

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 05-10 at Rs. 3325/q. Prices were lower in Kolhapur at Rs. 3150/q.

Sugar mills in Maharashtra have produced 1054.30 lakh quintals sugar in the current sugar season. Sugar mills have produced 1054.30 lakh quintals of sugar by crushing 1005.47 lakh tonne of sugarcane, which is the highest ever in the history of Maharashtra State, surpassing about 954 lakh tonnes cane crushed in the 2017-18 sugar season. Total 95 private and 95 cooperative sugar mills participated in the crushing operations this season and about 28 sugar mills are still participating in cane crushing operations. Around 53 sugar mills had started operating in the drought-prone region including Aurangabad, Nanded, Amravati and Nagpur and have produced 197 lakh quintal of sugar which is 19% of the total production.

Weather Forecast:

Thunderstorm with lightening, hail & squall very likely at isolated places over Assam & Meghalaya and with lightening, hail & gusty winds at isolated places over Sub Himalyan West Bengal & Sikkim and with lightening & gusty winds at isolated places over Jharkhand, Gangetic West Bengal, Nagaland, Manipur, Mizoram & Tripura, Gujarat State, Madhya Maharashtra, Marathwada, Coastal Andhra Pradesh & Yanam and Telangana, Kerala & Mahe and with lightening at isolated places over Uttarakhand, Chhattisgarh, Bihar, Odisha, Arunachal Pradesh, Konkan, Goa, Karnataka & Lakshadweep. Heat wave condition very likely in isolated places over Rajasthan.

Previous Updates:

Government has fixed 22 lakh MT as the monthly sugar sales quota for May 2021: The Department of Food & Public Distribution has allocated 22 lakh MT monthly sugar sales quota for May 2021 which is 5 lakh MT higher than that of May 2020. In the previous month, the government had allocated 22 lakh MT monthly sugar sales quotas for April 2021 to 548 mills. According to the market experts, the market may witness pressure due to the surge in Covid-19 cases that has led to lockdown restrictions in various states. Millers are likely to face selling pressure amidst the ongoing summer season.

Sugar mill based ethanol plant in Maharashtra is in the process to produce oxygen. With the rising coronavirus cases all across the country sugar mills from Maharashtra have started focusing on the production of oxygen. The Osmanabad sugar mill has begun the generation of oxygen from its ethanol plant and it is expected that in 10 days first load of 10 metric tonnes oxygen will be dispatched from the plant.

Sugar mills from pune division have produced 249.43 lakh quintals of sugar till 22nd April'21. The sugar cane crushing season is in the final phase total around 156 mills have closed operation so far in the current season. In Pune division, 31 mills had participated in the cane crushing operation and out of these 25 mills have stopped operations. These sugar mills have produced 249.43 lakh quintals of sugar by crushing 228.04 lakh tonnes sugarcane with a recovery rate of around 11 percent.

Shamli sugar mill is likely to close crushing operation by May'2021. Sugar mills in the district are likely to close their crushing operations by May end. The mills have started closing sugarcane procurement centres as the quantity of cane is reducing day by day. Last year Shamali mill had closed operations on 12th June 2020.

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.

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 17th 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 31st 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 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.

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.

International Sugar Futures ICE(US Cent/lb)

Daily Futures Price Listing Tuesday April 27 th , 2021									
Most Recent Information							Previous Day		
Mth	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
Sugar #11(ICE)									
May-21	210427	17.17	17.98	17.16	17.94	+0.77	23,263	50,356	-9,661
Jul-21	210427	17.11	17.79	17.05	17.75	+0.66	47,371	425,833	+7,708
Oct-21	210427	16.97	17.66	16.97	17.63	+0.60	21,831	180,327	+3,694
Mar-22	210427	17.06	17.56	17.02	17.54	+0.45	9,682	120,193	+596
May-22	210427	16.13	16.52	16.10	16.50	+0.28	2,487	69,871	+65
Jul-22	210427	15.61	15.85	15.48	15.84	+0.22	1,242	68,732	+412
Oct-22	210427	15.28	15.48	15.17	15.47	+0.19	493	49,142	+130
Mar-23	210427	15.25	15.42	15.14	15.42	+0.17	200	19,720	+29
Total Volume and Open Interest							106,668	1,014,734	+2,971

Source: MRCI

International Sugar Futures LIFFE(US \$/MT)

Daily Futures Price Listing Tuesday April 27 th , 2021									
Most Recent Information							Previous Day		
Mth	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
London Sugar(LCE)									
Aug-21	210427	467.00	481.10	467.00	480.40	+14.90	3,241	47,581	-277
Oct-21	210427	461.90	476.20	461.60	475.40	+14.90	954	16,661	-247
Dec-21	210427	461.70	474.40	461.20	474.00	+14.00	452	7,017	-243
Mar-22	210427	459.60	470.50	458.00	470.20	+12.60	315	4,634	+90
Jul-22	210427	449.40	458.00	448.40	457.80	+10.10	48	2,883	+9
Total Volume and Open Interest							5,066	80,753	-632

Source: MRCI

DOMESTIC PRICES AND ARRIVAL

Sugar Prices at Key Spot Markets:					
Commodity	Centre	Variety	Prices (Rs/Qtl)		Change
Sugar			28-Apr-21	27-Apr-21	
Delhi	Delhi	M-Grade	3345	3400	-55
	Delhi	S-Grade	3325	3380	-55
Uttar Pradesh	Khatauli	M-Grade	3375	3400	-25
	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	3350	3350	Unch
	Mumbai	S-Grade	3220	3250	-30
	Nagpur	M-Grade	3225	3225	Unch
	Nagpur	S-Grade	3175	3175	Unch
	Kolhapur	M-Grade	3100	3100	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)	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)			28-Apr-21	27-Apr-21	
Uttar Pradesh	Muzaffarnagar	Chaku Fresh	3200	3200	Unch
	Muzaffarnagar	Chaku(Arrival)(40kg Bag)	2000	3000	-1000

	Muzaffarnagar	Khurpa (Fresh)	2688	2950	-263
	Muzaffarnagar	Laddoo (Fresh)	3125	3125	Unch
	Muzaffarnagar	Rascut (Fresh)	2550	2500	50
	Hapur	Chaurasa	2875	2875	Unch
	Hapur	Balti	2925	2925	Unch
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	4100	-
	Mandya	Kurikatu (Medium)	NA	3400	-
	Mandya	Other (Medium)	NA	3750	-
	Mandya	Yellow (Medium)	NA	3800	-
	Shimoga/Shivamogga	Achhu (Average)	NA	NA	-

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