

## Sugar &Gur Domestic & International Fundamentals

### Recent Update:

**Steady tone was witnessed in Sugar physical markets today in India.** Sugar prices were higher in Delhi by 50-70 at Rs. 3190/q. Prices were lower in Kolhapur at Rs. 3100/q.

**Sugar mills produce 222 lakh MT of sugar till February'21.** Sugar output in India has estimated to be around 310 lakh Metric Tonnes for 2020-21 season and domestic consumption is around 260 lakh Metric Tonnes. Sugar mills in India have produced 222 lakh Metric Tonnes of Sugar till last month. The government has allocated a mill-wise export quota of 60 Lakh Metric Tonnes for exporting the sugar in the current season to reduce the surplus stock of sugar. The government is also encouraging sugar mills to produce ethanol from sugarcane juice, sugar, B-Heavy molasses and sugar syrup to divert excess sugar.

### Weather Forecast:

Thunderstorm with lightening & gusty winds very likely in isolated places over Haryana, Chandigarh & Delhi and at isolated places over Uttarakhand, Uttar Pradesh and East Rajasthan with lightening and hail at isolated places over Madhya Pradesh, Chattisgarh, with lightening and gusty winds over Punjab and West Rajasthan and with lightening at isolated places over Jammu & Kashmir, Ladakh, Gilgit- Baltistan & Muzaffarabad, Himachal Pradesh, Vidarbha, Bihar and Jarkhand.

### Previous Updates:

**Sugar mills from Uttar Pradesh earns from ethanol production.** Sugar mills from Uttar Pradesh are getting benefitted by increasing ethanol production in their respective plants. Sugar mill Sathiaon has earned Rs 3 crore through ethanol by distributing it to oil companies, Although, the Sugar mill Sathiaon is yet to achieve its set target of crushing 45.5 lakh quintal sugarcane and has till now crushed 24 lakh quintal sugarcane with a recovery rate of 8.67 per cent.

**Karnataka farmers demand higher FRP for sugarcane.** Sugarcane farmers from the Mysuru region are demanding the hike in fair and remunerative price for sugarcane considering the input cost of cultivation. The cost of sugarcane cultivation has been increased but the FRP fixed by the government has remained the same and farmers are unable to recover the money they have spent for cultivation of the sugarcane crop. As a result the farmers are requesting the government to increase the FRP.

**Maharashtra sugar mills produces 839.81 lakh quintals of sugar till 27<sup>th</sup> 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 27<sup>th</sup> 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.

**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 27<sup>th</sup> 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.

Commodity	USD (\$/Tonne)	Change
Thai Sugar FOB 45 Icumsa	460.00	-3.50

## International Sugar Futures ICE(US Cent/lb)

Daily Futures Price Listing Wednesday March 10th, 2021									
Most Recent Information							Previous Day		
Mth	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
Sugar #11(ICE)									
<a href="#">Mar-21</a>	210310	15.95	16.13	15.91	15.96	+0.06	39,685	390,747	-1,067
<a href="#">May-21</a>	210310	15.48	15.64	15.46	15.53	+0.09	25,000	200,741	+2,522
<a href="#">Jul-21</a>	210310	15.34	15.49	15.31	15.42	+0.12	14,203	152,040	+1,425
<a href="#">Oct-21</a>	210310	15.53	15.69	15.53	15.66	+0.13	5,787	100,717	-50
<a href="#">Mar-22</a>	210310	14.78	14.92	14.76	14.89	+0.14	3,559	54,612	+294
<a href="#">May-22</a>	210310	14.16	14.29	14.14	14.27	+0.14	1,595	49,730	-10
<a href="#">Jul-22</a>	210310	13.77	13.90	13.75	13.88	+0.14	1,505	37,338	-49
<a href="#">Oct-22</a>	210310	13.87	13.99	13.87	13.97	+0.14	1,027	15,422	+43
Total Volume and Open Interest							94,014	1,022,180	+3,786

