

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 10-20 at Rs. 3160/q. Prices were lower in Kolhapur at Rs. 3000/q.

Government has fixed 22 LMT Monthly Sugar Quota for sale in April 2021. The Food ministry has allocated 22 LMT monthly sugar quota for April 2021 which is 4 LMT higher than the quota released in April 2020. In the previous month (March) government has released 21 LMT of monthly sugar sales quota to 552 mills in the country.

Weather Forecast:

Thunderstorm with lightening & gusty winds very likely at isolated places over Sub-Himalayan West Bengal and Sikkim, Andaman & Nicobar Islands, Odisha and with lightening at isolated pockets very likely over Kerala & Mahe. Heat wave conditions very likely in isolated pockets over Coastal Andhra Pradesh & Yanam, Tamil Nadu, Puducherry & Karaikal and Saurashtra & Kutch.

Previous Updates:

Sugar mills in Maharashtra had produced around 997.12 lakh quintals of sugar till 28th March'21. About 187 sugar mills have participated in the crushing season and have crushed around 954.91 lakh tonnes sugarcane with a recovery rate of 10.44 percent.

Sugar mills clears cane dues of worth Rs 1.98 crore. Uttar Pradesh sugar mill has cleared cane dues worth Rs 1.98 crore of the 680 sugarcane farmers associated with the mill. However, the sugar mill is yet to clear arrears worth Rs 31.95 crore to the cane farmers.

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.

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

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 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.

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

International Sugar Futures ICE(US Cent/lb)

Daily Futures Price Listing Wednesday March 31st, 2021									
Most Recent Information							Previous Day		
Mth	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
Sugar #11(ICE)									
Mar-21	210331	14.94	15.03	14.67	14.77	-0.15	60,213	338,383	-12,256
May-21	210331	14.88	14.98	14.68	14.77	-0.08	35,260	247,267	+3,548
Jul-21	210331	14.86	14.96	14.71	14.78	-0.07	21,057	158,228	+775
Oct-21	210331	15.17	15.21	14.97	15.04	-0.07	4,985	106,955	-2
Mar-22	210331	14.48	14.52	14.28	14.34	-0.09	2,562	56,763	+109
May-22	210331	13.91	13.95	13.76	13.81	-0.06	1,933	54,847	+399
Jul-22	210331	13.55	13.61	13.45	13.49	-0.02	893	41,312	+130
Oct-22	210331	13.63	13.72	13.59	13.62	-0.02	608	17,783	+93
Total Volume and Open Interest							129,080	1,048,321	-6,746

Source: MRCI

International Sugar Futures LIFFE(US \$/MT)

Daily Futures Price Listing Wednesday March 31st, 2021									
Most Recent Information							Previous Day		
Mth	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
London Sugar(LCE)									
Mar-21	210331	430.20	431.10	419.10	420.00	-9.80	5,973	29,052	-1,186
May-21	210331	425.20	425.70	415.80	417.00	-7.20	4,479	34,656	+942
Aug-21	210331	418.10	418.40	410.70	412.50	-4.70	1,623	13,138	+334
Oct-21	210331	417.70	417.70	410.60	412.70	-4.20	280	4,861	+25
Dec-21	210331	417.70	417.70	412.10	413.00	-4.40	114	3,222	+82
Total Volume and Open Interest							12,830	87,260	+404

Source: MRCI

DOMESTIC PRICES AND ARRIVAL

Sugar Prices at Key Spot Markets:					
Commodity	Centre	Variety	Prices (Rs/Qtl)		Change
Sugar			01-Apr-21	31-Mar-21	
Delhi	Delhi	M-Grade	3180	3160	20
	Delhi	S-Grade	3160	3140	20
Uttar Pradesh	Khatauli	M-Grade	3075	3075	Unch
	Ramala	M-Grade	NA	NA	-
	Dhampur	M-Grade Ex-Mill	3070	3070	Unch
	Dhampur	S-Grade Ex-Mill	3050	3050	Unch
	Dhampur	L-Grade Ex-Mill	3120	3120	Unch
Maharashtra	Mumbai	M-Grade	3302	3302	Unch
	Mumbai	S-Grade	3206	3206	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)	3580	3580	Unch
	Vijayawada	S-Grade (With Duty)	3580	3580	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)			01-Apr-21	31-Mar-21	
Uttar Pradesh	Muzaffarnagar	Chaku Fresh	2650	2725	-75
	Muzaffarnagar	Chaku(Arrival)(40kg Bag)	5000	4000	1000
	Muzaffarnagar	Khurpa (Fresh)	2400	2475	-75

	Muzaffarnagar	Laddoo (Fresh)	2750	2775	-25
	Muzaffarnagar	Rascut (Fresh)	2188	2200	-13
	Hapur	Chaurasa	2550	2500	50
	Hapur	Balti	2500	2475	25
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	3850	-
	Mandya	Kurikatu (Medium)	NA	3480	-
	Mandya	Other (Medium)	NA	3500	-
	Mandya	Yellow (Medium)	NA	3650	-
	Shimoga/Shivamogga	Achhu (Average)	NA	3450	-

Disclaimer

Information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at <http://www.agriwatch.com/disclaimer.php> © 2021 Indian Business Systems Ltd.