

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 10-20 at Rs. 3230/q. Prices were lower in Kolhapur at Rs. 3000/q.

Sugar production has fallen from previous season in Uttar Pradesh. According to the Indian Sugar Mills Association, In U.P., 120 sugar mills which were in operation have produced 93.71 lakh tonnes of sugar till 31st March 2021. Out of 120 sugar mills, 39 sugar mills have stopped crushing operations, where else 113 mills were in operation last year and the sugar production was 97.20 lakh tonnes, upto 31st March 2020. The lower sugar production is attributed to the diversion of cane for ethanol production and damage of crops due to pest infection following the rainwater stagnation in sugarcane fields in central and eastern parts of the state.

Weather Forecast:

Thunderstorm with lightening & gusty winds very likely at isolated places over Jammu & Kashmir, Ladakh, Gilgit-Baltistan & Muzaffarabad, Uttarakhand and Himachal Pradesh and with lightening at isolated pockets over Punjab, north Haryana, Chandigarh and Kerala & Mahe and with lightening at isolated pockets over Uttar Pradesh, Arunachal Pradesh, Assam & Meghalaya, Nagaland, Manipur, Mizoram & Tripura, Coastal & South Interior Karnataka. Heat Wave Conditions very likely in isolated pockets over Rajasthan, Vidarbha and Interior Karnataka.

Previous Updates:

Sugarcane arrears have risen in the current season as compared to previous season. About Rs. 22,900 Crore of pending cane dues are in the current season. It is higher as compared to arrears one year back when it was around Rs. 19,200 Crore. The prevailing low ex-mill sugar prices for last several months, has adversely affected the liquidity of mills and their ability to pay the FRP to cane farmers. The mills are expecting that the government would increase the minimum selling price (MSP) to help mills increase revenue and clear the cane dues to the farmers. The current sugar prices are around Rs. 3100/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.

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 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.

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 April 02nd, 2021									
Most Recent Information							Previous Day		
Mth	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
Sugar #11(ICE)									
Mar-21	210402	14.71	14.94	14.68	14.71	-0.06	43,418	335,948	-2,435
May-21	210402	14.71	14.95	14.67	14.72	-0.05	22,156	249,391	+2,124
Jul-21	210402	14.77	14.97	14.70	14.74	-0.04	13,201	157,892	-336
Oct-21	210402	15.00	15.24	14.92	14.96	-0.08	3,977	107,406	+451
Mar-22	210402	14.32	14.55	14.23	14.27	-0.07	1,772	56,924	+161
May-22	210402	13.79	14.02	13.68	13.77	-0.04	1,694	55,039	+192
Jul-22	210402	13.48	13.68	13.40	13.51	+0.02	1,462	41,937	+625
Oct-22	210402	13.61	13.81	13.56	13.64	+0.02	653	18,013	+230
Total Volume and Open Interest							88,681	1,049,454	+1,133

Source: MRCI

International Sugar Futures LIFFE(US \$/MT)

Daily Futures Price Listing Friday April 02nd, 2021									
Most Recent Information							Previous Day		
Mth	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
London Sugar(LCE)									
Mar-21	210402	421.10	429.20	420.30	423.40	+3.40	4,411	28,656	-396
May-21	210402	418.70	421.90	415.60	418.70	+1.70	3,943	35,928	+1,272
Aug-21	210402	414.00	416.20	409.40	412.30	-0.20	1,287	13,578	+440
Oct-21	210402	414.00	412.20	408.90	412..50	-0.20	352	5,009	+148
Dec-21	210402	414.10	416.70	409.70	412.70	-0.30	110	3,234	+12
Total Volume and Open Interest							10,179	88,790	+1,530

Source: MRCI

DOMESTIC PRICES AND ARRIVAL

Sugar Prices at Key Spot Markets:					
Commodity	Centre	Variety	Prices (Rs/Qtl)		Change
Sugar			05-Apr-21	03-Apr-21	
Delhi	Delhi	M-Grade	3200	3250	-50
	Delhi	S-Grade	3180	3230	-50
Uttar Pradesh	Khatauli	M-Grade	3300	3325	-25
	Ramala	M-Grade	3125	3150	-25
	Dhampur	M-Grade Ex-Mill	NA	NA	-
	Dhampur	S-Grade Ex-Mill	NA	NA	-
	Dhampur	L-Grade Ex-Mill	NA	NA	-
Maharashtra	Mumbai	M-Grade	3320	3320	Unch
	Mumbai	S-Grade	3210	3210	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)			05-Apr-21	03-Apr-21	
Uttar Pradesh	Muzaffarnagar	Chaku Fresh	2725	2725	Unch

	Muzaffarnagar	Chaku(Arrival)(40kg Bag)	3000	3000	Unch
	Muzaffarnagar	Khurpa (Fresh)	2425	2425	Unch
	Muzaffarnagar	Laddoo (Fresh)	2788	2788	Unch
	Muzaffarnagar	Rascut (Fresh)	2225	2225	Unch
	Hapur	Chaurasa	Closed	2588	-
	Hapur	Balti	Closed	2550	-
Andhra Pradesh	Chittur	Gold	NR	NR	-
		White	NR	NR	-
		Black	NR	NR	-
Maharashtra	Latur	Lal Variety	NR	NR	-
Karnataka	Bangalore	Mudde (Average)	4600	4350	250
	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)	3400	3410	-10
	Mandya	Other (Medium)	3450	3480	-30
	Mandya	Yellow (Medium)	3450	3800	-350
	Shimoga/Shivamogga	Achhu (Average)	3450	NA	-

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