

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 Khatuli by 10-30 at Rs. 3200/q and Rs. 3180/q. Prices were lower in Kolhapur at Rs. 3100/q.

Sugarcane farmers from Kendrapara are switching to other crops. The sugarcane cultivators from Kendrapara district are switching from sugarcane cultivation as the sugar mills in the district have been closed. This has led to a decline in cultivation area in the region. The area under cane cultivation has been also been reduced to 5000 hectares. Marsaghai, Pattamundai, Rajkanika, Mahakalapada, Garadapur, Aul and Derabishi are the blocks where cash crop was grown in the region.

Weather Forecast:

Dense fog in isolated pockets very likely over Punjab, Haryana, Chandigarh & Delhi and dense fog at isolated pockets over West Uttar Pradesh and West Rajasthan. Thunderstorm accompanied with lightening & hail very likely in isolated places over Jammu & Kashmir, Ladakh. Gilgit-Baltistan & Muzaffarabad, Nagaland, Manipur & Tripura, Coastal Andhra Pradesh & Yanam, Rayalseema, Tamil Nadu, Puducherry & Karaikal, Kerala & Mahe and South Interior Karnataka.

Previous Updates:

Sugarcane SAP remains unchanged in Uttar Pradesh. State Advisory Price for sugarcane has remained the same in Uttar Pradesh again. The farmers were expecting a hike this year in sugarcane prices but the government has made no such changes. The rates of three different varieties of sugarcane have remained unchanged at Rs 315 per quintal for common variety, Rs 325 for early variety and Rs 310 for rejected varieties.

Sugar Production has decreased in Uttar Pradesh this year. Sugar mills in Uttar Pradesh have produced 63 lakh tonnes of sugar after crushing 611 lakh tonnes of sugarcane till 15th February '21. The mills during the same period last year had produced 64 lakh tonnes of sugar by crushing 584 lakh tonnes of sugarcane. The sugarcane recovery reported this season is 10.29 % as against 10.96% last season.

Kolhapur region has recorded 12 percent sugar recovery rate. About 37 sugar mills are operating in the Kolhapur division in the current crushing season. Around 183 sugar mills have participated in the cane crushing operation in Maharashtra and have produced 724 lakh quintal of sugar by crushing 717 lakh tonne sugarcane. Although, Solapur division is leading in the state with a maximum of 41 sugar mills operating in the current season.

India's sugar exports are likely to decrease more than 24 percent in the current season till September 2020-21 due to the logistical constraints such as shortage of containers and congestion at the country's ports. Also, Brazil is likely to export 4.3 million tonnes during 2020-21 season against 5.7 million tonnes shipped in previous year.

Sugarcane farmer's demands hike in sugar prices. Sugarcane farmers from Bijnor are demanding increase in sugarcane prices to Rs. 450 per quintal. Government had not increased the prices till date and farmers are continuously demanding the price hike in sugarcane. Government should consider the farmer's demand keeping in view the increase in the input cost for sugarcane cultivation and hike the cane purchase price.

Around 31 mills in Uttar Pradesh are yet to clear the cane dues. The sugarcane crushing season is half-way down but still around 31 sugar mills in Uttar Pradesh have failed to clear the sugarcane dues. Total 120 sugar mills have been participated in the cane crushing activity for this season, till 2nd February the pending arrears are around Rs. 7,979. The cane dues during the same period last season were around Rs 5,948 crore.

Brahmavar sugar factory has started producing organic jaggery. The factory has prepared jaggery without using chemicals and has also received good response from the consumers; the jaggery is directly sold to the consumers without any intermediary. The factory with the capacity to grinding 15 tonnes of sugarcane per day has produced around 450 kg of jaggery.

Farmers's agitation has impacted cane harvesting in Gohana, Haryana. The on-going farmers' agitation for the withdrawal of farm laws has impacted the sugarcane harvesting activities. Due to this, sugar mills are facing lower supply of cane for crushing. Earlier, the mill had set a target of crushing 47 lakh quintal of sugarcane for this season. But till date, the mill could only complete crushing of 18.75 lakh quintal sugarcane. The farmers from the region are rushing to participate in the agitation resulting in lowering the speed of crushing activities.

Sugarcane farmers from Uttrakhand have launched an agitation to hike the sugar price. Farmers from the Tarai region of the state depend mainly on the sugarcane crop and the farmer's income is depend on the income which they get from sugarcane crops. According to farmers, the government is not increasing the purchase rate of cane which is affecting the farmers' income.

