

## 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 10-40 at Rs. 3110/q. Prices were lower in Kolhapur at Rs. 3000/q.

**Bilal sugar mill has recorded the highest recovery rate of more than 13 percent.** Bilal sugar mills from Madhya Pradesh have recorded the highest recovery rate of 13.25. In the current season, the sugar mills in the district have started cane crushing operations on time and that has helped in increasing the sugar recovery in the district.

### Weather Forecast:

Thunderstorm with lightening, hail and gusty winds very likely in isolated places over Kerala & Mahe. Heat wave conditions in some pockets with severe heat wave in isolated pockets very likely over Saurashtra & Kutuch and Konkan & goa and heat wave conditions in isolated pockets over gangetic West Bengal and Odisha.

### Previous Updates:

**Sugar mills from Maharashtra have cleared 87 percent of the Fair and Remunerative price (FRP) to the cane farmers.** Sugar mills have cleared Rs. 15,836 crore which is around 86.91 percent of the total FRP for this season, the mills are expected to clear the remaining Rs. 2,385 crore dues in the coming weeks. Around 187 sugar mills have participated in the crushing operations this season and out of that 86 mills have cleared 100 percent of the FRP while 65 cleared 60-69 percent of FRP. Sugar mills in India have signed contracts to export 43 lakh tonnes of sugar which include contract of 20 lakh tonne from Maharashtra sugar mills.

**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.

**About 76 percent of the sugarcane has been harvested till 19<sup>th</sup> 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 19<sup>th</sup> 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 15<sup>th</sup> March'21 against 216.13 lac tons produced last year by 15<sup>th</sup> 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 15<sup>th</sup> 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.

Commodity	USD (\$/Tonne)	Change
Thai Sugar FOB 45 Icumsa	440.50	-8.90

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

Daily Futures Price Listing Thursday March 25th, 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>	210325	15.54	15.63	15.01	15.09	-0.54	76,780	362,682	-10,568
<a href="#">May-21</a>	210325	15.33	15.40	14.89	14.95	-0.45	45,344	240,802	+877
<a href="#">Jul-21</a>	210325	15.24	15.30	14.88	14.92	-0.39	20,248	156,843	-891
<a href="#">Oct-21</a>	210325	15.44	15.53	15.17	15.21	-0.34	8,493	101,663	-1,254
<a href="#">Mar-22</a>	210325	14.71	14.79	14.52	14.57	-0.25	2,672	56,300	+181
<a href="#">May-22</a>	210325	14.16	14.23	14.02	14.07	-0.17	4,657	52,815	+982
<a href="#">Jul-22</a>	210325	13.81	13.89	13.71	13.76	-0.12	3,477	37,856	+422
<a href="#">Oct-22</a>	210325	13.92	14.01	13.84	13.90	-0.08	1,059	15,843	-137
Total Volume and Open Interest							164,218	1,048,979	-9,788

Source: MRCI

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

Daily Futures Price Listing Thursday March 25th, 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>	210325	448.50	452.20	437.30	439.20	-11.10	11,167	33,636	-470
<a href="#">May-21</a>	210325	437.30	440.70	427.00	429.10	-9.20	5,819	31,274	+386
<a href="#">Aug-21</a>	210325	428.20	430.40	417.50	419.40	-9.80	1,379	11,885	+334
<a href="#">Oct-21</a>	210325	425.10	425.90	415.90	417.60	-8.70	365	4,379	+125
<a href="#">Dec-21</a>	210325	423.20	424.10	415.90	417.00	-8.00	199	3,056	+129
Total Volume and Open Interest							19,026	86,543	+580

Source: MRCI

DOMESTIC PRICES AND ARRIVAL

Sugar Prices at Key Spot Markets:					
Commodity	Centre	Variety	Prices (Rs/Qtl)		Change
Sugar			26-Mar-21	25-Mar-21	
Delhi	Delhi	M-Grade	3130	3175	-45
	Delhi	S-Grade	3110	3155	-45
Uttar Pradesh	Khatauli	M-Grade	3045	3050	-5
	Ramala	M-Grade	NA	NA	-
	Dhampur	M-Grade Ex-Mill	3050	3100	-50
	Dhampur	S-Grade Ex-Mill	3030	3080	-50
	Dhampur	L-Grade Ex-Mill	3100	3150	-50
Maharashtra	Mumbai	M-Grade	3306	3330	-24
	Mumbai	S-Grade	3202	3202	Unch
	Nagpur	M-Grade	3175	3175	Unch
	Nagpur	S-Grade	3125	3125	Unch
	Kolhapur	M-Grade	3050	3050	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	3600	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)			26-Mar-21	25-Mar-21	
Uttar Pradesh	Muzaffarnagar	Chaku Fresh	2830	2750	80
	Muzaffarnagar	Chaku(Arrival)(40kg Bag)	5000	3000	2000
	Muzaffarnagar	Khurpa (Fresh)	2563	2563	Unch

	Muzaffarnagar	Laddoo (Fresh)	2850	2700	150
	Muzaffarnagar	Rascut (Fresh)	2313	2213	100
	Hapur	Chaurasa	2525	2508	18
	Hapur	Balti	2450	2425	25
Andhra Pradesh	Chittur	Gold	NR	NR	-
		White	NR	NR	-
		Black	NR	NR	-
Maharashtra	Latur	Lal Variety	NR	NR	-
Karnataka	Bangalore	Mudde (Average)	4350	4350	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	NA	-
	Mandya	Achhu (Medium)	3750	3730	20
	Mandya	Kurikatu (Medium)	3500	3480	20
	Mandya	Other (Medium)	3400	3410	-10
	Mandya	Yellow (Medium)	3540	3500	40
	Shimoga/Shivamogga	Achhu (Average)	3450	3450	Unch

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