

Sugar &Gur Domestic & International Fundamentals

Recent Update:

Steady tone was witnessed in Sugar physical markets today in India. Sugar prices were lower in Chennai by 10-30 at Rs. 3450/q. Prices were lower in Kolhapur at Rs. 3100/q.

Sugar Production is likely to fall in Uttar Pradesh by 20 percent. Uttar Pradesh is likely to witness 20 per cent lower sugar production for the on-going cane crushing season compared with the previous season. Uttar Pradesh is likely to produce 100 lakh tonne sugar as against 126 lakh tonne in the last season. The lower sugar production is attributed to the diversion of cane for ethanol production and damage of crops due to pest infection following the rainwater stagnation in sugarcane fields in central and eastern parts of the state.

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 Jammu & Kashmir, Ladakh, Gilgit & Muzaffarabad, Himachal Pradesh and Uttarakhand and with lightening at isolated places over Arunachal Pradesh, Nagaland, Manipur, Mizoram & Tripura and Assam & Meghalaya.

Previous Updates:

India's annual export to china increases in 2020. India's annual export to china has 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.

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.

Commodity	USD (\$/Tonne)	Change
Thai Sugar FOB 45 Icumsa	478.40	-10.00

International Sugar Futures ICE(US Cent/lb)

Daily Futures Price Listing Wednesday February 24th, 2021									
Most Recent Information							Previous Day		
Mth	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
Sugar #11(ICE)									
Mar-21	210224	18.40	18.50	18.10	18.16	-0.25	63,661	70,256	-27,230
May-21	210224	17.00	17.24	16.85	17.17	+0.16	91,305	424,324	+2,847
Jul-21	210224	16.35	16.52	16.20	16.47	+0.13	45,562	192,757	+3,031
Oct-21	210224	16.04	16.18	15.90	16.11	+0.10	19,912	137,767	+1,498
Mar-22	210224	16.06	16.27	15.97	16.16	+0.08	9,469	97,115	+1,135
May-22	210224	15.03	15.32	14.95	15.17	+0.10	3,658	52,287	+822
Jul-22	210224	14.26	14.65	14.25	14.44	+0.13	3,224	45,824	+647
Oct-22	210224	13.84	14.27	13.83	14.04	+0.15	2,743	34,948	-208
Total Volume and Open Interest							243,251	1,088,079	-16,209

Source: MRCI

International Sugar Futures LIFFE(US \$/MT)

Daily Futures Price Listing Wednesday February 24th, 2021									
Wednes							Previous Day		
Mth	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
London Sugar(LCE)									
Mar-21	210224	478.00	482.70	476.20	480.50	+2.10	5,809	45,393	-1,670
May-21	210224	459.90	464.00	458.00	462.60	+2.80	1,726	26,148	+60
Aug-21	210224	445.70	449.20	443.50	448.00	+3.20	708	8,370	+30
Oct-21	210224	438.80	441.10	438.20	440.30	+2.60	225	4,170	+148
Dec-21	210224	433.30	435.00	433.30	434.70	+2.20	35	2,225	+5
Total Volume and Open Interest							8,546	87,459	-1,401

Source: MRCI

DOMESTIC PRICES AND ARRIVAL

Sugar Prices at Key Spot Markets:					
Commodity	Centre	Variety	Prices (Rs/Qtl)		Change
Sugar			25-Feb-21	24-Feb-21	
Delhi	Delhi	M-Grade	3130	3130	Unch
	Delhi	S-Grade	3110	3110	Unch
Uttar Pradesh	Khatauli	M-Grade	3125	3125	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	3336	3336	Unch
	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)	3450	3480	-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)			25-Feb-21	24-Feb-21	
Uttar Pradesh	Muzaffarnagar	Chaku Fresh	2828	2700	128
	Muzaffarnagar	Chaku(Arrival)(40kg Bag)	14000	10000	4000
	Muzaffarnagar	Khurpa (Fresh)	2513	2438	75

	Muzaffarnagar	Laddoo (Fresh)	2750	2775	-25
	Muzaffarnagar	Rascut (Fresh)	2425	2425	Unch
	Hapur	Chaurasa	2538	2538	Unch
	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)	NA	4400	-
	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)	3400	3370	30
	Mandya	Kurikatu (Medium)	3100	3100	Unch
	Mandya	Other (Medium)	3100	3120	-20
	Mandya	Yellow (Medium)	3430	3200	230
	Shimoga/Shivamogga	Achhu (Average)	NA	3550	-

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