

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 05-10 at Rs. 3160/q. Prices were lower in Kolhapur at Rs. 3150/q.

Maharashtra Sugar mills produces around 957.57 lakh quintals of sugar. Sugar mills in Maharashtra have produced 957.57 lakh quintal sugars after crushing 920.23 lakh tonne sugarcane with a sugar recovery rate of 10.41 percent. The sugarcane crushing season is in the final phase and about 52 sugar mills have closed their crushing operations. 28 sugar mills are operating in Kolhapur division and 9 have stopped operations, where else in Solapur division out of 41 sugar mills, 31 mills have closed operations and 10 are operating. In Pune and Ahmednagar division, 3 each sugar mills have ended the operations whereas 2 each sugar mills in Aurangabad, Nanded, and Amravati division have shut their operations.

Weather Forecast:

Thunderstorm with lightening, hail and gusty winds very likely in isolated places over East Rajasthan and lightening, hail & gusty winds at isolated places over Uttarakhand, Punjab, Haryana, West Uttar Pradesh Chandigarh, Delhi, Madhya Pradesh, Vidarbha, Madhya Maharashtra and Marathwada with lightening & hail at isolated places over Himachal Pradesh with lightening & gusty winds at isolated places over West Rajasthan, Kerala & Mahe and with lightening at isolated places over Jammu & Kashmir, Ladakh, Gilgit-Baltistan & Muzaffarabad, East Uttar Pradesh, Chhattisgarh & Goa, Coastal & South Interior Karnataka.

Previous Updates:

About 76 percent of the sugarcane has been harvested till 19th March 21. About 48.51 lakh hectares was the estimated total coverage under sugarcane in the rabi season of 2020-21 and around 76 percent harvesting has been done till 19th March'21. In some parts of the country, the sugar mills have closed their crushing operations while some are at their final phase of crushing.

About 4.3 million tonnes of export contracts have been signed in sugar season 2020-21. According to Indian Sugar Mills Association, around 43 lakh tonnes of export contracts have been signed, these contracts have been signed in just 2 ½ months, since the date the export quotas were allocated by the Government on 31st December, 2020. The total sugar export quota is around 60 lakh for 2020-21 season. About 3.18 lakh tons of sugar had been exported in Oct. – Dec., 2020, against the Maximum Admissible Export Quota (MAEQ) of last season 2019-20 Season and another around 22 lakh tons of physical exports are expected between Jan. – March, 2021 against MAEQ of 2020-21 sugar season.

India's Sugar production is up by 19.69 percent compared to previous year. According to Indian Sugar Mills Association, around 258.68 lac tons of sugar have been produced till 15th March'21 against 216.13 lac tons produced last year by 15th March'20. About 171 mills have stopped cane crushing operation and 331 sugar mills are currently operating in the country against 319 mills operating previous year, till 15th march'20 around 138 sugar mills had stopped cane crushing operations.

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.

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.

| Commodity | USD (\$/Tonne) | Change |
|-------------------------|----------------|--------|
| Thai Sugar FOB 45 Icmsa | 456.00 | -2.50 |

International Sugar Futures ICE(US Cent/lb)

| Daily Futures Price Listing Friday March 19th, 2021 | | | | | | | | | |
|---|--------|-------|-------|-------|-------|--------|--------------|-----------|--------|
| Most Recent Information | | | | | | | Previous Day | | |
| Mth | Date | Open | High | Low | Close | Change | Volume | Open Int | Change |
| Sugar #11(ICE) | | | | | | | | | |
| Mar-21 | 210319 | 15.81 | 15.89 | 15.55 | 15.76 | -0.13 | 47,232 | 382,679 | +3,213 |
| May-21 | 210319 | 15.51 | 15.55 | 15.27 | 15.45 | -0.11 | 29,382 | 234,034 | +3,685 |
| Jul-21 | 210319 | 15.47 | 15.49 | 15.24 | 15.40 | -0.10 | 12,531 | 155,059 | -565 |
| Oct-21 | 210319 | 15.77 | 15.77 | 15.53 | 15.68 | -0.10 | 5,497 | 100,342 | +161 |
| Mar-22 | 210319 | 15.03 | 15.09 | 14.88 | 15.04 | -0.03 | 3,443 | 56,396 | +311 |
| May-22 | 210319 | 14.50 | 14.60 | 14.39 | 14.54 | +0.04 | 2,610 | 50,119 | +219 |
| Jul-22 | 210319 | 14.16 | 14.31 | 14.09 | 14.24 | +0.08 | 1,759 | 38,074 | +216 |
| Oct-22 | 210319 | 14.35 | 14.45 | 14.24 | 14.38 | +0.10 | 754 | 16,078 | +119 |
| Total Volume and Open Interest | | | | | | | 104,256 | 1,055,534 | +7,681 |

