

Sugar &Gur Domestic & International Fundamentals

Recent Update:

Steady tone was witnessed in Sugar physical markets today in India. Sugar prices were lower in Delhi by 50-70 at Rs. 3130/q. Prices were lower in Kolhapur at Rs. 3100/q.

According to Indian Sugar Mills Association, India's sugar production is expected to be around 30.2 million tonnes in the ongoing 2020-21 marketing year, about 800,000 tonne lower than the initial estimate, because of damage caused by unseasonal rains in some parts of Uttar Pradesh. However, the sugar production is estimated to be higher than 27.4 million tonne achieved during the 2019-20 marketing year (October-September). Mills have manufactured about 23.4 million tonnes of sugar. Also, crushing operation is expected to get over in Maharashtra and Karnataka this month and in Uttar Pradesh by May. The sugar production would be slightly lower than the initial estimate in both Uttar Pradesh and Maharashtra. Production in Uttar Pradesh is expected to be 10.2 million tonnes in the current 2020-21 year, lower than 12.6 million tonnes last year. Similarly, the output in Maharashtra is expected to be 10.2 million tonnes this year compared with 6.1 million tonnes last year. The initial sugar production estimate for each of these two states was 10.5 million tonne for the current year, Where else production in Karnataka, is expected to increase to 4.7 million tonne in the 2020-21 marketing year from 3.45 million tonne last year, and is likely to be more than the annual requirement of 26 million tonne. Besides sugar, mills are manufacturing ethanol used for blending with petrol. Mills are also undertaking export of sugar under a quota fixed by the government.

Weather Forecast:

Thunderstorm with lightening & gusty winds very likely in isolated places over Gangetic West Bengal, with lightening and hail at isolated places over Jharkhand, Sub-Himalayan West Bengal & Sikkim, Assam & Meghalaya, Nagaland, Manipur, Mizoram & Tripura and Kerala & Mahe and with lightening at isolated places over East Uttar Pradesh, East Madhya Pradesh, Vidarbha, Chattisgarh, Bihar, Odisha and Arunachal Pradesh.

Previous Updates:

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.

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 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.

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.

Commodity	USD (\$/Tonne)	Change
Thai Sugar FOB 45 Icumsa	452.50	-7.50

International Sugar Futures ICE(US Cent/lb)

Daily Futures Price Listing Thursday March 11th, 2021									
Most Recent Information							Previous Day		
Mth	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
Sugar #11(ICE)									
Mar-21	210311	16.06	16.41	16.00	16.36	+0.40	63,229	391,566	+819
May-21	210311	15.63	15.93	15.59	15.89	+0.36	44,273	206,453	+5,712
Jul-21	210311	15.52	15.76	15.48	15.75	+0.33	24,778	154,716	+2,676
Oct-21	210311	15.73	15.99	15.70	15.98	+0.32	11,976	99,368	-1,349
Mar-22	210311	14.97	15.20	14.93	15.20	+0.31	3,153	54,937	+325
May-22	210311	14.35	14.58	14.33	14.58	+0.31	2,686	50,309	+579
Jul-22	210311	13.96	14.16	13.94	14.16	+0.28	1,976	37,633	+295
Oct-22	210311	14.04	14.24	14.03	14.24	+0.27	909	15,394	-28
Total Volume and Open Interest							155,195	1,031,790	+9,610

Source: MRCI

International Sugar Futures LIFFE(US \$/MT)

Daily Futures Price Listing Thursday March 11th, 2021									
Most Recent Information							Previous Day		
Mth	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
London Sugar(LCE)									
Mar-21	210311	454.20	463.60	454.20	463.10	+10.50	5,510	36,933	-545
May-21	210311	442.80	450.80	442.10	450.20	+9.30	2,707	28,865	+808
Aug-21	210311	432.80	439.50	432.20	439.10	+8.20	502	9,641	-57
Oct-21	210311	428.50	434.10	428.10	434.10	+7.60	131	4,510	-8
Dec-21	210311	429.10	433.10	429.10	433.10	+7.20	110	2,711	+19
Total Volume and Open Interest							9,051	84,323	+218

Source: MRCI

DOMESTIC PRICES AND ARRIVAL

Sugar Prices at Key Spot Markets:					
Commodity	Centre	Variety	Prices (Rs/Qtl)		Change
Sugar			12-Mar-21	10-Mar-21	
Delhi	Delhi	M-Grade	3150	3210	-60
	Delhi	S-Grade	3130	3190	-60
Uttar Pradesh	Khatauli	M-Grade	3075	3130	-55
	Ramala	M-Grade	NA	NA	-
	Dhampur	M-Grade Ex-Mill	3050	3070	-20
	Dhampur	S-Grade Ex-Mill	3030	3050	-20
	Dhampur	L-Grade Ex-Mill	3100	3120	-20
Maharashtra	Mumbai	M-Grade	3356	3346	10
	Mumbai	S-Grade	3202	3202	Unch
	Nagpur	M-Grade	3275	3225	50
	Nagpur	S-Grade	3175	3145	30
	Kolhapur	M-Grade	3150	3100	50
	Kolhapur	S-Grade	3050	3020	30
Assam	Guhawati	S-Grade	3360	3329	30
Meghalaya	Shillong	S-Grade	3370	3340	30
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)	3450	3460	-10
	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)			12-Mar-21	10-Mar-21	
Uttar Pradesh	Muzaffarnagar	Chaku Fresh	2700	2725	-25

	Muzaffarnagar	Chaku(Arrival)(40kg Bag)	8000	12000	-4000
	Muzaffarnagar	Khurpa (Fresh)	2425	2450	-25
	Muzaffarnagar	Laddoo (Fresh)	2675	2750	-75
	Muzaffarnagar	Rascut (Fresh)	2288	2275	13
	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	NA	-
	Belthangadi	Yellow (Average)	NA	NA	-
	Bijapur/Vijayapura	Achhu	NA	NA	-
	Gulbarga/Kalaburgi	Other (Average)	NA	NA	-
	Mahalingapura	Penti (Average)	NA	3200	-
	Mandya	Achhu (Medium)	3600	3600	Unch
	Mandya	Kurikatu (Medium)	3500	3500	Unch
	Mandya	Other (Medium)	3400	3580	-180
	Mandya	Yellow (Medium)	3500	3620	-120
	Shimoga/Shivamogga	Achhu (Average)	NA	3450	-

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