

## Sugar &Gur Domestic & International Fundamentals

### Recent Update:

**Steady tone was witnessed in Sugar physical markets today in India.** Sugar prices were lower in Delhi by 05-10 at Rs. 3155/q. Prices were steady in Kolhapur at Rs. 3100/q.

**Sangli District is likely to witness more sugar output this season.** Around 15 sugar mills are operating in the district and have produced about 48 lakh tonne sugar by crushing 43 lakh tonne sugarcane in last two months. The district has recorded 11.24 per cent sugar recovery rate this season. Earlier the mills faced problems like lack of cane harvesters and demand of hike in cane harvesting rates at the beginning of the crushing season. However, the mills managed the issues and began crushing operations in November. The mill which were operating in the previous season are also engaged in the ongoing operations, and this will add more sugar in the district's output.

### Weather Forecast:

Dense to very dense fog conditions at a few places very likely over sub-Himalayan, West Bengal and Sikkim, Punjab, Dense fog in isolated pockets over Rajasthan. Cold wave condition in isolated pockets over Haryana, Chandigarh & Delhi and Uttar Pradesh and Surashtra & Kutuch.

### Previous Updates:

**Kenya is planning to import sugar from Uganda.** Kenya is planning to import around 90,000 tonnes of sugar from Uganda and 160,000 tonnes from other countries after exhausting Comesa import quota allotted to it. Kenya has been importing around 350,000 tonnes from within EAC and Comesa due to a widened deficit in its market.

**Over Rs. 12,000 crore cane dues are still pending in Uttar Pradesh.** The sugarcane farmers have supplied cane worth Rs 14,000 crore to the sugar mills in the ongoing season but have received only RS 4,448 crore. The payment made by the mills in the current season also includes arrears of over Rs 2,500 crore of the previous sugar seasons. Also, the state government has yet not announced the sugarcane SAP.

**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.

**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 where, 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.

Commodity	USD (\$/Tonne)	Change
Thai Sugar FOB 45 Icumsa	450.30	-5.70

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

Daily Futures Price Listing Friday January 22 <sup>nd</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>	210122	15.99	16.04	15.73	15.87	-0.18	50,379	399,121	-4,888
<a href="#">May-21</a>	210122	15.26	15.26	14.95	15.08	-0.21	23,250	206,413	-273
<a href="#">Jul-21</a>	210122	14.70	14.74	14.49	14.61	-0.17	17,323	161,945	+5,714
<a href="#">Oct-21</a>	210122	14.53	14.53	14.30	14.42	-0.14	8,077	121,366	+692
<a href="#">Mar-22</a>	210122	14.71	14.77	14.53	14.66	-0.14	2,968	70,780	+642
<a href="#">May-22</a>	210122	13.88	13.93	13.72	13.82	-0.14	914	46,256	+50
<a href="#">Jul-22</a>	210122	13.24	13.35	13.14	13.21	-0.17	919	37,923	+235
<a href="#">Oct-22</a>	210122	12.99	13.11	12.93	12.98	-0.16	528	32,699	-100
Total Volume and Open Interest							105,015	1,103,852	+2,187

Source: MRCI

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

Daily Futures Price Listing Friday January 22 <sup>nd</sup> , 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>	210122	448.70	449.10	441.00	444.80	-5.50	4,747	40,731	-559
<a href="#">May-21</a>	210122	435.20	435.50	427.00	429.80	-6.50	2,791	39,812	+180
<a href="#">Aug-21</a>	210122	423.30	423.30	414.90	418.20	-5.40	1,627	17,906	+399
<a href="#">Oct-21</a>	210122	409.00	409.80	402.50	405.60	-4.20	175	5,383	+60
<a href="#">Dec-21</a>	210122	404.60	405.80	401.00	402.00	-4.00	48	3,534	+10
Total Volume and Open Interest							9,412	110,255	+96

Source: MRCI

DOMESTIC PRICES AND ARRIVAL

Sugar Prices at Key Spot Markets:					
Commodity	Centre	Variety	Prices (Rs/Qtl)		Change
Sugar			25-Jan-21	23-Jan-21	
Delhi	Delhi	M-Grade	3175	3190	-15
	Delhi	S-Grade	3155	3170	-15
Uttar Pradesh	Khatauli	M-Grade	3160	3160	Unch
	Ramala	M-Grade	NA	NA	-
	Dhampur	M-Grade Ex-Mill	3055	3055	Unch
	Dhampur	S-Grade Ex-Mill	3035	3035	Unch
	Dhampur	L-Grade Ex-Mill	3105	3105	Unch
Maharashtra	Mumbai	M-Grade	3290	3296	-6
	Mumbai	S-Grade	3146	3170	-24
	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)	3620	3660	-40
	Vijayawada	S-Grade (With Duty)	3580	3620	-40
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)			25-Jan-21	23-Jan-21	
Uttar Pradesh	Muzaffarnagar	Chaku Fresh	2763	2875	-113
	Muzaffarnagar	Chaku(Arrival)(40kg Bag)	10000	15000	-5000
	Muzaffarnagar	Khurpa (Fresh)	2500	2650	-150
	Muzaffarnagar	Laddoo (Fresh)	2853	2828	25

	Muzaffarnagar	Rascut (Fresh)	2525	2525	Unch
	Hapur	Chaursa	Closed	2588	-
	Hapur	Balti	Closed	2550	-
Andhra Pradesh	Chittur	Gold	NR	NR	-
		White	NR	NR	-
		Black	NR	NR	-
Maharashtra	Latur	Lal Variety	NR	NR	-
Karnataka	Bangalore	Mudde (Average)	NA	NA	-
	Belgaum	Mudde (Average)	NA	NA	-
	Belthangadi	Yellow (Average)	NA	NA	-
	Bijapur/Vijayapura	Achhu	NA	NA	-
	Gulbarga/Kalaburgi	Other (Average)	NA	NA	-
	Mahalingapura	Penti (Average)	3169	NA	-
	Mandya	Achhu (Medium)	3000	3050	-50
	Mandya	Kurikatu (Medium)	3100	3100	Unch
	Mandya	Other (Medium)	2850	2900	-50
	Mandya	Yellow (Medium)	3000	3000	Unch
	Shimoga/Shivamogga	Achhu (Average)	3550	NA	-

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