

Sugar &Gur Domestic & International Fundamentals

Recent Update:

Steady tone was witnessed in Sugar physical markets today in India. Sugar prices were lower in Khatuli by 05-10 at Rs. 3070/q. Prices were lower in Kolhapur at Rs. 3150/q.

Bihar is set to become the first state in the country to have a dedicated ethanol policy. With the central government approval for producing ethanol directly from sugarcane and broken rice, Bihar is planning to launch country's first ethanol policy. 20 investors have already applied for production units, Bihar produces 12,000 crore litres of ethanol each year and is expected to produce 50,000 crore litres each year after proposals of 20 new ethanol units were realized.

Weather Forecast:

Thunderstorm with lightening & gusty winds very likely in isolated places over Sub- Himalyan West Bengal & Sikkim and with lightening at isolated places over Jammu & Kashmir, Ladakh, Gilgit-Balistan & Muzaffarabad, Assam & Meghalaya, Arunachal Pradesh, Nagaland, Manipur, Mizoram & Tripura and Kerala & Mahe.

Previous Updates:

41 Sugar mills in Maharashtra are likely to end their cane crushing operation. The sugarcane crushing season is at the final phase in Maharashtra and till March 11, 41 sugar mills have ended cane crushing operations. Around 187 sugar mills had participated in the on-going cane crushing season and they have produced 918.55 lakh quintal sugars by crushing 886.52 lakh tonne sugarcane with a recovery of 10.36%. Till date, 29 sugar mills from Solapur have closed their operations followed by 7 mills from the Kolhapur division and from Pune, Aurangabad and Nanded division each sugar mill has stopped operations and two mills from the Amravati division have closed the cane crushing operations.

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.

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.

Commodity	USD (\$/Tonne)	Change
Thai Sugar FOB 45 Icmsa	452.60	0.10

International Sugar Futures ICE(US Cent/lb)

Daily Futures Price Listing Friday March 12th, 2021									
Most Recent Information							Previous Day		
Mth	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
Sugar #11(ICE)									
Mar-21	210312	16.29	16.30	16.07	16.13	-0.23	42,067	383,735	-7,831
May-21	210312	15.84	15.84	15.62	15.72	-0.17	28,485	212,294	+5,841
Jul-21	210312	15.67	15.68	15.50	15.63	-0.12	16,678	155,366	+650
Oct-21	210312	15.89	15.91	15.75	15.89	-0.09	5,035	99,351	-17
Mar-22	210312	15.05	15.16	14.99	15.16	-0.04	2,746	55,447	+510
May-22	210312	14.44	14.58	14.39	14.58	Unch	1,508	50,144	-165
Jul-22	210312	14.03	14.21	14.01	14.21	+0.05	779	37,636	+3
Oct-22	210312	14.12	14.31	14.11	14.31	+0.07	282	15,413	+19
Total Volume and Open Interest							98,001	1,030,878	-912

Source: MRCI

International Sugar Futures LIFFE(US \$/MT)

Daily Futures Price Listing Friday March 12th, 2021									
Most Recent Information							Previous Day		
Mth	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
London Sugar(LCE)									
Mar-21	210312	460.20	461.30	457.70	459.50	-3.60	3,705	36,768	-165
May-21	210312	448.70	448.70	444.10	446.60	-3.60	2,258	29,624	+759
Aug-21	210312	437.10	437.10	433.90	435.90	-3.20	535	9,680	+39
Oct-21	210312	433.60	433.60	429.70	431.00	-3.10	206	4,465	-45
Dec-21	210312	429.50	429.90	429.00	429.90	-3.20	57	2,762	+51
Total Volume and Open Interest							6,958	85,074	+751

Source: MRCI

DOMESTIC PRICES AND ARRIVAL

Sugar Prices at Key Spot Markets:					
Commodity	Centre	Variety	Prices (Rs/Qtl)		Change
Sugar			15-Mar-21	13-Mar-21	
Delhi	Delhi	M-Grade	3150	3150	Unch
	Delhi	S-Grade	3130	3130	Unch
Uttar Pradesh	Khatauli	M-Grade	3070	3080	-10
	Ramala	M-Grade	NA	NA	-
	Dhampur	M-Grade Ex-Mill	3080	3060	20
	Dhampur	S-Grade Ex-Mill	3060	3040	20
	Dhampur	L-Grade Ex-Mill	3130	3110	20
Maharashtra	Mumbai	M-Grade	3356	3356	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	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	3450	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)			15-Mar-21	13-Mar-21	
Uttar Pradesh	Muzaffarnagar	Chaku Fresh	2700	2700	Unch
	Muzaffarnagar	Chaku(Arrival)(40kg Bag)	9000	9000	Unch

	Muzaffarnagar	Khurpa (Fresh)	2450	2425	25
	Muzaffarnagar	Laddoo (Fresh)	2700	2675	25
	Muzaffarnagar	Rascut (Fresh)	2163	2288	-125
	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)	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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