

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 10-40 at Rs. 3370/q. Prices were lower in Kolhapur at Rs. 3150/q.

Sugar production in Pune has reached at 251 lakh quintals. As the sugarcane crushing season is in the final phase, all sugar mills in Solapur and Kolhapur region have ended their operations around 167 sugar mills in the state have closed their cane crushing operations till 28th April'21. In the Pune division total 31 sugar mills participated in the ongoing sugar season and around 27 mills have closed their operations, the mills from the division have produced 251 lakh quintal sugar by crushing 229.34 lakh tonne sugarcane with a recovery rate of 10.94 per cent.

Weather Forecast:

Thunderstorm with lightening, hail & gusty winds very likely at isolated places over Madhya Maharashtra & Marathwada and with lightening & squall at isolated places over Gangetic West Bengal and with lightening & gusty winds at isolated places over Assam & Meghalaya, and Jharkhand and with lightening & gusty winds at isolated places over Vidarbha, Chhattisgarh, Bihar, Sub- Himalyana West Bengal & Sikkim, Odisha, Nagaland, Manipur, Mizoram & Tripura and Telangana, Kerala & Mahe and with lightening at isolated places over Uttrakhand, Uttar Pradesh, Arunachal Pradesh, Gujarat state, Konkan, Goa, Coastal Andhra Pradesh, Yanam, Karnataka & Lakshadweep. Thunderstorm / Duststorm very likely at isolated places over Rajasthan. Heavy Rainfall very likely at isolated places over Assam & Meghalaya.

Previous Updates:

Uttar Pradesh sugar mills have cleared 100 percent payment of the sugarcane farmers for the last crushing season. Sugar mills have paid around Rs. 35,899 crore to farmers of the previous season 2019-20 and about 61 percent of the cane price of the current crushing season 2020-21. Although the cane crushing season is about to end in Uttar Pradesh and around 50 sugar mills are currently operating.

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.

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.

International Sugar Futures ICE(US Cent/lb)

Daily Futures Price Listing Thursday April 29 th , 2021									
Most Recent Information							Previous Day		
Mth	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
Sugar #11(ICE)									
May-21	210429	17.29	17.52	16.63	17.08	-0.22	21,878	31,935	-8,127
Jul-21	210429	17.21	17.38	16.46	16.93	-0.21	82,587	434,967	+4,903
Oct-21	210429	17.13	17.29	16.40	16.85	-0.21	39,982	186,084	+1,931
Mar-22	210429	17.13	17.25	16.44	16.86	-0.21	30,719	126,880	+3,875
May-22	210429	16.10	16.22	15.47	15.89	-0.19	10,890	71,984	+1,966
Jul-22	210429	15.52	15.61	14.92	15.34	-0.15	3,477	69,659	+385
Oct-22	210429	15.28	15.31	14.71	15.13	-0.08	1,983	49,685	+293
Mar-23	210429	15.23	15.23	14.77	15.19	-0.02	531	19,849	+15
Total Volume and Open Interest							192,441	1,021,800	+5,294

Source: MRCI

International Sugar Futures LIFFE(US \$/MT)

Daily Futures Price Listing Thursday April 29 th , 2021									
Most Recent Information							Previous Day		
Mth	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
London Sugar(LCE)									
Aug-21	210429	466.70	468.90	446.30	453.20	-9.50	4,511	47,488	-223
Oct-21	210429	465.30	466.30	445.00	450.30	-9.80	1,081	16,569	-102
Dec-21	210429	465.30	465.40	446.10	451.60	-8.90	687	7,208	+218
Mar-22	210429	463.20	463.30	450.80	451.20	-7.40	430	5,003	+311
Jul-22	210429	451.20	451.20	435.50	442.30	-5.30	445	3,022	+87
Total Volume and Open Interest							7,372	81,431	+399

Source: MRCI

DOMESTIC PRICES AND ARRIVAL

Sugar Prices at Key Spot Markets:					
Commodity	Centre	Variety	Prices (Rs/Qtl)		Change
Sugar			30-Apr-21	29-Apr-21	
Delhi	Delhi	M-Grade	3390	3335	55
	Delhi	S-Grade	3370	3315	55
Uttar Pradesh	Khatauli	M-Grade	3380	3375	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	3340	3336	4
	Mumbai	S-Grade	3220	3220	Unch
	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)	3600	3550	50
	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)			30-Apr-21	29-Apr-21	
Uttar Pradesh	Muzaffarnagar	Chaku Fresh	3200	3150	50
	Muzaffarnagar	Chaku(Arrival)(40kg Bag)	1000	3000	-2000
	Muzaffarnagar	Khurpa (Fresh)	2800	2775	25
	Muzaffarnagar	Laddoo (Fresh)	3150	3125	25
	Muzaffarnagar	Rascut (Fresh)	2550	2600	-50
	Hapur	Chaurasa	2888	2875	13
	Hapur	Balti	2900	2925	-25
Andhra Pradesh	Chittur	Gold	NR	NR	-
		White	NR	NR	-
		Black	NR	NR	-
Maharashtra	Latur	Lal Variety	NR	NR	-
Karnataka	Bangalore	Mudde (Average)	4350	4350	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)	4000	4100	-100
	Mandya	Kurikatu (Medium)	3600	3800	-200
	Mandya	Other (Medium)	3750	3850	-100
	Mandya	Yellow (Medium)	NA	3700	-
	Shimoga/Shivamogga	Achhu (Average)	3600	3600	Unch

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