Commodity	USD (\$/Tonne)	Change
Thai Sugar FOB 45 lcumsa	463.50	7.10

International Sugar Futures ICE(US Cent/lb)

Daily Futures Price Listing Thursday February 18th, 2021									
Most Recent Information							Previous Day		
Mth	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
Sugar #11(ICE)									
Mar-21	210218	17.00	17.54	17.00	17.51	+0.55	71,365	149,255	-23,442
May-21	210218	16.15	16.62	16.12	16.59	+0.48	45,663	408,526	+5,915
Jul-21	210218	15.56	15.94	15.55	15.92	+0.38	16,773	182,436	-685
Oct-21	210218	15.34	15.64	15.34	15.63	+0.27	14,058	134,353	-3,318
Mar-22	210218	15.52	15.77	15.52	15.76	+0.21	5,845	91,724	+1,798
May-22	210218	14.62	14.89	14.62	14.87	+0.18	1,362	50,649	+89
Jul-22	210218	14.09	14.31	14.01	14.28	+0.19	2,084	42,636	+767
Oct-22	210218	13..83	14.00	13.79	13.99	+0.16	232	34,935	+144
Total Volume and Open Interest							157,513	1,124,674	-18,657

Source: MRCI

International Sugar Futures LIFFE(US \$/MT)

Daily Futures Price Listing Thursday February 18th, 2021									
Wednes							Previous Day		
Mth	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
London Sugar(LCE)									
Mar-21	210218	464.40	473.70	463.80	473.20	+9.70	3,712	48,844	+457
May-21	210218	443.70	454.10	443.70	453.70	+9.90	1,196	26,127	+378
Aug-21	210218	430.80	439.50	430.80	439.20	+9.30	533	7,174	+95
Oct-21	210218	425.40	432.30	425.10	432.10	+8.40	11	3,779	+1
Dec-21	210218	422.50	427.80	421.70	427.60	+6.40	1	2,251	+1
Total Volume and Open Interest							5,453	89,254	+932

Source: MRCI

DOMESTIC PRICES AND ARRIVAL

Sugar Prices at Key Spot Markets:					
Commodity	Centre	Variety	Prices (Rs/Qtl)		Change
Sugar			19-Feb-21	18-Feb-21	
Delhi	Delhi	M-Grade	3200	3160	40
	Delhi	S-Grade	3180	3140	40
Uttar Pradesh	Khatauli	M-Grade	3200	3180	20
	Ramala	M-Grade	NA	NA	-
	Dhampur	M-Grade Ex-Mill	3120	3115	5
	Dhampur	S-Grade Ex-Mill	3100	3095	5
	Dhampur	L-Grade Ex-Mill	3170	3165	5
Maharashtra	Mumbai	M-Grade	3342	3342	Unch
	Mumbai	S-Grade	3220	3220	Unch
	Nagpur	M-Grade	3250	3225	25
	Nagpur	S-Grade	3150	3125	25
	Kolhapur	M-Grade	3125	3100	25
	Kolhapur	S-Grade	3025	3000	25
Assam	Guhawati	S-Grade	3334	3309	25
Meghalaya	Shillong	S-Grade	3345	3320	25
Andhra Pradesh	Vijayawada	M-Grade (With Duty)	3700	3700	Unch
	Vijayawada	S-Grade (With Duty)	3660	3660	Unch
West Bengal	Kolkata	M-Grade	3600	3600	Unch
Tamil Nadu	Chennai	S-Grade (With GST)	3480	3480	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)			19-Feb-21	18-Feb-21	
Uttar Pradesh	Muzaffarnagar	Chaku Fresh	2813	2800	13
	Muzaffarnagar	Chaku(Arrival)(40kg Bag)	10000	10000	Unch

	Muzaffarnagar	Khurpa (Fresh)	2588	2580	8
	Muzaffarnagar	Laddoo (Fresh)	2788	2750	38
	Muzaffarnagar	Rascut (Fresh)	2425	2400	25
	Hapur	Chaurasa	2600	2575	25
	Hapur	Balti	2575	2550	25
Andhra Pradesh	Chittur	Gold	NR	NR	-
		White	NR	NR	-
		Black	NR	NR	-
Maharashtra	Latur	Lal Variety	NR	NR	-
Karnataka	Bangalore	Mudde (Average)	4400	4400	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	3198	-
	Mandya	Achhu (Medium)	3300	3300	Unch
	Mandya	Kurikatu (Medium)	3050	3050	Unch
	Mandya	Other (Medium)	2950	2950	Unch
	Mandya	Yellow (Medium)	3100	3200	-100
	Shimoga/Shivamogga	Achhu (Average)	3550	3550	Unch

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