Source: MRCI

International Sugar Futures LIFFE(US \$/MT)

| Daily Futures Price Listing Friday March 19th, 2021 | | | | | | | | | |
|---|--------|--------|--------|--------|--------|--------|--------------|----------|--------|
| Most Recent Information | | | | | | | Previous Day | | |
| Mth | Date | Open | High | Low | Close | Change | Volume | Open Int | Change |
| London Sugar(LCE) | | | | | | | | | |
| Mar-21 | 210319 | 455.60 | 456.10 | 450.00 | 453.40 | -2.60 | 2,807 | 36,180 | -144 |
| May-21 | 210319 | 442.00 | 442.30 | 436.40 | 440.20 | -2.00 | 1,366 | 31,044 | +92 |
| Aug-21 | 210319 | 432.00 | 432.30 | 427.10 | 430.50 | -1.90 | 866 | 10,949 | +457 |
| Oct-21 | 210319 | 428.00 | 428.00 | 423.20 | 426.50 | -2.00 | 65 | 4,582 | +10 |
| Dec-21 | 210319 | 422.50 | 425.20 | 422.50 | 425.20 | -2.00 | 15 | 2,761 | +1 |
| Total Volume and Open Interest | | | | | | | 5,134 | 87,379 | +417 |

Source: MRCI

DOMESTIC PRICES AND ARRIVAL

| Sugar Prices at Key Spot Markets: | | | | | |
|---|------------|------------------------|-----------------|-----------|--------|
| Commodity | Centre | Variety | Prices (Rs/Qtl) | | Change |
| Sugar | | | 22-Mar-21 | 20-Mar-21 | |
| Delhi | Delhi | M-Grade | 3180 | 3150 | 30 |
| | Delhi | S-Grade | 3160 | 3130 | 30 |
| Uttar Pradesh | Khatauli | M-Grade | 3100 | 3090 | 10 |
| | Ramala | M-Grade | NA | NA | - |
| | Dhampur | M-Grade Ex-Mill | 3130 | 3125 | 5 |
| | Dhampur | S-Grade Ex-Mill | 3110 | 3105 | 5 |
| | Dhampur | L-Grade Ex-Mill | 3180 | 3175 | 5 |
| Maharashtra | Mumbai | M-Grade | 3356 | 3382 | -26 |
| | Mumbai | S-Grade | 3202 | 3202 | Unch |
| | Nagpur | M-Grade | 3225 | 3225 | Unch |
| | Nagpur | S-Grade | 3125 | 3125 | Unch |
| | Kolhapur | M-Grade | 3100 | 3100 | Unch |
| | Kolhapur | S-Grade | 3000 | 3000 | Unch |
| Assam | Guhawati | S-Grade | 3309 | 3309 | Unch |
| Meghalaya | Shillong | S-Grade | 3320 | 3320 | Unch |
| Andhra Pradesh | Vijayawada | M-Grade (With Duty) | 3600 | 3660 | -60 |
| | 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) | | | 22-Mar- | 20-Mar- | |

| | | | 21 | 21 | |
|----------------|--------------------|--------------------------|--------|------|-------|
| Uttar Pradesh | Muzaffarnagar | Chaku Fresh | 2700 | 2788 | -88 |
| | Muzaffarnagar | Chaku(Arrival)(40kg Bag) | 6000 | 8000 | -2000 |
| | Muzaffarnagar | Khurpa (Fresh) | 2550 | 2538 | 13 |
| | Muzaffarnagar | Laddoo (Fresh) | 2813 | 2800 | 13 |
| | Muzaffarnagar | Rascut (Fresh) | 2265 | 2275 | -10 |
| | Hapur | Chaurasa | Closed | 2513 | - |
| | Hapur | Balti | Closed | 2413 | - |
| 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) | 3800 | 3850 | -50 |
| | Mandya | Kurikatu (Medium) | 3560 | 3050 | 510 |
| | Mandya | Other (Medium) | 3500 | 3550 | -50 |
| | Mandya | Yellow (Medium) | 3650 | 3650 | Unch |
| | Shimoga/Shivamogga | Achhu (Average) | NA | NA | - |

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