

Sugar &Gur Domestic & International Fundamentals

Recent Update:

Steady tone was witnessed in Sugar physical markets today in India. Sugar prices were higher in Delhi and Khatauli by 20-25 at Rs. 3200/q and Rs. 3180/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 East Uttar Pradesh, West Bengal and in isolated pockets over west Uttar Pradesh. Dense fog in isolated pockets over Uttarakhand, Bihar, Sub-Himalayan West Bengal & Sikkim, Assam & Meghalaya and Tripura.

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	445.20	0.40

International Sugar Futures ICE(US Cent/lb)

Daily Futures Price Listing Tuesday January 26th, 2021									
Most Recent Information							Previous Day		
Mth	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
Sugar #11(ICE)									
Mar-21	210126	15.74	15.86	15.62	15.74	Unch	46,066	388,223	-3,591
May-21	210126	15.02	15.13	14.94	15.04	+0.02	28,781	212,079	+2,230
Jul-21	210126	14.62	14.69	14.52	14.62	Unch	13,395	162,368	+410
Oct-21	210126	14.51	14.57	14.40	14.51	+0.01	10,371	122,168	-372
Mar-22	210126	14.79	14.89	14.71	14.84	+0.03	4,782	73,024	+1,019
May-22	210126	13.96	14.09	13.87	14.03	+0.03	1,684	46,634	+360
Jul-22	210126	13.44	13.53	13.28	13.48	+0.04	1,993	38,757	+468
Oct-22	210126	13.22	13.35	13.06	13.31	+0.09	1,506	32,689	-10
Total Volume and Open Interest							110,398	1,103,640	+893

Source: MRCI

International Sugar Futures LIFFE(US \$/MT)

Daily Futures Price Listing Tuesday January 26th, 2021									
Most Recent Information							Previous Day		
Mth	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
London Sugar(LCE)									
Mar-21	210126	445.60	447.10	441.40	444.20	-1.00	9,930	41,207	+79
May-21	210126	430.60	432.70	428.30	430.60	-0.30	6,685	42,628	+2,117
Aug-21	210126	419.20	420.00	416.00	418.60	-0.40	1,980	19,090	+741
Oct-21	210126	406.70	407.10	403.80	407.00	+0.20	341	5,566	+167
Dec-21	210126	403.70	404.10	401.00	404.00	+0.40	136	3,589	+63
Total Volume and Open Interest							19,105	114,982	+3,176

Source: MRCI

DOMESTIC PRICES AND ARRIVAL

Sugar Prices at Key Spot Markets:

Commodity	Centre	Variety	Prices (Rs/Qtl)		Change
Sugar			27-Jan-21	25-Jan-21	
Delhi	Delhi	M-Grade	3200	3175	25
	Delhi	S-Grade	3180	3155	25
Uttar Pradesh	Khatauli	M-Grade	3180	3160	20
	Ramala	M-Grade	NA	NA	-
	Dhampur	M-Grade Ex-Mill	3085	3055	30
	Dhampur	S-Grade Ex-Mill	3065	3035	30
	Dhampur	L-Grade Ex-Mill	3135	3105	30
Maharashtra	Mumbai	M-Grade	3290	3290	Unch
	Mumbai	S-Grade	3210	3146	64
	Nagpur	M-Grade	3145	3225	-80
	Nagpur	S-Grade	3075	3225	-150
	Kolhapur	M-Grade	3020	3100	-80
	Kolhapur	S-Grade	2950	3100	-150
Assam	Guhawati	S-Grade	3258	3410	-152
Meghalaya	Shillong	S-Grade	3270	3420	-150
Andhra Pradesh	Vijayawada	M-Grade (With Duty)	3620	3620	Unch
	Vijayawada	S-Grade (With Duty)	3580	3580	Unch
West Bengal	Kolkata	M-Grade	3600	3650	-50
Tamil Nadu	Chennai	S-Grade (With GST)	3430	3450	-20
	Dindigul	M-Grade (DCA)	3680	3600	80
	Coimbatore	M-Grade (DCA)	3540	3570	-30
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)			27-Jan-21	25-Jan-21	
Uttar Pradesh	Muzaffarnagar	Chaku Fresh	2838	2763	75
	Muzaffarnagar	Chaku(Arrival)(40kg Bag)	7000	10000	-3000
	Muzaffarnagar	Khurpa (Fresh)	2575	2500	75
	Muzaffarnagar	Laddoo (Fresh)	2913	2853	60

	Muzaffarnagar	Rascut (Fresh)	2563	2525	38
	Hapur	Chaursa	2600	Closed	-
	Hapur	Balti	2563	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	3169	-
	Mandya	Achhu (Medium)	2900	3000	-100
	Mandya	Kurikatu (Medium)	3000	3100	-100
	Mandya	Other (Medium)	2850	2850	Unch
	Mandya	Yellow (Medium)	2950	3000	-50
	Shimoga/Shivamogga	Achhu (Average)	NA	3550	-

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