

## Sugar & Gur Domestic & International Fundamentals

### Recent Update:

**Firm tone was witnessed in Sugar physical markets today in India.** Major markets are closed in India due to increase in corona virus cases all across the country and lockdown restrictions in some states. Sugar prices were lower in Delhi by 10-15 at Rs. 3195/q. Prices were lower in Kolhapur at Rs. 3100/q.

**India is expected to reach the export target of 60 lakh tonnes for the current sugar season.** Sugar exports from India have reached 50 lakh tonnes in the current sugar season 2020-21, this is 90 percent more than of the total MAEQ quantity for 2020-21 sugar season. Out of this, 25.24 lakh tonnes of sugar have been physically exported out of the country during January 2021 – March 2021. Sugar exports are estimated to be 10 lakh tonnes in April 2021, taking the total exported quantity to over 35 lakh tonnes and another 8-10 lakh tonnes of sugar is expected to be physically exported in May 2021. It is expected that Indian sugar mills may achieve their target of exporting 60 lakh tonnes of sugar by the end of June 2021, three months before the season ends. In the previous year, sugar mills have exported 59 lakh tonnes of sugar. The surge in exports is mainly due to firm global prices and subsidy which have made the overseas markets lucrative. Also, in the current sugar season Indonesia and Afghanistan have 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.

### Weather Forecast:

Thunderstorm with lightening, hail & squall very likely at isolated places over Punjab, Haryana, Chandigarh & Delhi, Rajasthan, Gangetic West Bengal, Madhya Maharashtra, Marathwada, Telangana, Tamil Nadu, Pondicherry & Karaikal, Kerala & Mahe and Lakshadweep and with lightening at isolated places over Jammu & Kashmir, Ladakh, Gilgit-Baltistan & Muzaffarabad, Himachal Pradesh and Uttarakhand, Uttar Pradesh, Chhattisgarh, Sub Himalayan West Bengal, Odisha, Assam & Meghalaya, Nagaland, Manipur, Mizoram, & Tripura, Gujarat State, Konkan & Goa, Coastal Andhra Pradesh & Yanam, Rayalseema, Karnataka. Heavy to very heavy rainfall with extremely heavy falls very likely at isolated places over Lakshadweep, heavy to very heavy rainfall at a few places over Kerala & Mahe and at isolated places over Coastal & South Interior Karnataka and Tamil Nadu, Pondicherry & Karaikal and Heavy rainfall at isolated places over Sub- Himalayan West Bengal & Sikkim, and Assam & Meghalaya.

### Previous Updates:

**Uttar Pradesh Sugar mills will soon generate oxygen in their ethanol plants.** The state has decided to follow the footsteps of Maharashtra to produce oxygen in their sugar mills to meet the shortage of the oxygen required for treating COVID patients. Out of the 195 sugar mills in Maharashtra 137 mills have ethanol plants. The state is aiming to produce 300 metric tonne of oxygen. The oxygen production plants will be set up with the assistance of National Sugar Institute and Vasantdada Sugar Institute, Pune.

**Maharashtra Sugar season is in its final phase and is likely to end by May 20.** Sugar mills in Maharashtra have produced 106.05 LMT of sugar with a recovery rate of 10.49%. Sugar production was higher at 71.92 percent this season compared to the previous season. Out of 190 mills, 181 mills have ended their crushing for the season 2020-21; four mills will be ending crushing this week while remaining by May 20, 2021.

**Tikaula sugar mill has completed the sugarcane crushing for the current sugar season.** The mill had issued the remaining sugarcane slips before giving notice to stop crushing. Other sugar mills from the district have

*already closed their crushing operations, Bhaisana (Budhana) and Khaikheri sugar mills have completed the cane crushing activities.*

***Sugarcane crushing season in Maharashtra is in the final phase.*** Around 190 sugar mills had participated in the ongoing sugar season and out of that about 181 sugar mills have ended their cane crushing season and only 9 are operating. Sugar mills have produced around 1059.72 lakh quintal sugar by crushing 1009.84 lakh tonne sugarcane till May 6. The mills have reported an average recovery rate of 10.49 per cent.

***Global sugar output is likely to increase to 2.74 million tonnes in 2021/22 from a deficit of 1.51 million tonnes in 2020/21.*** With good sugar crop in India along with the production recovery in Thailand and higher yield in Europe despite frosts in France are the main reason behind the hike in sugar surplus. Although sugar output in Brazil is expected to decrease the global output will have a surplus. Sugar output in Brazil is likely to drop to 36.3 million tonnes from 38.5 million tonnes compared with last season. India is expected to produce around 30 million tonnes this season and Thailand production is expected to increase to 85 million tonnes from 66 million tonnes last season.

