

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. 3350/q. Prices were lower in Kolhapur at Rs. 3150/q.

India's Sugar Production has reached 290.91 lakh tons till 15th April 2021. Sugar production has increased from previous season by 42.66 lakh tons higher than 248.25 lakh tons produced at the same time last year. During the previous season 140 sugar mills were operating by 15th April 2020 where as in the current season 170 sugar mills operated till 15th April 2021.

Weather Forecast:

Thunderstorm with lightening , hail & gusty winds very likely at isolated places over Uttarakhand, Sub-Himalaya West Bengal & Sikkim and with lightening and gusty winds at isolated pockets over Assam & Meghalaya and with lightening & gusty winds at isolated places over Jammu & Kashmir, Gilgit-Baltistan & Muzaffarabad, Himachal Pradesh, Haryana, Chandigarh & Delhi, Punjab, Jharkhand, Gangetic West Bengal, Nagaland, Manipur, Mizoram & Tripura and with lightening at isolated places over Bihar, Andaman & Nicobar Islands, Arunachal Pradesh, Coastal Andhra Pradesh & Yanam and Lakshadweep. Heavy rainfall at isolated places over Arunachal Pradesh and Assam & Meghalaya.

Previous Updates:

Maharashtra leads in sugar production. For the first time after five years, Maharashtra has surpassed Uttar Pradesh in sugar production. Till March 2021, Maharashtra has produced more than 100 lakh tonne sugar as against 96 lakh tonne by Uttar Pradesh. In the current sugar season, Maharashtra is expected to produce 105-107 lakh tonne sugar whereas in Uttar Pradesh is expected to produce 105 lakh tonne sugar.

Bangladesh ensures availability of Sugar during Ramzan. Bangladesh Sugar and food Industries Corporation (BSFIC) has ensured the availability of around 44,000 tonnes of sugar in the stock and it will be supplied to the markets through dealers. According to BSFIC, the annual need of sugar for Bangladesh is around 18 lakh tonnes including 3 lakh tonnes sugar consumed during ramzan. BSFIC provides only 50,000 tonnes of sugar per year and private sector supplies the remaining 17.5 lakh tonnes of sugar. Loose sugar will be supplied at Bangladeshi taka (Tk) 63 per kg and packed is sold around Tk 68 per kg, where else Sugar in retail markets will not be sold around Tk 75.

Sugar mills in Maharashtra have produced around 103.44 lakh MT of sugar. Sugar mills in Maharashtra have crushed 987.43 lakh MT of cane till 10th April 2021 and have produced around 103.44 lakh MT of sugar with an average recovery of 10.48 percent. Till 10th April around 118 sugar mills have closed their cane crushing operation, while 71 sugar mills are currently operating in the state. Production in Maharashtra is estimated to reach 106 lakh MT where else in the previous season production was around 61.69 lakh MT.

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.

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.

International Sugar Futures ICE(US Cent/lb)

Daily Futures Price Listing Thursday April 15th, 2021									
Most Recent Information							Previous Day		
Mth	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
Sugar #11(ICE)									
Mar-21	210415	15.97	16.42	15.87	16.38	+0.52	78,205	212,198	-21,166
May-21	210415	15.94	16.39	15.87	16.31	+0.43	73,905	346,224	+20,956
Jul-21	210415	15.88	16.26	15.84	16.22	+0.38	23,016	159,291	+522
Oct-21	210415	16.00	16.34	15.99	16.33	+0.34	12,144	109,831	+160
Mar-22	210415	15.25	15.56	15.25	15.56	+0.27	6,502	66,079	+339
May-22	210415	14.75	15.00	14.72	15.00	+0.24	4,190	62,722	+1,268
Jul-22	210415	14.43	14.66	14.39	14.66	+0.23	2,686	47,332	+526
Oct-22	210415	14.40	14.66	14.40	14.66	+0.22	2,299	19,406	+519
Total Volume and Open Interest							204,331	1,052,839	+3,086

Source: MRCI

International Sugar Futures LIFFE(US \$/MT)

Daily Futures Price Listing Thursday April 15th, 2021									
Most Recent Information							Previous Day		
Mth	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
London Sugar(LCE)									
Mar-21	210415	446.40	457.30	444.90	455.60	+14.00	2,856	3,445	-1,243
May-21	210415	445.00	458.10	443.50	456.40	+12.70	5,201	45,488	-83
Aug-21	210415	439.10	448.70	437.90	447.90	+9.50	900	15,097	+88
Oct-21	210415	438.40	446.50	446.20	446.20	+8.10	473	5,484	+88
Dec-21	210415	437.00	444.00	444.00	444.00	+7.40	171	3,329	+38
Total Volume and Open Interest							9,854	76,006	-923

Source: MRCI

DOMESTIC PRICES AND ARRIVAL

Sugar Prices at Key Spot Markets:					
Commodity	Centre	Variety	Prices (Rs/Qtl)		Change
Sugar			16-Apr-21	15-Apr-21	
Delhi	Delhi	M-Grade	3370	3315	55
	Delhi	S-Grade	3350	3295	55
Uttar Pradesh	Khatauli	M-Grade	3325	3325	Unch
	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	3366	3366	Unch
	Mumbai	S-Grade	3276	3270	6
	Nagpur	M-Grade	3275	3275	Unch
	Nagpur	S-Grade	3225	3175	50
	Kolhapur	M-Grade	3150	3150	Unch
	Kolhapur	S-Grade	3100	3050	50
Assam	Guhawati	S-Grade	3410	3360	51
Meghalaya	Shillong	S-Grade	3420	3370	50
Andhra Pradesh	Vijayawada	M-Grade (With Duty)	3600	3600	Unch
	Vijayawada	S-Grade (With Duty)	3580	3580	Unch
West Bengal	Kolkata	M-Grade	3500	3500	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)			16-Apr-21	15-Apr-21	
Uttar Pradesh	Muzaffarnagar	Chaku Fresh	3063	2950	113

	Muzaffarnagar	Chaku(Arrival)(40kg Bag)	4000	3000	1000
	Muzaffarnagar	Khurpa (Fresh)	2650	2425	225
	Muzaffarnagar	Laddoo (Fresh)	3125	3038	88
	Muzaffarnagar	Rascut (Fresh)	2450	2330	120
	Hapur	Chaurasa	2700	2625	75
	Hapur	Balti	2675	2600	75
Andhra Pradesh	Chittur	Gold	NR	NR	-
		White	NR	NR	-
		Black	NR	NR	-
Maharashtra	Latur	Lal Variety	NR	NR	-
Karnataka	Bangalore	Mudde (Average)	NA	NA	-
	Belgaum	Mudde (Average)	NA	NA	-
	Belthangadi	Yellow (Average)	NA	NA	-
	Bijapur/Vijayapura	Achhu	NA	NA	-
	Gulbarga/Kalaburgi	Other (Average)	NA	NA	-
	Mahalingapura	Penti (Average)	3247	3240	7
	Mandya	Achhu (Medium)	3910	3870	40
	Mandya	Kurikatu (Medium)	3350	3300	50
	Mandya	Other (Medium)	3600	3590	10
	Mandya	Yellow (Medium)	3500	3650	-150
	Shimoga/Shivamogga	Achhu (Average)	3450	3450	Unch

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