

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. 3130/q and Rs. 3150/q. Prices were lower in Kolhapur at Rs. 3100/q.

Daurala sugar mill has cleared cane dues of Rs. 25.79 crore. The mill has cleared cane dues of the farmers that have sent their cane to the mill between January 21st to 27th. The mill has till date crushed 138.31 lakh quintals of sugarcane which is higher than the cane crushed during the last crushing season 131.25 lakh quintals.

Weather Forecast:

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

Previous Updates:

Nine sugar mills in Maharashtra have stopped cane crushing operation. Eight sugar mills from Solapur division and 1 from Kolhapur division have stopped their cane crushing operation. About 37 sugar mills from Kolhapur have participated in cane crushing this season, maximum were 41 mills from Solapur. Till 27th February, About 187 sugar mills participated in cane crushing operation in Maharashtra and have produced around 839.81 lakh quintals sugar by crushing 818.48 lakh tonnes cane with the sugar recovery rate of 10.26 percent.

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.

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.

Commodity	USD (\$/Tonne)	Change
Thai Sugar FOB 45 Icumsa	458.10	3.00

International Sugar Futures ICE(US Cent/lb)

Daily Futures Price Listing Tuesday March 02nd, 2021									
Most Recent Information							Previous Day		
Mth	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
Sugar #11(ICE)									
Mar-21	210302	16.20	16.53	16.02	16.43	+0.22	60,938	412,027	-5,667
May-21	210302	15.70	15.94	15.51	15.84	+0.13	25,898	194,779	-780
Jul-21	210302	15.50	15.73	15.35	15.62	+0.09	14,015	140,980	-463
Oct-21	210302	15.71	15.88	15.58	15.79	+0.05	7,360	97,600	-230
Mar-22	210302	14.93	14.96	14.75	14.90	+0.02	2,347	52,877	+403
May-22	210302	14.30	14.37	14.14	14.29	+0.01	1,649	47,543	+285
Jul-22	210302	13.95	14.00	13.60	13.95	+0.03	1,253	35,784	+424
Oct-22	210302	14.11	14.11	13.91	14.06	+0.06	238	14,691	+6
Total Volume and Open Interest							113,834	1,015,462	-24,442

Source: MRCI

International Sugar Futures LIFFE(US \$/MT)

Daily Futures Price Listing Tuesday March 02nd, 2021									
Most Recent Information							Previous Day		
Mth	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
London Sugar(LCE)									
Mar-21	210302	459.10	467.40	458.10	465.80	+7.70	9,854	39,489	-2,435
May-21	210302	444.10	451.30	442.60	449.70	+6.30	3,158	26,640	+515
Aug-21	210302	434.00	438.70	431.00	437.50	+4.50	679	8,795	+40
Oct-21	210302	431.60	432.90	426.90	431.60	+3.50	142	4,143	-8
Dec-21	210302	427.20	429.50	424.80	429.00	+3.30	60	2,355	+33
Total Volume and Open Interest							13,981	82,777	-1,783

Source: MRCI

DOMESTIC PRICES AND ARRIVAL

Sugar Prices at Key Spot Markets:					
Commodity	Centre	Variety	Prices (Rs/Qtl)		Change
Sugar			03-Mar-21	02-Mar-21	
Delhi	Delhi	M-Grade	3150	3140	10
	Delhi	S-Grade	3130	3120	10
Uttar Pradesh	Khatauli	M-Grade	3150	3150	Unch
	Ramala	M-Grade	NA	NA	-
	Dhampur	M-Grade Ex-Mill	3070	3070	Unch
	Dhampur	S-Grade Ex-Mill	3050	3050	Unch
	Dhampur	L-Grade Ex-Mill	3120	3120	Unch
Maharashtra	Mumbai	M-Grade	3326	3326	Unch
	Mumbai	S-Grade	3202	3202	Unch
	Nagpur	M-Grade	3275	3225	50
	Nagpur	S-Grade	3175	3125	50
	Kolhapur	M-Grade	3150	3100	50
	Kolhapur	S-Grade	3050	3000	50
Assam	Guhawati	S-Grade	3360	3309	51
Meghalaya	Shillong	S-Grade	3370	3320	50
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
			03-Mar-21	02-Mar-21	
Jaggery(Gur)					
Uttar Pradesh	Muzaffarnagar	Chaku Fresh	2913	2875	38
	Muzaffarnagar	Chaku(Arrival)(40kg Bag)	8000	7000	1000
	Muzaffarnagar	Khurpa (Fresh)	2600	2588	13
	Muzaffarnagar	Laddoo (Fresh)	2850	2813	38
	Muzaffarnagar	Rascut (Fresh)	2425	2400	25
	Hapur	Chaurasa	2500	2483	18
	Hapur	Balti	2450	2488	-38
Andhra Pradesh	Chittur	Gold	NR	NR	-
		White	NR	NR	-
		Black	NR	NR	-
Maharashtra	Latur	Lal Variety	NR	NR	-
Karnataka	Bangalore	Mudde (Average)	4150	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)	3700	NA	-
	Mandya	Kurikatu (Medium)	3400	NA	-
	Mandya	Other (Medium)	3500	NA	-
	Mandya	Yellow (Medium)	3550	NA	-
	Shimoga/Shivamogga	Achhu (Average)	3450	NA	-

Disclaimer

Information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or remove any such commodities (or investment). Please see the detailed disclaimer at <http://www.agriwatch.com/disclaimer.php> © 2021 Indian Business Systems Ltd.