***Sugar mills from India have contracted to supply 302.3 crorelitres 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 19<sup>th</sup> 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, whereas major ethanol producing states across the country have reached 10 percent blending rate.

***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.

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

Daily Futures Price Listing Tuesday May 11 <sup>th</sup> , 2021									
Most Recent Information							Previous Day		
Mth	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
Sugar #11(ICE)									
<a href="#">Jul-21</a>	210511	17.49	18.14	17.40	18.10	+0.61	52,161	436,126	+2,097
<a href="#">Oct-21</a>	210511	17.52	18.13	17.46	18.09	+0.54	27,992	205,514	+6,136
<a href="#">Mar-22</a>	210511	17.52	17.99	17.48	17.97	+0.42	9,907	126,899	+390
<a href="#">May-22</a>	210511	16.66	17.01	16.66	16.98	+0.29	2,997	72,796	+185
<a href="#">Jul-22</a>	210511	16.15	16.36	16.12	16.34	+0.19	1,531	70,220	+27
<a href="#">Oct-22</a>	210511	15.87	16.06	15.87	16.03	+0.13	864	50,919	-37
<a href="#">Mar-23</a>	210511	15.85	16.02	15.83	16.00	+0.11	494	19,788	+111
<a href="#">May-23</a>	210511	14.99	15.09	15.08	15.08	+0.05	156	9,487	+49
Total Volume and Open Interest							96,222	1,014,132	+8,980

Source: MRCI

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

Daily Futures Price Listing Tuesday May 11 <sup>th</sup> , 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>	210511	464.70	481.00	463.90	480.50	+14.40	4,175	45,058	+465
<a href="#">Oct-21</a>	210511	466.60	480.50	466.40	480.20	+12.60	1,447	15,296	+283
<a href="#">Dec-21</a>	210511	467.20	478.80	467.20	478.70	+10.50	589	7,718	+74
<a href="#">Mar-22</a>	210511	467.50	476.30	467.50	476.20	+7.90	151	5,267	+31
<a href="#">May-22</a>	210511	457.90	4465.00	457.90	464.90	+5.70	52	3,700	-6
Total Volume and Open Interest							6,423	79,395	+847

Source: MRCI

DOMESTIC PRICES AND ARRIVAL

Sugar Prices at Key Spot Markets:					
Commodity	Centre	Variety	Prices (Rs/Qtl)		Change
Sugar			12-May-21	11-May-21	
Delhi	Delhi	M-Grade	3215	3225	-10
	Delhi	S-Grade	3195	3205	-10
Uttar Pradesh	Khatauli	M-Grade	3370	3370	Unch
	Ramala	M-Grade	NA	NA	-
	Dhampur	M-Grade Ex-Mill	3317	3317	Unch
	Dhampur	S-Grade Ex-Mill	3297	3297	Unch
	Dhampur	L-Grade Ex-Mill	3367	3367	Unch
Maharashtra	Mumbai	M-Grade	3340	3340	Unch
	Mumbai	S-Grade	3220	3220	Unch
	Nagpur	M-Grade	3225	3225	Unch
	Nagpur	S-Grade	3125	3125	Unch
	Kolhapur	M-Grade	3100	3100	Unch
	Kolhapur	S-Grade	3000	3000	Unch
Assam	Guhawati	S-Grade	3309	3309	Unch
Meghalaya	Shillong	S-Grade	3320	3320	Unch
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)	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)			12-May-21	11-May-21	
Uttar Pradesh	Muzaffarnagar	Chaku Fresh	3200	3250	-50
	Muzaffarnagar	Chaku(Arrival)(40kg Bag)	2000	2000	Unch
	Muzaffarnagar	Khurpa (Fresh)	2875	3000	-125
	Muzaffarnagar	Laddoo (Fresh)	3125	3125	Unch

	Muzaffarnagar	Rascut (Fresh)	2600	NA	-
	Hapur	Chaursa	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)	3138	NA	-
	Mandya	Achhu (Medium)	NA	NA	-
	Mandya	Kurikatu (Medium)	NA	NA	-
	Mandya	Other (Medium)	NA	NA	-
	Mandya	Yellow (Medium)	NA	NA	-
	Shimoga/Shivamogga	Achhu (Average)	3450	3600	-150

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