

Sugar &Gur Domestic & International Fundamentals

Recent Update:

Steady tone was witnessed in Sugar physical markets today in India. Sugar prices were lower in Delhi and Khatauli by 10-20 at Rs. 3160/q and Rs. 3150/q. Prices were lower in Kolhapur at Rs. 3000/q.

Shortages of shipping containers have affected sugar export from India. The shortage of shipping containers has affected the white sugar export on a large scale. The geopolitical tensions with China have also affected the availability of containers in the country. As the sugar demand continues to increase from Afghanistan, Sri Lanka and East Africa but due to lack of containers there is slow movement of sugar from India. The mills are expected to export 200,000 tonnes of sugar including raw sugar. Till now, India has exported 70,000 tonnes of white sugar this month as compared with 370,000 tonnes in January 2020.

Weather Forecast:

Dense to very dense fog conditions at a few places very likely over Uttar Pradesh and dense fog in isolated pockets over Bihar, Sub-Himalayan, West Bengal & Sikkim, Assam & Meghalaya and Nagaland, Manipur, Mizoram & Tripura. Cold day to severe cold day condition in some pockets very likely over east Uttar Pradesh and Bihar; Cold wave conditions in some pockets over Odisha and Cold wave conditions in isolated pockets over East Uttar Pradesh, Bihar, Jharkhand and West Bengal & Sikkim.

Previous Updates:

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.

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 lcumsa	441.60	-2.80

International Sugar Futures ICE(US Cent/lb)

Daily Futures Price Listing Friday January 29th, 2021									
Most Recent Information							Previous Day		
Mth	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
Sugar #11(ICE)									
Mar-21	210129	15.57	16.03	15.55	15.83	+0.24	49,889	370,388	-3,438
May-21	210129	14.92	15.23	14.91	15.08	+0.14	29,176	221,669	+4,418
Jul-21	210129	14.50	14.77	14.49	14.60	+0.08	18,369	165,767	-1,456
Oct-21	210129	14.39	14.61	14.37	14.45	+0.07	12,140	122,466	-762
Mar-22	210129	14.71	14.91	14.70	14.76	+0.05	7,662	77,628	+2,133
May-22	210129	13.89	14.03	13.87	13.91	+0.02	1,924	47,351	+461
Jul-22	210129	13.34	13.42	13.26	13.31	+0.02	1,137	39,387	+136
Oct-22	210129	13.14	13.15	13.01	13.05	+0.01	823	33,704	-2
Total Volume and Open Interest							121,501	1,106,233	+1,607

Source: MRCI

International Sugar Futures LIFFE(US \$/MT)

Daily Futures Price Listing Friday January 29th, 2021									
Most Recent Information							Previous Day		
Mth	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
London Sugar(LCE)									
Mar-21	210129	442.50	458.60	441.20	456.10	+14.50	7,641	37,449	-2,163
May-21	210129	428.50	438.80	427.60	435.90	+7.60	7,169	42,508	+126
Aug-21	210129	415.80	421.00	414.40	418.10	+2.30	1,112	20,655	+477
Oct-21	210129	402.60	407.00	401.20	404.00	+0.30	176	5,749	+81
Dec-21	210129	399.90	402.90	398.50	400.50	-0.20	22	3,609	-9
Total Volume and Open Interest							16,126	112,878	-1,486

Source: MRCI

DOMESTIC PRICES AND ARRIVAL

Sugar Prices at Key Spot Markets:					
Commodity	Centre	Variety	Prices (Rs/Qtl)		Change
Sugar			01-Feb-21	30-Jan-21	
Delhi	Delhi	M-Grade	3180	3250	-70
	Delhi	S-Grade	3160	3230	-70
Uttar Pradesh	Khatauli	M-Grade	3150	3200	-50
	Ramala	M-Grade	NA	NA	-
	Dhampur	M-Grade Ex-Mill	3075	3090	-15
	Dhampur	S-Grade Ex-Mill	3055	3070	-15
	Dhampur	L-Grade Ex-Mill	3125	3140	-15
Maharashtra	Mumbai	M-Grade	3290	3290	Unch
	Mumbai	S-Grade	3176	3210	-34
	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)	3660	3580	80
West Bengal	Kolkata	M-Grade	3600	3600	Unch
Tamil Nadu	Chennai	S-Grade (With GST)	3450	3420	30
	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)			01-Feb-21	30-Jan-21	

Uttar Pradesh	Muzaffarnagar	Chaku Fresh	2888	2825	63
	Muzaffarnagar	Chaku(Arrival)(40kg Bag)	10000	10000	Unch
	Muzaffarnagar	Khurpa (Fresh)	2503	2425	78
	Muzaffarnagar	Laddoo (Fresh)	2778	2850	-73
	Muzaffarnagar	Rascut (Fresh)	2413	2400	13
	Hapur	Chaurasa	Closed	2613	-
	Hapur	Balti	Closed	2575	-
Andhra Pradesh	Chittur	Gold	NR	NR	-
		White	NR	NR	-
		Black	NR	NR	-
Maharashtra	Latur	Lal Variety	NR	NR	-
Karnataka	Bangalore	Mudde (Average)	4400	4450	-50
	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)	2950	2910	40
	Mandya	Kurikatu (Medium)	3000	3000	Unch
	Mandya	Other (Medium)	2850	2900	-50
	Mandya	Yellow (Medium)	2950	2920	30
	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.