

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. 3140/q and Rs. 3170/q. Prices were lower in Kolhapur at Rs. 3100/q.

Maharashtra sugar mills produces 839.81 lakh quintals of sugar till 27th February'21. Sugar mills in Maharashtra have produced 839.81 lakh quintals of sugar by crushing 818.48 lakh tonne sugarcane with 10.26 per cent recovery till 27th February 2021. As many as 187 sugar mills took part in cane crushing operations in the current season. In the Kolhapur division total 37 sugar mills took part in cane crushing operations and out of these one has ended the season. Maximum sugar mills were operating from the Solapur division and eight out of 41 mills from the division have stopped operations.

Weather Forecast:

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

Previous Updates:

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.

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.

Commodity	USD (\$/Tonne)	Change
Thai Sugar FOB 45 Icumsa	465.80	7.70

International Sugar Futures ICE(US Cent/lb)

Daily Futures Price Listing Wednesday March 03rd, 2021									
Most Recent Information							Previous Day		
Mth	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
Sugar #11(ICE)									
Mar-21	210303	16.50	16.53	16.07	16.14	-0.29	58,118	402,443	-9,584
May-21	210303	15.89	15.93	15.51	15.62	-0.22	27,874	196,893	+2,114
Jul-21	210303	15.69	15.71	15.33	15.46	-0.16	15,108	143,108	+2,128
Oct-21	210303	15.84	15.87	15.54	15.66	-0.13	6,189	98,332	+732
Mar-22	210303	14.96	14.96	14.69	14.82	-0.08	2,486	53,105	+228
May-22	210303	14.28	14.28	14.10	14.23	-0.06	1,858	48,161	+618
Jul-22	210303	13.94	13.94	13.77	13.89	-0.06	1,371	36,169	+385
Oct-22	210303	14.02	14.04	13.86	14.00	-0.06	703	14,772	+81
Total Volume and Open Interest							114,888	1,012,113	-3,349

Source: MRCI

International Sugar Futures LIFFE(US \$/MT)

Daily Futures Price Listing Wednesday March 03rd, 2021									
Most Recent Information							Previous Day		
Mth	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
London Sugar(LCE)									
Mar-21	210303	465.00	467.40	457.50	458.00	-7.80	5,384	38,142	-1,347
May-21	210303	447.80	450.90	441.60	443.00	-6.70	2,363	26,897	+257
Aug-21	210303	436.90	438.40	429.90	431.80	-5.70	960	8,999	+204
Oct-21	210303	429.50	429.50	425.00	426.70	-4.90	196	4,228	+85
Dec-21	210303	426.40	426.70	423.20	425.10	-3.90	21	2,359	+4
Total Volume and Open Interest							8,940	81,985	-792

Source: MRCI

DOMESTIC PRICES AND ARRIVAL

Sugar Prices at Key Spot Markets:					
Commodity	Centre	Variety	Prices (Rs/Qtl)		Change
Sugar			04-Mar-21	03-Mar-21	
Delhi	Delhi	M-Grade	3160	3150	10
	Delhi	S-Grade	3140	3130	10
Uttar Pradesh	Khatauli	M-Grade	3170	3150	20
	Ramala	M-Grade	NA	NA	-
	Dhampur	M-Grade Ex-Mill	3100	3070	30
	Dhampur	S-Grade Ex-Mill	3080	3050	30
	Dhampur	L-Grade Ex-Mill	3150	3120	30
Maharashtra	Mumbai	M-Grade	3326	3326	Unch
	Mumbai	S-Grade	3202	3202	Unch
	Nagpur	M-Grade	3275	3275	Unch
	Nagpur	S-Grade	3175	3175	Unch
	Kolhapur	M-Grade	3150	3150	Unch
	Kolhapur	S-Grade	3050	3050	Unch
Assam	Guhawati	S-Grade	3360	3360	Unch
Meghalaya	Shillong	S-Grade	3370	3370	Unch
Andhra Pradesh	Vijayawada	M-Grade (With Duty)	3660	3700	-40
	Vijayawada	S-Grade (With Duty)	3600	3660	-60
West Bengal	Kolkata	M-Grade	3520	3600	-80
Tamil Nadu	Chennai	S-Grade (With GST)	3450	3450	Unch
	Dindigul	M-Grade (DCA)	3540	3680	-140
	Coimbatore	M-Grade (DCA)	3540	3540	Unch
Chattisgarh	Ambikapur	M-Grade (Without Duty)	NA	3600	-
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)			04-Mar-21	03-Mar-21	
Uttar Pradesh	Muzaffarnagar	Chaku Fresh	2938	2913	25

	Muzaffarnagar	Chaku(Arrival)(40kg Bag)	8000	8000	Unch
	Muzaffarnagar	Khurpa (Fresh)	2638	2600	38
	Muzaffarnagar	Laddoo (Fresh)	2875	2850	25
	Muzaffarnagar	Rascut (Fresh)	2450	2425	25
	Hapur	Chaursa	2500	2500	Unch
	Hapur	Balti	2450	2450	Unch
Andhra Pradesh	Chittur	Gold	NR	NR	-
		White	NR	NR	-
		Black	NR	NR	-
Maharashtra	Latur	Lal Variety	NR	NR	-
Karnataka	Bangalore	Mudde (Average)	NA	4150	-
	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)	3650	3700	-50
	Mandya	Kurikatu (Medium)	3500	3400	100
	Mandya	Other (Medium)	3550	3500	50
	Mandya	Yellow (Medium)	3530	3550	-20
	Shimoga/Shivamogga	Achhu (Average)	3450	3450	Unch

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