

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 10-40 at Rs. 3270/q. Prices were lower in Kolhapur at Rs. 3100/q.

Sugar mills from India have contracted to supply 302.3 crore litres of ethanol to Oil Marketing Companies. According to the Indian Sugar Mills Association, against the total LOI quantity of 325.93 crore liters around 302.53 crore liters have been contracted and around 117.72 crore liters of ethanol have been supplied till 19th April'2021. Out of the total about 77 percent comprises of ethanol made from sugarcane juice / B-heavy molasses. Average ethanol blending rate in India has reached 7.36 percent in this season, where as major ethanol producing states across the country have reached 10 percent blending rate.

Weather Forecast:

Thunderstorm with lightening, hail & gusty winds very likely at isolated places over Uttrakhand, Assam & Meghalaya and Telangana and with lightening, hail & gusty winds at isolated places over Jharkhand, Gangetic West Bengal & Odisha and with lightening & gusty winds at isolated places over Jammu & Kashmir, Ladakh, Gilgit- Baltistan & Muzaffarabad, Himachal Pradesh , East Uttar Pradesh, Bihar, Nagaland, Manipur, Mizoram & Tripura, Kerala & Mahe and with lightening at isolated places over Punjab, Haryana, Chandigarh & Delhi, Vidarbha, Chhattisgarh, Sub-Himalyan West Bengal & Sikkim, Arunachal Pradesh, Andaman & Nicobar Islands, Madhya Maharashtra, Marathwada, Coastal Andhra Pradesh & Yanam, Karnataka, Tamilnadu, Puducherry, Karaikal & Lakshadweep. Heavy rainfall very likely at isolated places over Assam & Meghalaya, West Bengal & Sikkim, Arunachal Pradesh, Nagaland, Manipur, Mizoram & Tripura, Coastal and south Interior Karnataka and Kerala & Mahe.

Previous Updates:

Sugar output has fallen in Brazil. Brazil has witnessed 35 percent lower sugar output in April 2021 compared with the previous year as lower number of mills has started crushing operation in this season. Around 141 mills were operating in first half of April against 180 mills during last year. The center-south region has recorded an output of 624,000 tonnes in the first half of April as against 971,000 tonnes in a similar period last year. During this period 15.6 million tonnes of cane was crushed which is 30% less than in 2020 sugar season. Ethanol production has also fallen 25 percent to 731 million litres during the same period.

Maharashtra has set a new record of cane crushing over 1,000 lakh tonne. Maharashtra has crushed around 1,000 lakh tonnes of cane and have produced more than 1,000 lakh quintal of sugar during the current crushing season, Till 29th April'21 the sugar mills in the state have produced 1055.99 lakh quintal sugar by crushing 1006.90 lakh tonne of sugarcane. However, the sugar millers are worried as whether they are able to sell the excess sugar in the market or not considering the present corona virus situation.

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.

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.

International Sugar Futures ICE(US Cent/lb)

Daily Futures Price Listing Monday May 03 rd , 2021									
Most Recent Information							Previous Day		
Mth	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
Sugar #11(ICE)									
May-21	210503	17.02	17.32	16.69	16.73	-0.25	61,625	433,573	-2,784
Jul-21	210503	16.90	17.23	16.65	16.68	-0.18	21,640	187,886	-49
Oct-21	210503	16.83	17.17	16.69	16.72	-0.09	9,496	125,778	-407
Mar-22	210503	15.91	16.25	15.88	15.91	+0.02	3,314	71,671	-302
May-22	210503	15.44	15.73	15.40	15.44	+0.05	1,631	70,184	+291
Jul-22	210503	15.23	15.46	15.17	15.20	+0.04	782	49,492	-433
Oct-22	210503	15.34	15.46	15.20	15.24	+0.03	570	19,755	-16
Mar-23	210503	14.48	14.60	14.47	14.50	+0.12	169	8,846	+60
Total Volume and Open Interest							109,239	1,000,289	-10,052

Source: MRCI

International Sugar Futures LIFFE(US \$/MT)

Daily Futures Price Listing Monday May 03 rd , 2021									
Most Recent Information							Previous Day		
Mth	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
London Sugar(LCE)									
Aug-21	210503	451.40	453.80	443.50	448.40	-4.80	3,931	47,140	-348
Oct-21	210503	450.10	452.50	445.80	450.10	-0.20	1,473	16,514	-55
Dec-21	210503	451.60	454.20	448.00	452.10	+0.50	474	7,412	+204
Mar-22	210503	450.80	454.30	450.30	452.30	+1.10	248	5,113	+110
Jul-22	210503	443.50	445.30	441.80	443.50	+1.20	410	3,362	+340
Total Volume and Open Interest							6,682	81,785	+354

Source: MRCI

DOMESTIC PRICES AND ARRIVAL

Sugar Prices at Key Spot Markets:					
Commodity	Centre	Variety	Prices (Rs/Qtl)		Change
Sugar			04-May-21	03-May-21	
Delhi	Delhi	M-Grade	3290	3300	-10
	Delhi	S-Grade	3270	3280	-10
Uttar Pradesh	Khatauli	M-Grade	Closed	Closed	-
	Ramala	M-Grade	Closed	Closed	-
	Dhampur	M-Grade Ex-Mill	Closed	Closed	-
	Dhampur	S-Grade Ex-Mill	Closed	Closed	-
	Dhampur	L-Grade Ex-Mill	Closed	Closed	-
Maharashtra	Mumbai	M-Grade	3346	3346	Unch
	Mumbai	S-Grade	3216	3250	-34
	Nagpur	M-Grade	3225	3225	Unch
	Nagpur	S-Grade	3125	3175	-50
	Kolhapur	M-Grade	3100	3100	Unch
	Kolhapur	S-Grade	3000	3050	-50
Assam	Guhawati	S-Grade	3309	3360	-51
Meghalaya	Shillong	S-Grade	3320	3370	-50
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	3600	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)			04-May-21	03-May-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	Closed	Closed	-
	Hapur	Balti	Closed	Closed	-
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)	3180	3212	-32
	Mandya	Achhu (Medium)	3800	3900	-100
	Mandya	Kurikatu (Medium)	3600	3600	Unch
	Mandya	Other (Medium)	3650	3700	-50
	Mandya	Yellow (Medium)	NA	3650	-
	Shimoga/Shivamogga	Achhu (Average)	NA	3600	-

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