

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 10-20 at Rs. 3110/q and Rs. 3120/q. Prices were lower in Kolhapur at Rs. 3100/q.

Simbhaoli sugar mill based in Chilwaria has closed cane crushing due to cane shortage. The mill is yet to clear the pending cane dues of Rs 44 crore from the last crushing season and Rs 100 crore from the ongoing crushing season. The mill with a crushing capacity of crushing 60,000 quintal cane faced a shortage of cane from the last two days. The mill administration has alerted the cane farmers to send cane to the mill for crushing but the mill has received only 10 quintal cane from farmers for crushing.

Weather Forecast:

Thunderstorm with lightening very likely in isolated places over Arunachal Pradesh, Assam, Meghalaya, Nagaland, Manipur, Mizoram & Tripura.

Previous Updates:

Government has announced monthly sales quota of 21 LMT for March 2021. The food ministry has allocated quota of 21 LMT monthly sales quota for March 2021 to each of 548 mills in India same as previous season in March 2020. The state-wise quota for March 2021 is as follows: Andhra Pradesh 22060 MT, Bihar 49300 MT, Chhattisgarh 7323 MT, Goa 0 MT, Gujarat 63239 MT, Haryana 47512 MT, Karnataka 349505 MT, Madhya Pradesh 42081 MT, Maharashtra 765931 MT, Orissa 0 MT, Punjab 47623 MT, Rajasthan 1228 MT, Tamil Nadu 33150 MT, Telangana 8872 MT, Uttar Pradesh 629839 MT, Uttarakhand 32331 MT.

Sugar Production in Maharashtra is estimated at 102 lakh tonnes. Sugar production in Maharashtra is estimated at 102 lakh tonnes for the crushing season as against estimate of 95 lakh tonnes. The mills in Solapur have closed operations and more mills will follow soon. The mills in Ahmednagar and Marathwada will end operations in March. Mills in Sangli, Satara, Pune and Kolhapur will end their season by end of April.

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.

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.

Commodity	USD (\$/Tonne)	Change
Thai Sugar FOB 45 Icumsa	455.00	-12.90

International Sugar Futures ICE(US Cent/lb)

Daily Futures Price Listing Friday February 26th, 2021									
Most Recent Information							Previous Day		
Mth	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
Sugar #11(ICE)									
Mar-21	210226	17.78	17.18	17.32	17.53	-0.31	35,604	26,346	-25,140
May-21	210226	16.82	16.82	16.41	16.45	-0.39	57,596	418,345	-855
Jul-21	210226	16.23	16.23	15.83	15.85	-0.39	22,412	196,288	+2,652
Oct-21	210226	15.93	15.96	15.58	15.60	-0.37	14,456	140,109	+1,982
Mar-22	210226	16.07	16.11	15.75	15.77	-0.32	5,893	96,556	+665
May-22	210226	15.13	15.14	14.84	14.88	-0.27	2,628	52,499	-164
Jul-22	210226	14.34	14.45	14.21	14.25	-0.22	2,853	46,375	+9
Oct-22	210226	13.99	14.15	13.88	13.92	-0.19	2,181	34,785	-85
Total Volume and Open Interest							145,382	1,044,835	-20,590

Source: MRCI

International Sugar Futures LIFFE(US \$/MT)

Daily Futures Price Listing Friday February 26th, 2021									
Wednes							Previous Day		
Mth	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
London Sugar(LCE)									
Mar-21	210226	465.00	465.40	454.50	455.10	-12.90	3,498	43,402	+39
May-21	210226	450.00	450.80	440.50	441.00	-12.00	1,055	25,961	-176
Aug-21	210226	438.70	439.30	430.50	431.10	-10.60	279	8,353	+21
Oct-21	210226	434.00	434.00	426.20	426.70	-9.40	46	4,160	+3
Dec-21	210226	429.50	429.50	432.20	423.70	-8.10	7	2,263	-1
Total Volume and Open Interest							4,885	85,310	-114

Source: MRCI

DOMESTIC PRICES AND ARRIVAL

Sugar Prices at Key Spot Markets:					
Commodity	Centre	Variety	Prices (Rs/Qtl)		Change
Sugar			01-Mar-21	27-Feb-21	
Delhi	Delhi	M-Grade	3130	3120	10
	Delhi	S-Grade	3110	3100	10
Uttar Pradesh	Khatauli	M-Grade	3130	3120	10
	Ramala	M-Grade	NA	NA	-
	Dhampur	M-Grade Ex-Mill	3055	3050	5
	Dhampur	S-Grade Ex-Mill	3035	3030	5
	Dhampur	L-Grade Ex-Mill	3105	3100	5
Maharashtra	Mumbai	M-Grade	3326	3336	-10
	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	3450	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)			01-Mar-21	27-Feb-21	
Uttar Pradesh	Muzaffarnagar	Chaku Fresh	2825	2813	13

	Muzaffarnagar	Chaku(Arrival)(40kg Bag)	10000	10000	Unch
	Muzaffarnagar	Khurpa (Fresh)	2525	2513	13
	Muzaffarnagar	Laddoo (Fresh)	2775	2763	13
	Muzaffarnagar	Rascut (Fresh)	2350	2363	-13
	Hapur	Chaurasa	Closed	2500	-
	Hapur	Balti	Closed	2500	-
Andhra Pradesh	Chittur	Gold	NR	NR	-
		White	NR	NR	-
		Black	NR	NR	-
Maharashtra	Latur	Lal Variety	NR	NR	-
Karnataka	Bangalore	Mudde (Average)	NA	NA	-
	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)	NA	NA	-
	Mandya	Kurikatu (Medium)	NA	NA	-
	Mandya	Other (Medium)	NA	NA	-
	Mandya	Yellow (Medium)	NA	NA	-
	Shimoga/Shivamogga	Achhu (Average)	NA	NA	-

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