

## 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 20-30 at Rs. 3320/q. Prices were lower in Kolhapur at Rs. 3000/q.

***Uganda hopes to export sugar to Kenya.*** The domestic sugar production in the country has increased by 37% in one year owing to the increase in the investment in the sugar sector by the government as well as private players. The sugar output has increased to 603,788 tonnes compared to 440,935 tonnes in 2019. Uganda had been hoping to resume sugar exports due to a large production deficit but indications suggest otherwise, with Kenya failing to conduct a verification exercise that had been expected in December last year. Although, Kenya had now initiated the verification drive after complaints came in about the exporters from Uganda dumping cheap sugar in the country that had created problem for local producers.

### Weather Forecast:

Thunderstorm with lightening , hail & squall very likely at isolated places over Vidarbha and with lightening & gusty winds at isolated pockets over Assam, Meghalaya and with lightening and gusty winds at isolated pockets over East Madhya Pradesh, Chhattisgarh, West Bengal , Sikkim, Odisha, Arunachal Pradesh, Nagaland, Manipur, Mizoram & Tripura with lightening & gusty winds at isolated places over Jharkhand, Sub Himalayan West Bengal, Sikkim , Kerala & Mahe and with lightening over Andaman & Nicobar Island , Madhya Maharashtra, Marathwada, Telangana and Tamil Nadu, Puducherry & Karaikal and Lakshwadeep. Heavy rainfall very likely at isolated places over Arunachal Pradesh.

### Previous Updates:

***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 4<sup>th</sup> 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%.

***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 28<sup>th</sup> 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.

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

Daily Futures Price Listing Thursday April 08th, 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>	210408	15.13	15.39	15.13	15.18	+0.04	65,353	304,487	-14,350
<a href="#">May-21</a>	210408	15.06	15.30	15.04	15.18	+0.13	47,338	264,711	+1,822
<a href="#">Jul-21</a>	210408	15.02	15.27	15.02	15.19	+0.16	22,272	154,075	-5,284
<a href="#">Oct-21</a>	210408	15.24	15.50	15.24	15.45	+0.19	8,584	107,338	-16
<a href="#">Mar-22</a>	210408	14.55	14.86	14.55	14.82	+0.20	3,029	64,070	-365
<a href="#">May-22</a>	210408	14.17	14.40	14.17	14.38	+0.22	3,500	57,710	+1,078
<a href="#">Jul-22</a>	210408	13.92	14.16	13.92	14.14	+0.22	2,778	44,017	+411
<a href="#">Oct-22</a>	210408	14.05	14.24	14.04	14.22	+0.21	2,156	18,369	+283
Total Volume and Open Interest							158,161	1,044,032	-15,391

Source: MRCI

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

Daily Futures Price Listing Thursday April 08th, 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>	210408	426.00	427.90	421.00	424.70	+0.80	7,194	22,141	-3,877
<a href="#">May-21</a>	210408	427.20	430.00	422.90	426.60	+3.40	7,847	39,892	+1,574
<a href="#">Aug-21</a>	210408	422.60	424.70	419.20	424.30	+3.50	1,959	14,248	+396
<a href="#">Oct-21</a>	210408	422.90	425.10	420.00	424.90	+3.50	530	5,204	-59
<a href="#">Dec-21</a>	210408	422.90	425.20	420.20	425.00	+3.60	223	3,252	-24
Total Volume and Open Interest							18,016	87,497	-1,916

Source: MRCI

DOMESTIC PRICES AND ARRIVAL

Sugar Prices at Key Spot Markets:					
Commodity	Centre	Variety	Prices (Rs/Qtl)		Change
Sugar			09-Apr-21	08-Apr-21	
Delhi	Delhi	M-Grade	3240	3265	-25
	Delhi	S-Grade	3220	3245	-25
Uttar Pradesh	Khatauli	M-Grade	3325	3345	-20
	Ramala	M-Grade	NA	NA	-
	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	3360	3370	-10
	Mumbai	S-Grade	3256	3256	Unch
	Nagpur	M-Grade	3275	3275	Unch
	Nagpur	S-Grade	3175	3175	Unch
	Kolhapur	M-Grade	3150	3150	Unch
	Kolhapur	S-Grade	3050	3050	Unch
Assam	Guhawati	S-Grade	3360	3360	Unch
Meghalaya	Shillong	S-Grade	3370	3370	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	3550	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)			09-Apr-21	08-Apr-21	
Uttar Pradesh	Muzaffarnagar	Chaku Fresh	2950	2950	Unch

	Muzaffarnagar	Chaku(Arrival)(40kg Bag)	5000	5000	Unch
	Muzaffarnagar	Khurpa (Fresh)	2675	2675	Unch
	Muzaffarnagar	Laddoo (Fresh)	3000	3000	Unch
	Muzaffarnagar	Rascut (Fresh)	2325	2325	Unch
	Hapur	Chaurasa	2625	2625	Unch
	Hapur	Balti	2575	2575	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)	3900	3880	20
	Mandya	Kurikatu (Medium)	3350	3350	Unch
	Mandya	Other (Medium)	3500	3420	80
	Mandya	Yellow (Medium)	3500	3500	Unch
	Shimoga/Shivamogga	Achhu (Average)	3450	3450	Unch

## 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.