Source: MRCI

## International Sugar Futures LIFFE(US \$/MT)

Daily Futures Price Listing Wednesday March 10th, 2021									
Most Recent Information							Previous Day		
Mth	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
London Sugar(LCE)									
<a href="#">Mar-21</a>	210310	454.50	457.00	452.20	452.60	-0.10	2,899	37,478	+47
<a href="#">May-21</a>	210310	439.80	443.90	439.00	440.90	+1.70	2,115	28,057	+229
<a href="#">Aug-21</a>	210310	429.60	433.30	428.60	430.90	+2.10	859	9,698	-47
<a href="#">Oct-21</a>	210310	424.30	428.40	423.80	426.50	+3.00	260	4,518	-19
<a href="#">Dec-21</a>	210310	423.00	427.20	422.70	425.90	+3.80	202	2,692	+82
Total Volume and Open Interest							6,545	84,105	+425

Source: MRCI

DOMESTIC PRICES AND ARRIVAL

Sugar Prices at Key Spot Markets:					
Commodity	Centre	Variety	Prices (Rs/Qtl)		Change
Sugar			10-Mar-21	09-Mar-21	
Delhi	Delhi	M-Grade	3210	3140	70
	Delhi	S-Grade	3190	3120	70
Uttar Pradesh	Khatauli	M-Grade	3130	3130	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	3346	3342	4
	Mumbai	S-Grade	3202	3202	Unch
	Nagpur	M-Grade	3225	3225	Unch
	Nagpur	S-Grade	3145	3145	Unch
	Kolhapur	M-Grade	3100	3100	Unch
	Kolhapur	S-Grade	3020	3020	Unch
Assam	Guhawati	S-Grade	3329	3329	Unch
Meghalaya	Shillong	S-Grade	3340	3340	Unch
Andhra Pradesh	Vijayawada	M-Grade (With Duty)	3660	3660	Unch
	Vijayawada	S-Grade (With Duty)	3600	3600	Unch
West Bengal	Kolkata	M-Grade	3520	3520	Unch
Tamil Nadu	Chennai	S-Grade (With GST)	3460	3460	Unch
	Dindigul	M-Grade (DCA)	3540	3540	Unch
	Coimbatore	M-Grade (DCA)	3540	3540	Unch
Chattisgarh	Ambikapur	M-Grade (Without Duty)	NA	NA	-

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)			10-Mar-21	09-Mar-21	
Uttar Pradesh	Muzaffarnagar	Chaku Fresh	2725	2725	Unch

	Muzaffarnagar	Chaku(Arrival)(40kg Bag)	12000	12000	Unch
	Muzaffarnagar	Khurpa (Fresh)	2450	2425	25
	Muzaffarnagar	Laddoo (Fresh)	2750	2700	50
	Muzaffarnagar	Rascut (Fresh)	2275	2325	-50
	Hapur	Chaurasa	2450	2450	Unch
	Hapur	Balti	2400	2400	Unch
Andhra Pradesh	Chittur	Gold	NR	NR	-
		White	NR	NR	-
		Black	NR	NR	-
Maharashtra	Latur	Lal Variety	NR	NR	-
Karnataka	Bangalore	Mudde (Average)	4150	4150	Unch
	Belgaum	Mudde (Average)	NA	3800	-
	Belthangadi	Yellow (Average)	NA	NA	-
	Bijapur/Vijayapura	Achhu	NA	NA	-
	Gulbarga/Kalaburgi	Other (Average)	NA	NA	-
	Mahalingapura	Penti (Average)	3200	3202	-2
	Mandya	Achhu (Medium)	3600	3600	Unch
	Mandya	Kurikatu (Medium)	3500	3500	Unch
	Mandya	Other (Medium)	3580	3550	30
	Mandya	Yellow (Medium)	3620	3550	70
	Shimoga/Shivamogga	Achhu (Average)	NA	3450	-

## 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 dispose of any such commodities (or investment). Please see the detailed disclaimer at <http://www.agriwatch.com/disclaimer.php> © 2021 Indian Business Systems Ltd.