

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. 3240/q and Rs. 3200/q. Prices were lower in Kolhapur at Rs. 3000/q.

According to Indian Sugar Mills Association, major sugar producing states will focus on ethanol production. According to the estimation around 6.74 lakh tonnes of sugar will be diverted for production of ethanol by the sugar mills in Uttar Pradesh in the current year as compared to about 3.70 lakh tonnes diverted in 2019-20 Sugar Season. Also, Sugar mills in Maharashtra will divert around 6.55 lakh tonnes of sugar compared 1.42 lakh tonnes in last season and mills in Karnataka are expected to divert about 5.41 lakh tonnes of sugar for ethanol production in the current year as compared to about 2.42 lakh tons diverted in the previous Season.

Weather Forecast:

Dense to very dense fog conditions at a few places very likely over Uttar Pradesh, Bihar and in isolated pockets over west Punjab, Haryana, Chandigarh & Delhi and Odisha. Cold to severe cold day condition in some pockets very likely over Uttar Pradesh; Cold wave conditions in some pockets over Jammu & Kashmir, Ladakh, Gilgit-Baltistan, Muzaffarabad, Uttarakhand, Uttar Pradesh, Madhya Pradesh, Bihar and Saurashtra & Kutuch.

Previous Updates:

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.

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 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.

Commodity	USD (\$/Tonne)	Change
Thai Sugar FOB 45 Icumsa	441.60	-2.80

International Sugar Futures ICE(US Cent/lb)

Daily Futures Price Listing Thursday January 28th, 2021									
Most Recent Information							Previous Day		
Mth	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
Sugar #11(ICE)									
Mar-21	210128	15.78	16.00	15.57	15.59	-0.21	45,122	373,826	-6,949
May-21	210128	15.09	15.28	14.92	14.94	-0.17	30,964	217,251	+3,550
Jul-21	210128	14.65	14.80	14.50	14.52	-0.15	14,490	167,223	+1,605
Oct-21	210128	14.51	14.61	14.35	14.38	-0.15	11,761	123,228	+442
Mar-22	210128	14.81	14.90	14.67	14.71	-0.15	8,420	75,495	+1,386
May-22	210128	14.00	14.05	13.85	13.89	-0.16	1,437	46,890	+16
Jul-22	210128	13.44	13.45	13.26	13.29	-0.17	1,640	39,251	+522
Oct-22	210128	13.20	13.22	13.02	13.04	-0.20	1,396	33,706	+979
Total Volume and Open Interest							116,015	1,104,626	+1,591

Source: MRCI

International Sugar Futures LIFFE(US \$/MT)

Daily Futures Price Listing Thursday January 28th, 2021									
Most Recent Information							Previous Day		
Mth	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
London Sugar(LCE)									
Mar-21	210128	443.00	449.50	440.60	441.60	-2.80	3,330	39,612	-1,345
May-21	210128	431.60	435.80	427.70	428.30	-4.10	3,583	42,382	+169
Aug-21	210128	418.40	422.20	415.20	415.80	-4.10	1,386	20,178	+538
Oct-21	210128	407.00	409.20	403.00	403.70	-4.50	260	5,668	+31
Dec-21	210128	402.90	405.60	400.00	400.70	-4.00	76	3,618	+31
Total Volume and Open Interest							8,658	114,364	-572

Source: MRCI

DOMESTIC PRICES AND ARRIVAL

Sugar Prices at Key Spot Markets:					
Commodity	Centre	Variety	Prices (Rs/Qtl)		Change
Sugar			29-Jan-21	28-Jan-21	
Delhi	Delhi	M-Grade	3260	3210	50
	Delhi	S-Grade	3240	3190	50
Uttar Pradesh	Khatauli	M-Grade	3200	3180	20
	Ramala	M-Grade	NA	NA	-
	Dhampur	M-Grade Ex-Mill	3090	3085	5
	Dhampur	S-Grade Ex-Mill	3070	3065	5
	Dhampur	L-Grade Ex-Mill	3140	3135	5
Maharashtra	Mumbai	M-Grade	3290	3290	Unch
	Mumbai	S-Grade	3210	3210	Unch
	Nagpur	M-Grade	3125	3125	Unch
	Nagpur	S-Grade	3075	3075	Unch
	Kolhapur	M-Grade	3000	3000	Unch
	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)			29-Jan-21	28-Jan-21	
Uttar Pradesh	Muzaffarnagar	Chaku Fresh	2850	2750	100

	Muzaffarnagar	Chaku(Arrival)(40kg Bag)	12000	5000	7000
	Muzaffarnagar	Khurpa (Fresh)	2450	2450	Unch
	Muzaffarnagar	Laddoo (Fresh)	2875	2803	73
	Muzaffarnagar	Rascut (Fresh)	2438	2500	-63
	Hapur	Chaurasa	2613	2600	13
	Hapur	Balti	2575	2563	13
Andhra Pradesh	Chittur	Gold	NR	NR	-
		White	NR	NR	-
		Black	NR	NR	-
Maharashtra	Latur	Lal Variety	NR	NR	-
Karnataka	Bangalore	Mudde (Average)	NA	4450	-
	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	NA	-
	Mandya	Achhu (Medium)	NA	2950	-
	Mandya	Kurikatu (Medium)	NA	3050	-
	Mandya	Other (Medium)	NA	2880	-
	Mandya	Yellow (Medium)	NA	3000	-
	Shimoga/Shivamogga	Achhu (Average)	NA	NA	-

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