar	Laddoo (Fresh)	2828	2803	25
	Muzaffarnagar	Rascut (Fresh)	2538	2525	13
	Hapur	Chaurasa	2613	2625	-13
	Hapur	Balti	2563	2550	13
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	3800	-
	Belthangadi	Yellow (Average)	NA	NA	-
	Bijapur/Vijayapura	Achhu	NA	NA	-
	Gulbarga/Kalaburgi	Other (Average)	NA	NA	-
	Mahalingapura	Penti (Average)	3195	3158	37
	Mandya	Achhu (Medium)	3060	3100	-40
	Mandya	Kurikatu (Medium)	3100	2980	120
	Mandya	Other (Medium)	2900	2830	70
	Mandya	Yellow (Medium)	3050	3000	50
	Shimoga/Shivamogga	Achhu (Average)	3550	3550	Unch



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