

Sugar &Gur Domestic & International Fundamentals

Recent Update:

Steady tone was witnessed in Sugar physical markets today in India. Sugar prices were higher in Delhi by 20-25 at Rs. 3190/q. Prices were steady in Kolhapur at Rs. 3100/q.

Government has announced 17 LMT Monthly sugar sales quota for February 2021. The food ministry has allocated 17 LMT monthly sugar quota for February 2021 which is 3 LMT lower than that of February 2020 which stood at 20 LMT. In the previous month the government has allocated 20 LMT monthly sugar quota for January 2021 to 548 mills.

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 Punjab, Haryana, Chandigarh & Delhi and West Uttar Pradesh and sub Himalayan West Bengal & isolated pockets over Bihar, Odissa and Tripura.

Previous Updates:

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.

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.

Commodity	USD (\$/Tonne)	Change
Thai Sugar FOB 45 lcumsa	444.20	-1.00

International Sugar Futures ICE(US Cent/lb)

Daily Futures Price Listing Wednesday January 27th, 2021									
Most Recent Information							Previous Day		
Mth	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
Sugar #11(ICE)									
Mar-21	210127	15.84	16.19	15.66	15.80	+0.06	45,720	380,775	-7,448
May-21	210127	15.14	15.42	14.97	15.11	+0.07	29,762	213,701	+1,622
Jul-21	210127	14.68	14.92	14.55	14.67	+0.05	17,705	165,618	+3,250
Oct-21	210127	14.58	14.72	14.42	14.53	+0.02	10,935	122,786	+618
Mar-22	210127	14.90	15.00	14.76	14.86	+0.02	6,618	74,109	+1,085
May-22	210127	14.10	14.14	13.95	14.05	+0.02	1,381	46,874	+240
Jul-22	210127	13.55	13.58	13.38	13.46	-0.02	661	38,729	-28
Oct-22	210127	13.39	13.40	13.17	13.24	-0.07	242	32,727	+38
Total Volume and Open Interest							113,267	1,103,035	-605

Source: MRCI

International Sugar Futures LIFFE(US \$/MT)

Daily Futures Price Listing Wednesday January 27th, 2021									
Most Recent Information							Previous Day		
Mth	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
London Sugar(LCE)									
Mar-21	210127	448.40	450.90	441.40	444.40	+0.20	4,047	40,957	-250
May-21	210127	434.20	437.30	429.20	432.40	+1.80	2,710	42,213	-415
Aug-21	210127	422.20	424.30	416.80	419.90	+1.30	1,472	19,640	+550
Oct-21	210127	410.80	410.90	405.00	408.20	+1.20	137	5,637	+71
Dec-21	210127	406.60	406.60	404.50	404.70	+0.70	64	3,587	-2
Total Volume and Open Interest							8,439	114,936	-46

Source: MRCI

DOMESTIC PRICES AND ARRIVAL

Sugar Prices at Key Spot Markets:					
Commodity	Centre	Variety	Prices (Rs/Qtl)		Change
Sugar			28-Jan-21	27-Jan-21	
Delhi	Delhi	M-Grade	3210	3200	10
	Delhi	S-Grade	3190	3180	10
Uttar Pradesh	Khatauli	M-Grade	3180	3180	Unch
	Ramala	M-Grade	NA	NA	-
	Dhampur	M-Grade Ex-Mill	3085	3085	Unch
	Dhampur	S-Grade Ex-Mill	3065	3065	Unch
	Dhampur	L-Grade Ex-Mill	3135	3135	Unch
Maharashtra	Mumbai	M-Grade	3290	3290	Unch
	Mumbai	S-Grade	3210	3210	Unch
	Nagpur	M-Grade	3125	3145	-20
	Nagpur	S-Grade	3075	3075	Unch
	Kolhapur	M-Grade	3000	3020	-20
	Kolhapur	S-Grade	2950	2950	Unch
Assam	Guhawati	S-Grade	3258	3258	Unch
Meghalaya	Shillong	S-Grade	3270	3270	Unch
Andhra Pradesh	Vijayawada	M-Grade (With Duty)	3620	3620	Unch
	Vijayawada	S-Grade (With Duty)	3580	3580	Unch
West Bengal	Kolkata	M-Grade	3600	3600	Unch
Tamil Nadu	Chennai	S-Grade (With GST)	3430	3430	Unch
	Dindigul	M-Grade (DCA)	3680	3680	Unch
	Coimbatore	M-Grade (DCA)	3540	3540	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)			28-Jan-21	27-Jan-21	
Uttar Pradesh	Muzaffarnagar	Chaku Fresh	2750	2838	-88
	Muzaffarnagar	Chaku(Arrival)(40kg Bag)	5000	7000	-2000

	Muzaffarnagar	Khurpa (Fresh)	2450	2575	-125
	Muzaffarnagar	Laddoo (Fresh)	2803	2913	-110
	Muzaffarnagar	Rascut (Fresh)	2500	2563	-63
	Hapur	Chaurasa	2600	2600	Unch
	Hapur	Balti	2563	2563	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)	NA	3143	-
	Mandya	Achhu (Medium)	2950	2900	50
	Mandya	Kurikatu (Medium)	3050	3000	50
	Mandya	Other (Medium)	2880	2850	30
	Mandya	Yellow (Medium)	3000	2950	50
	Shimoga/Shivamogga	Achhu (Average)	NA	3550	-

Disclaimer

Information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at <http://www.agriwatch.com/disclaimer.php> © 2021 Indian Business Systems Ltd.