

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 10-20 at Rs. 3140/q. Prices were lower in Kolhapur at Rs. 3000/q.

Mills in India have produced around 176.83 lakh tonnes of sugar till 31st January'21. According to the Indian Sugar Mills Association, 491 sugar mills were in operation in the country till 31st January 21 and have produced around 176.83 lakh tonnes of sugar, as compared to 141.04 lakh tonnes of sugar produced by 447 sugar mills on 31st January' 20 previous year.

Weather Forecast:

Dense Fog in isolated pockets over East Uttar Pradesh, Assam & Meghalaya and Nagaland, Manipur, Mizoram & Tripura. Cold wave condition in some pockets very likely over Odisha; Thunderstorm accompanied with lightning & hail at isolated places over Punjab and Haryana, Chandigarh & Delhi.

Previous Updates:

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.

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 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.

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 | 456.10 | 15.50 |

International Sugar Futures ICE(US Cent/lb)

| Daily Futures Price Listing Monday February 01st, 2021 | | | | | | | | | |
|--|--------|-------|-------|-------|-------|--------|--------------|-----------|--------|
| Most Recent Information | | | | | | | Previous Day | | |
| Mth | Date | Open | High | Low | Close | Change | Volume | Open Int | Change |
| Sugar #11(ICE) | | | | | | | | | |
| Mar-21 | 210201 | 15.93 | 16.27 | 15.87 | 16.15 | +0.32 | 47,856 | 363,661 | -6,727 |
| May-21 | 210201 | 15.22 | 15.40 | 15.11 | 15.30 | +0.22 | 31,817 | 228,204 | +6,535 |
| Jul-21 | 210201 | 14.75 | 14.87 | 14.64 | 14.80 | +0.20 | 14,618 | 166,458 | +691 |
| Oct-21 | 210201 | 14.56 | 14.71 | 14.50 | 14.64 | +0.19 | 10,985 | 122,433 | -33 |
| Mar-22 | 210201 | 14.84 | 14.99 | 14.83 | 14.94 | +0.18 | 6,910 | 79,072 | +1,444 |
| May-22 | 210201 | 13.98 | 14.11 | 13.96 | 14.07 | +0.16 | 1,562 | 47,325 | -26 |
| Jul-22 | 210201 | 13.37 | 13.49 | 13.34 | 13.45 | +0.14 | 1,102 | 39,252 | -135 |
| Oct-22 | 210201 | 13.10 | 13.22 | 13.17 | 13.17 | +0.12 | 639 | 33,733 | +29 |
| Total Volume and Open Interest | | | | | | | 115,929 | 1,108,146 | +1,913 |

Source: MRCI

International Sugar Futures LIFFE(US \$/MT)

| Daily Futures Price Listing Monday February 01st, 2021 | | | | | | | | | |
|--|--------|--------|--------|--------|--------|--------|--------------|----------|--------|
| Most Recent Information | | | | | | | Previous Day | | |
| Mth | Date | Open | High | Low | Close | Change | Volume | Open Int | Change |
| London Sugar(LCE) | | | | | | | | | |
| Mar-21 | 210201 | 457.70 | 467.80 | 456.60 | 456.60 | +8.60 | 6,063 | 36,548 | -901 |
| May-21 | 210201 | 437.70 | 445.80 | 437.60 | 437.60 | +7.50 | 4,510 | 42,122 | -386 |
| Aug-21 | 210201 | 419.80 | 425.20 | 425.20 | 419.80 | +4.70 | 741 | 20,862 | +207 |
| Oct-21 | 210201 | 405.80 | 410.00 | 410.00 | 405.60 | +3.80 | 335 | 5,869 | +120 |
| Dec-21 | 210201 | 403.30 | 406.20 | 406.20 | 402.80 | +4.00 | 82 | 3,596 | -13 |
| Total Volume and Open Interest | | | | | | | 11,785 | 111,908 | -970 |

Source: MRCI

DOMESTIC PRICES AND ARRIVAL

| Sugar Prices at Key Spot Markets: | | | | | |
|-----------------------------------|------------|------------------------|-----------------|-----------|--------|
| Commodity | Centre | Variety | Prices (Rs/Qtl) | | Change |
| Sugar | | | 02-Feb-21 | 01-Feb-21 | |
| Delhi | Delhi | M-Grade | 3160 | 3180 | -20 |
| | Delhi | S-Grade | 3140 | 3160 | -20 |
| Uttar Pradesh | Khatauli | M-Grade | 3150 | 3150 | Unch |
| | Ramala | M-Grade | NA | NA | - |
| | Dhampur | M-Grade Ex-Mill | 3075 | 3075 | Unch |
| | Dhampur | S-Grade Ex-Mill | 3055 | 3055 | Unch |
| | Dhampur | L-Grade Ex-Mill | 3125 | 3125 | Unch |
| Maharashtra | Mumbai | M-Grade | 3290 | 3290 | Unch |
| | Mumbai | S-Grade | 3170 | 3176 | -6 |
| | 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 | 3660 | Unch |
| West Bengal | Kolkata | M-Grade | 3600 | 3600 | Unch |
| Tamil Nadu | Chennai | S-Grade | 3985 | 3950 | 35 |
| | Dindigul | M-Grade (DCA) | 4100 | 4060 | 40 |
| | 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) | | | 02-Feb-21 | 01-Feb-21 | |
| Uttar Pradesh | Muzaffarnagar | Chaku Fresh | 2828 | 2888 | -60 |
| | Muzaffarnagar | Chaku(Arrival)(40kg Bag) | 7000 | 10000 | -3000 |
| | Muzaffarnagar | Khurpa (Fresh) | 2528 | 2503 | 25 |
| | Muzaffarnagar | Laddoo (Fresh) | 2875 | 2778 | 98 |
| | Muzaffarnagar | Rascut (Fresh) | 2450 | 2413 | 38 |
| | Hapur | Chaurasa | 2563 | Closed | - |
| | Hapur | Balti | 2550 | Closed | - |
| Andhra Pradesh | Chittur | Gold | NR | NR | - |
| | | White | NR | NR | - |
| | | Black | NR | NR | - |
| Maharashtra | Latur | Lal Variety | NR | NR | - |
| Karnataka | Bangalore | Mudde (Average) | 4350 | 4400 | -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) | 3116 | 3100 | 16 |
| | Mandya | Achhu (Medium) | 2900 | 2950 | -50 |
| | Mandya | Kurikatu (Medium) | 2900 | 3000 | -100 |
| | Mandya | Other (Medium) | 2850 | 2850 | Unch |
| | Mandya | Yellow (Medium) | 2950 | 2950 | Unch |
| | Shimoga/Shivamogga | Achhu (Average) | NA | 3550 | - |

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