

## 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. 3430/q. Prices were lower in Kolhapur at Rs. 3150/q.

**Sugar output has decreased in Bangladesh.** According to the Bangladesh Food and Industries Corporation, Bangladesh sugar production has decreased this season and is at 48,055 tonnes, the sugar recovery percentage has also reduced to about 5.49 percent. The sugar production has mainly fallen because of the closing of state owned sugar mills in Bangladesh and also delayed cane harvesting in this season.

### Weather Forecast:

Thunderstorm with lightening & gusty winds very likely at isolated places over Assam & Meghalaya, Nagaland, Mizoram & Tripura and with lightening & gusty winds at isolated places over Jammu & Kashmir, Ladak, Gilgit- Baltistan & Muzaffargarh, Himachal Pradesh, Uttarakhand, Punjab, Haryana, Chandigarh & Delhi, Jharkhand, West Bengal & Sikkim, Odisha and Kerala & Mahe and with lightening at isolated places over Vidarbha, Chattisgarh, Bihar, Arunachal Pradesh, Coastal Andhra Pradesh, Telangana and Tamilnadu, Puducherry & Karaikal.

### Previous Updates:

**Mawana sugar mill has cleared cane dues of worth Rs. 17.50 crore.** Mawana sugar mill has crushed around 181.11 lakh quintals of sugarcane till 17<sup>th</sup> April '2021 and which is 13.63 lakh quintals more than from previous year during the same time. Mawana sugar mill has also cleared the pending cane dues of Rs. 17.50 crore to cane farmers.

**India's has exported about 29.72 lakh tonnes of sugar.** Sugar exports from India have reached 29.72 lakh tonnes in the current sugar season 2020-21 whereas in the previous season it was around 30.64 lakh tonnes. This year sugar exports also include 4.48 lakh tonnes of sugar export under MAEQ of 2019-20 which was extended upto 31<sup>st</sup> December 2020. Also, in the current sugar season Indonesia and Afghanistan has emerged as the major sugar importers from India whereas in the previous season it were Iran and Afghanistan, because of currency restriction this year India's export to Iran was affected.

**India's Sugar Production has reached 290.91 lakh tons till 15<sup>th</sup> 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 15<sup>th</sup> April 2020 where as in the current season 170 sugar mills operated till 15<sup>th</sup> April 2021.

**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 10<sup>th</sup> April 2021 and have produced around 103.44 lakh MT of sugar with an average recovery of 10.48 percent. Till 10<sup>th</sup> 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 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.

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

| Daily Futures Price Listing Monday April 19th, 2021 |        |       |       |       |       |        |              |           |         |
|-----------------------------------------------------|--------|-------|-------|-------|-------|--------|--------------|-----------|---------|
| Most Recent Information                             |        |       |       |       |       |        | Previous Day |           |         |
| Mth                                                 | Date   | Open  | High  | Low   | Close | Change | Volume       | Open Int  | Change  |
| Sugar #11(ICE)                                      |        |       |       |       |       |        |              |           |         |
| <a href="#">May-21</a>                              | 210419 | 16.67 | 16.72 | 16.26 | 16.29 | -0.43  | 111,509      | 134,504   | -54,297 |
| <a href="#">Jul-21</a>                              | 210419 | 16.52 | 16.60 | 16.18 | 16.21 | -0.36  | 101,092      | 387,617   | +14,528 |
| <a href="#">Oct-21</a>                              | 210419 | 16.39 | 16.47 | 16.12 | 16.16 | -0.27  | 45,446       | 171,042   | +4,143  |
| <a href="#">Mar-22</a>                              | 210419 | 16.50 | 16.57 | 16.31 | 16.36 | -0.16  | 19,557       | 113,716   | +1,889  |
| <a href="#">May-22</a>                              | 210419 | 15.67 | 15.74 | 15.53 | 15.59 | -0.11  | 5,521        | 67,461    | +1,076  |
| <a href="#">Jul-22</a>                              | 210419 | 15.05 | 15.12 | 14.96 | 15.03 | -0.07  | 3,425        | 65,725    | +619    |
| <a href="#">Oct-22</a>                              | 210419 | 14.74 | 14.78 | 14.61 | 14.69 | -0.04  | 1,625        | 47,910    | +252    |
| <a href="#">Mar-23</a>                              | 210419 | 14.77 | 14.80 | 14.62 | 14.69 | -0.03  | 441          | 19,194    | -80     |
| Total Volume and Open Interest                      |        |       |       |       |       |        | 288,824      | 1,037,074 | -31,853 |

