

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 20-40 at Rs. 3255/q. Prices were lower in Kolhapur at Rs. 3000/q.

Sugarcane crushing season in Maharashtra is in the final phase. About 42 sugar mills in the Solapur division and 31 sugar mills in the Kolhapur division have stopped cane crushing operations till 4th April'2021. Total 108 sugar mills have stopped cane crushing operations in the ongoing season. Kolhapur is leading in cane recovery rate in the state at 11.99 percent, where else sugar mills have produced 1017.42 lakh quintal sugar by crushing 972.30 lakh tonne cane with a recovery of 10.46%.

Weather Forecast:

Thunderstorm with lightening , hail & squall very likely at isolated places over Gangetic West Bengal and with lightening & squall at isolated pockets over Assam, Meghalaya and with lightening and gusty winds at isolated pockets over Nagaland, Manipur, Mizoram & Tripura with lightening & gusty winds at isolated places over Jharkhand, Sub Himalayan West Bengal, Sikkim , Kerala & Mahe and with lightening over Chattisgarh, Odisha and Arunachal Pradesh. Heat Wave Conditions very likely in isolated pockets over east Madhya Pradesh and Jharkhand.

Previous Updates:

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.

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 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.

International Sugar Futures ICE(US Cent/lb)

Daily Futures Price Listing Tuesday April 06th, 2021									
Most Recent Information							Previous Day		
Mth	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
Sugar #11(ICE)									
Mar-21	210406	14.80	15.21	14.79	15.16	+0.32	52,148	323,067	-10,247
May-21	210406	14.75	15.07	14.75	15.03	+0.29	31,861	263,657	+7,873
Jul-21	210406	14.73	15.00	14.71	14.94	+0.24	19,271	162,511	+2,031
Oct-21	210406	14.96	15.21	14.95	15.13	+0.22	11,156	107,721	+34
Mar-22	210406	14.30	14.55	14.28	14.48	+0.24	4,291	64,455	-53
May-22	210406	13.83	14.08	13.83	14.01	+0.25	5,023	56,467	+619
Jul-22	210406	13.56	13.83	13.56	13.76	+0.26	4,187	43,268	+927
Oct-22	210406	13.72	13.93	13.72	13.87	+0.25	1,177	17,998	-60
Total Volume and Open Interest							131,210	1,067,291	+1,881

Source: MRCI

International Sugar Futures LIFFE(US \$/MT)

Daily Futures Price Listing Tuesday April 06th, 2021									
Most Recent Information							Previous Day		
Mth	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
London Sugar(LCE)									
Mar-21	210406	427.00	429.10	420.30	427.70	+4.30	7,420	27,515	-1,141
May-21	210406	421.40	426.60	418.00	425.90	+7.20	7,177	37,602	+1,674
Aug-21	210406	416.10	419.20	412.00	418.50	+6.20	2,062	14,023	+445
Oct-21	210406	413.80	418.70	412.60	418.50	+6.00	210	5,087	+78
Dec-21	210406	413.90	417.80	413.80	418.60	+5.90	148	3,249	+15
Total Volume and Open Interest							17,245	89,960	+1,170

Source: MRCI

DOMESTIC PRICES AND ARRIVAL

Sugar Prices at Key Spot Markets:					
Commodity	Centre	Variety	Prices (Rs/Qtl)		Change
Sugar			07-Apr-21	06-Apr-21	
Delhi	Delhi	M-Grade	3275	3200	75
	Delhi	S-Grade	3255	3180	75
Uttar Pradesh	Khatauli	M-Grade	3345	3300	45
	Ramala	M-Grade	NA	3125	-
	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	3380	3320	60
	Mumbai	S-Grade	3250	3210	40
	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)	3550	3450	100
	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)			07-Apr-21	06-Apr-21	
Uttar Pradesh	Muzaffarnagar	Chaku Fresh	3000	3000	Unch

	Muzaffarnagar	Chaku(Arrival)(40kg Bag)	4000	4000	Unch
	Muzaffarnagar	Khurpa (Fresh)	2700	2700	Unch
	Muzaffarnagar	Laddoo (Fresh)	3038	3038	Unch
	Muzaffarnagar	Rascut (Fresh)	2350	2350	Unch
	Hapur	Chaurasa	2688	2688	Unch
	Hapur	Balti	2613	2613	Unch
Andhra Pradesh	Chittur	Gold	NR	NR	-
		White	NR	NR	-
		Black	NR	NR	-
Maharashtra	Latur	Lal Variety	NR	NR	-
Karnataka	Bangalore	Mudde (Average)	4600	4600	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)	NA	3800	-
	Mandya	Kurikatu (Medium)	NA	3400	-
	Mandya	Other (Medium)	NA	3250	-
	Mandya	Yellow (Medium)	NA	3600	-
	Shimoga/Shivamogga	Achhu (Average)	3450	3450	Unch

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