

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 10-30 at Rs. 3110/q and Rs. 3125/q. Prices were lower in Kolhapur at Rs. 3100/q.

India's annual export to china increases in 2020. India's annual exports to china crossed the 20-billion mark for the first time in 2020 with shipments rising 16.15 percent to \$20.87 billion. Although, imports from china during the last calendar year shrunk 10.87 percent to \$66.78 billion resulting in narrowing of trade deficit by 19.39 percent to \$45.91 billion. India china bilateral trade during the year has also declined 5.64 percent to \$87.65 billion.

Weather Forecast:

Heavy rainfall/Snowfall very likely at isolated places over Jammu & Kashmir, Ladakh, Gilgit & Muzaffarabad. Thunderstorm with lightening & hail very likely accompanied with lightening & hail very likely in isolated places over Arunachal Pradesh and Assam & Meghalaya.

Previous Updates:

Sugarcane farmers are demanding hike in minimum support price to Rs. 450 per quintal. The sugarcane farmers have urged the government to increase the State Advisory Price of sugarcane to Rs. 450 per quintal and have also asked the government to ensure that the sugar mills will clear the cane dues to the farmers within 14 days of crushing their cane.

Antyodaya card holders will receive sugar for 3 months. The administration has decided to distribute sugar at a rate of Rs 18 per kg to the antyodaya card holders for three months, every family holding the antyodaya card will get one kg of sugar for three months. The distribution of sugar at ration shops will start from March.

Sugar mills in Maharashtra have cleared 82 per cent of the FRP dues. Sugar mills have paid farmers FRP Rs 11,630.25 crore which is around 82.09% of the total dues till 15th February'21. The millers had cleared FRP dues worth Rs 6,780.59 crore amounting to 88.82% during the same period last season. During last season, around 140 sugar mills participated in the cane crushing season and crushed 332 lakh tonne of sugarcane.

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.

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.

Commodity	USD (\$/Tonne)	Change
Thai Sugar FOB 45 Icumsa	488.40	6.90

International Sugar Futures ICE(US Cent/lb)

Daily Futures Price Listing Tuesday February 23rd, 2021									
Most Recent Information							Previous Day		
Mth	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
Sugar #11(ICE)									
Mar-21	210223	18.76	18.94	18.25	18.41	-0.37	65,037	97,486	-28,631
May-21	210223	17.41	17.52	16.95	17.01	-0.43	78,610	421,477	+5,300
Jul-21	210223	16.67	16.73	16.25	16.34	-0.33	34,183	189,726	+2,720
Oct-21	210223	16.20	16.25	15.93	16.01	-0.22	22,332	136,269	-105
Mar-22	210223	16.14	16.24	16.03	16.08	-0.13	10,042	95,980	+1,735
May-22	210223	15.16	15.20	15.07	15.07	-0.12	2,327	51,465	-10
Jul-22	210223	14.48	14.48	14.31	14.31	-0.10	2,193	45,177	+527
Oct-22	210223	13.98	13.99	13.85	13.89	-0.07	1,414	35,156	+110
Total Volume and Open Interest							218,396	1,104,288	-17,677

Source: MRCI

International Sugar Futures LIFFE(US \$/MT)

Daily Futures Price Listing Tuesday February 23rd, 2021									
Wednes							Previous Day		
Mth	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
London Sugar(LCE)									
Mar-21	210223	488.00	490.10	476.90	478.40	-10.00	5,503	47,063	-609
May-21	210223	468.00	469.60	458.30	459.80	-8.60	26,088	26,088	-121
Aug-21	210223	452.00	452.70	443.90	444.80	-7.60	8,340	8,340	+118
Oct-21	210223	442.50	443.30	437.70	437.70	-5.50	4,022	4,022	+143
Dec-21	210223	436.50	437.10	432.00	432.50	-4.60	2,220	2,220	-22
Total Volume and Open Interest							88,860	88,860	-464

Source: MRCI

DOMESTIC PRICES AND ARRIVAL

Sugar Prices at Key Spot Markets:					
Commodity	Centre	Variety	Prices (Rs/Qtl)		Change
Sugar			24-Feb-21	23-Feb-21	
Delhi	Delhi	M-Grade	3130	3140	-10
	Delhi	S-Grade	3110	3120	-10
Uttar Pradesh	Khatauli	M-Grade	3125	3150	-25
	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	3336	3332	4
	Mumbai	S-Grade	3202	3202	Unch
	Nagpur	M-Grade	3225	3225	Unch
	Nagpur	S-Grade	3125	3125	Unch
	Kolhapur	M-Grade	3100	3100	Unch
	Kolhapur	S-Grade	3000	3000	Unch
Assam	Guhawati	S-Grade	3309	3309	Unch
Meghalaya	Shillong	S-Grade	3320	3320	Unch
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)			24-Feb-21	23-Feb-21	
Uttar Pradesh	Muzaffarnagar	Chaku Fresh	2700	2675	25
	Muzaffarnagar	Chaku(Arrival)(40kg Bag)	10000	12000	-2000
	Muzaffarnagar	Khurpa (Fresh)	2438	2525	-88
	Muzaffarnagar	Laddoo (Fresh)	2775	2800	-25
	Muzaffarnagar	Rascut (Fresh)	2425	2450	-25
	Hapur	Chaurasa	2538	2550	-13
	Hapur	Balti	2500	2500	Unch
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	2957	-
	Mandya	Achhu (Medium)	3370	3300	70
	Mandya	Kurikatu (Medium)	3100	3100	Unch
	Mandya	Other (Medium)	3120	3100	20
	Mandya	Yellow (Medium)	3200	3300	-100
	Shimoga/Shivamogga	Achhu (Average)	NA	3350	-

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