

Sugar &Gur Domestic & International Fundamentals

Recent Update:

Steady tone was witnessed in Sugar physical markets today in India. Sugar prices were higher in Khatuli by 10-40 at Rs. 3055/q. Prices were lower in Kolhapur at Rs. 3000/q.

Sugarcane crushing season is likely to end in March'21. Sugarcane crushing operations in Thailand are likely to end by March-end with the country expecting to complete crushing of around 66.5 million MT of sugarcane. The mills in the country had crushed 66.48 million MT sugarcane till March 22 this year which was down by 13% from the same period during the last year. Usually the cane crushing activities continues till April-May but due to the shortage of cane, the crushing is expected to end by March 31.

Weather Forecast:

Thunderstorm with lightening and squall very likely in isolated places over Assam & Meghalaya and Nagaland, Manipur, Mizoram & Tripura with lightening and gusty winds at isolated places over West Bengal & Sikkim and Arunachal Pradesh and with lightening at isolated pockets very likely over Andaman & Nicobar Islands and Kerala & Mahe.

Previous Updates:

Bilai sugar mill has recorded the highest recovery rate of more than 13 percent. Bilai suagr 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.

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.

Mahrashtra 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 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.

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

International Sugar Futures ICE(US Cent/lb)

Daily Futures Price Listing Friday March 26th, 2021									
Most Recent Information							Previous Day		
Mth	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
Sugar #11(ICE)									
Mar-21	210326	15.12	15.29	15.09	15.19	+0.10	31,695	361,532	-1,150
May-21	210326	15.00	15.12	14.95	15.02	+0.07	17,871	243,073	+2,271
Jul-21	210326	14.97	15.09	14.93	14.97	+0.05	10,374	157,407	+564
Oct-21	210326	15.25	15.33	15.19	15.22	+0.01	4,997	101,657	-6
Mar-22	210326	14.58	14.65	14.49	14.53	-0.04	8,656	56,072	-228
May-22	210326	14.14	14.15	13.92	13.96	-0.11	3,476	53,544	+729
Jul-22	210326	13.83	13.84	13.55	13.60	-0.16	3,886	39,305	+1,449
Oct-22	210326	13.91	13.91	13.65	13.71	-0.19	1,318	16,172	+329
Total Volume and Open Interest							83,980	1,053,368	+4,389

Source: MRCI

International Sugar Futures LIFFE(US \$/MT)

Daily Futures Price Listing Friday March 26th, 2021									
Most Recent Information							Previous Day		
Mth	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
London Sugar(LCE)									
Mar-21	210326	441.80	444.50	436.00	437.10	-2.10	8,507	31,664	-1,972
May-21	210326	431.10	433.00	427.70	427.70	-0.50	4,543	32,280	+1,006
Aug-21	210326	421.70	422.80	418.70	418.70	+0.30	1,608	12,604	+719
Oct-21	210326	420.00	420.60	417.90	417.90	+0.30	550	4,781	+42
Dec-21	210326	418.80	418.80	417.10	417.00	+0.10	201	3,146	+90
Total Volume and Open Interest							15,581	86,509	-34

Source: MRCI

DOMESTIC PRICES AND ARRIVAL

Sugar Prices at Key Spot Markets:					
Commodity	Centre	Variety	Prices (Rs/Qtl)		Change
Sugar			27-Mar-21	26-Mar-21	
Delhi	Delhi	M-Grade	3130	3130	Unch
	Delhi	S-Grade	3110	3110	Unch
Uttar Pradesh	Khatauli	M-Grade	3055	3045	10
	Ramala	M-Grade	NA	NA	-
	Dhampur	M-Grade Ex-Mill	3050	3050	Unch
	Dhampur	S-Grade Ex-Mill	3030	3030	Unch
	Dhampur	L-Grade Ex-Mill	3100	3100	Unch
Maharashtra	Mumbai	M-Grade	3306	3306	Unch
	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)			27-Mar-21	26-Mar-21	
Uttar Pradesh	Muzaffarnagar	Chaku Fresh	2830	2830	Unch

	Muzaffarnagar	Chaku(Arrival)(40kg Bag)	3000	5000	-2000
	Muzaffarnagar	Khurpa (Fresh)	2563	2563	Unch
	Muzaffarnagar	Laddoo (Fresh)	2850	2850	Unch
	Muzaffarnagar	Rascut (Fresh)	2313	2313	Unch
	Hapur	Chaurasa	2525	2525	Unch
	Hapur	Balti	2450	2450	Unch
Andhra Pradesh	Chittur	Gold	NR	NR	-
		White	NR	NR	-
		Black	NR	NR	-
Maharashtra	Latur	Lal Variety	NR	NR	-
Karnataka	Bangalore	Mudde (Average)	NA	4350	-
	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	3750	-
	Mandya	Kurikatu (Medium)	NA	3500	-
	Mandya	Other (Medium)	NA	3400	-
	Mandya	Yellow (Medium)	NA	3540	-
	Shimoga/Shivamogga	Achhu (Average)	NA	3450	-

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