Source: MRCI

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

| Daily Futures Price Listing Monday April 19th, 2021 |        |        |        |        |        |        |              |          |        |
|-----------------------------------------------------|--------|--------|--------|--------|--------|--------|--------------|----------|--------|
| Most Recent Information                             |        |        |        |        |        |        | Previous Day |          |        |
| Mth                                                 | Date   | Open   | High   | Low    | Close  | Change | Volume       | Open Int | Change |
| London Sugar(LCE)                                   |        |        |        |        |        |        |              |          |        |
| <a href="#">Aug-21</a>                              | 210419 | 460.70 | 462.90 | 453.40 | 454.00 | -9.30  | 9,833        | 47,261   | +1,713 |
| <a href="#">Oct-21</a>                              | 210419 | 452.90 | 453.60 | 446.30 | 446.90 | -6.50  | 3,053        | 15,682   | +347   |
| <a href="#">Dec-21</a>                              | 210419 | 449.90 | 450.50 | 445.10 | 445.80 | -3.90  | 879          | 5,670    | +76    |
| <a href="#">Mar-22</a>                              | 210419 | 446.50 | 447.70 | 444.30 | 444.60 | -2.20  | 624          | 3,615    | +289   |
| <a href="#">Jul-22</a>                              | 210419 | 437.10 | 438.20 | 434.20 | 435.50 | -1.60  | 424          | 2,162    | +277   |
| Total Volume and Open Interest                      |        |        |        |        |        |        | 15,063       | 75,994   | +491   |

Source: MRCI

DOMESTIC PRICES AND ARRIVAL

| Sugar Prices at Key Spot Markets: |            |                        |                 |           |        |
|-----------------------------------|------------|------------------------|-----------------|-----------|--------|
| Commodity                         | Centre     | Variety                | Prices (Rs/Qtl) |           | Change |
| Sugar                             |            |                        | 20-Apr-21       | 19-Apr-21 |        |
| Delhi                             | Delhi      | M-Grade                | 3450            | 3450      | Unch   |
|                                   | Delhi      | S-Grade                | 3430            | 3430      | Unch   |
| Uttar Pradesh                     | Khatauli   | M-Grade                | 3440            | 3440      | 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                | 3360            | 3360      | Unch   |
|                                   | Mumbai     | S-Grade                | 3250            | 3250      | Unch   |
|                                   | Nagpur     | M-Grade                | 3275            | 3275      | Unch   |
|                                   | Nagpur     | S-Grade                | 3225            | 3225      | Unch   |
|                                   | Kolhapur   | M-Grade                | 3150            | 3150      | Unch   |
|                                   | Kolhapur   | S-Grade                | 3100            | 3100      | Unch   |
| Assam                             | Guhawati   | S-Grade                | 3410            | 3410      | Unch   |
| Meghalaya                         | Shillong   | S-Grade                | 3420            | 3420      | Unch   |
| Andhra Pradesh                    | Vijayawada | M-Grade (With Duty)    | 3660            | 3660      | Unch   |
|                                   | Vijayawada | S-Grade (With Duty)    | 3620            | 3620      | 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)                              |               |             | 20-Apr-21       | 19-Apr-21 |        |
| Uttar Pradesh                             | Muzaffarnagar | Chaku Fresh | Closed          | Closed    | -      |

|                |                    |                          |        |        |   |
|----------------|--------------------|--------------------------|--------|--------|---|
|                | Muzaffarnagar      | Chaku(Arrival)(40kg Bag) | Closed | Closed | - |
|                | Muzaffarnagar      | Khurpa (Fresh)           | Closed | Closed | - |
|                | Muzaffarnagar      | Laddoo (Fresh)           | Closed | Closed | - |
|                | Muzaffarnagar      | Rascut (Fresh)           | Closed | Closed | - |
|                | Hapur              | Chaurasa                 | 2950   | Closed | - |
|                | Hapur              | Balti                    | 2800   | Closed | - |
| 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)          | NA     | NA     | - |
|                | Mandya             | Achhu (Medium)           | NA     | 3550   | - |
|                | Mandya             | Kurikatu (Medium)        | NA     | 3900   | - |
|                | Mandya             | Other (Medium)           | NA     | NA     | - |
|                | Mandya             | Yellow (Medium)          | NA     | 3350   | - |
|                | Shimoga/Shivamogga | Achhu (Average)          | NA     | NA     | - |

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