

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. 3320/q. Prices were lower in Kolhapur at Rs. 3150/q.

Six sugar mills from Saharanpur owe arrears of around Rs 691 crore. Despite the efforts taken by the administration six sugar mills in the district have been able to pay only 46 per cent cane dues. Six sugar mills from the district still owe arrears worth Rs 691 crore. The cane crushing season has entered the last phase and some mills are on the verge of closing their operations. Gangnauli sugar mill has stopped cane crushing operations and Gagalheri mill will soon close its operations.

Weather Forecast:

Thunderstorm with lightening , hail & squall very likely at isolated places over Vidarbha, East Madhya Pradesh, Chhattisgarh, Jharkhand, Gangetic West Bengal , Odisha, Madhya Maharashtra, Marathwada, Telangana and Kerala & Mahe and with lightening at isolated pockets over Jammu & Kashmir, Ladakh, Gilgit-Balistan & Muzaffargarh, East Madhya Pradesh, Arunachal Pradesh, Assam & Meghalaya, Nagaland, Manipur, Mizoram & Tripura , Konkan, Goa, Tamil Nadu, Pondicherry & Karaikal and Lakshadweep. Heavy rainfall very likely at isolated places over Saurashtra & Kutch.

Previous Updates:

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.

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%.

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.

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

International Sugar Futures ICE(US Cent/lb)

Daily Futures Price Listing Friday April 09th, 2021									
Most Recent Information							Previous Day		
Mth	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
Sugar #11(ICE)									
Mar-21	210409	15.26	15.72	15.22	15.46	+0.28	53,599	293,527	-10,960
May-21	210409	15.26	15.64	15.21	15.41	+0.23	40,176	272,501	+7,790
Jul-21	210409	15.22	15.59	15.21	15.35	+0.16	14,652	154,272	+197
Oct-21	210409	15.50	15.78	15.46	15.59	+0.14	6,063	107,294	-44
Mar-22	210409	14.85	15.07	14.83	14.91	+0.09	1,821	64,049	-21
May-22	210409	14.37	14.55	14.36	14.41	+0.03	2,098	57,953	+243
Jul-22	210409	14.17	14.26	14.06	14.13	-0.01	2,112	44,613	+596
Oct-22	210409	14.23	14.31	14.13	14.19	-0.03	1,231	18,384	+15
Total Volume and Open Interest							123,177	1,042,028	-2,004

Source: MRCI

International Sugar Futures LIFFE(US \$/MT)

Daily Futures Price Listing Friday April 09th, 2021									
Most Recent Information							Previous Day		
Mth	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
London Sugar(LCE)									
Mar-21	210409	425.60	429.90	421.20	422.50	-2.20	10,706	17,244	-4,897
May-21	210409	430.00	426.70	428.30	432.90	+4.30	9,141	41,670	+1,778
Aug-21	210409	425.00	432.00	424.30	427.60	+3.30	1,606	14,452	+204
Oct-21	210409	425.80	431.50	425.40	427.50	+2.60	249	5,209	+5
Dec-21	210409	425.60	431.00	425.60	427.40	+2.40	152	3,265	+13
Total Volume and Open Interest							21,983	84,710	-2,787

Source: MRCI

DOMESTIC PRICES AND ARRIVAL

Sugar Prices at Key Spot Markets:					
Commodity	Centre	Variety	Prices (Rs/Qtl)		Change
Sugar			10-Apr-21	09-Apr-21	
Delhi	Delhi	M-Grade	3240	3240	Unch
	Delhi	S-Grade	3220	3220	Unch
Uttar Pradesh	Khatauli	M-Grade	3320	3325	-5
	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	3360	Unch
	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)			10-Apr-21	09-Apr-21	
Uttar Pradesh	Muzaffarnagar	Chaku Fresh	2950	2950	Unch

	Muzaffarnagar	Chaku(Arrival)(40kg Bag)	6000	5000	1000
	Muzaffarnagar	Khurpa (Fresh)	2680	2675	5
	Muzaffarnagar	Laddoo (Fresh)	3013	3000	13
	Muzaffarnagar	Rascut (Fresh)	2330	2325	5
	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)	NA	3900	-
	Mandya	Kurikatu (Medium)	NA	3350	-
	Mandya	Other (Medium)	NA	3500	-
	Mandya	Yellow (Medium)	NA	3500	-
	Shimoga/Shivamogga	Achhu (Average)	NA	3450	-

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