

Sugar & Gur Domestic & International Fundamentals

Recent Update:

A firm tone was witnessed in Sugar physical markets today in India. Major markets are closed in India due to the increase in corona virus cases all across the country and lockdown restrictions in some states. Sugar prices were lower in Delhi at Rs. 3210/q. Prices were lower in Kolhapur at Rs. 3100/q.

Government has advanced ethanol blending up to 20 percent to 2023. The Union government has advanced the ethanol blending of 20 percent to 2023, earlier the government has set the deadline for 20 percent ethanol- blending to 2030 which has now brought forward to 2023. The sugar companies will now be using more sugarcane juice for directly making ethanol and B- heavy molasses. Around 10 states across India have reached 10 percent of the blending rate.

Weather Forecast:

Thunderstorm with lightning & squall is very likely at isolated places over Andaman & Nicobar Islands with lightening and & gusty winds at isolated places over East Rajasthan and Bihar and with lightening at isolated places over Madhya Pradesh, Vidarbha, Chhattisgarh, Jharkhand, Gangetic West Bengal, Odisha, Kerala & Mahe and Lakshadweep, Telangana, , Assam & Meghalaya and Coastal Andhra Pradesh. Heavy rainfall very likely at isolated places over Sub- Himalayan West Bengal & Sikkim and Heavy rainfall at isolated places over Odisha, Andaman & Nicobar Islands, Arunachal Pradesh, Nagaland, Manipur, Mizoram, Tripura, and Assam & Meghalaya.

Previous Updates:

Mawana sugar mill has cleared 56 percent of the cane dues. Mawana sugar mill administration has starting clearing the cane dues for the current season and had cleared 56 percent of the pending cane dues. The mill has cleared around Rs 359.22 crore cane dues of the farmers that sold their cane. The mill will clear the remaining cane dues soon.

Sugar mills from India have contracted to supply 321.18 crore liters of ethanol to Oil Marketing Companies. According to the Indian Sugar Mills Association, Letters of Intent (LOI) have been issued by Oil Marketing Companies for 346.52 crore liters of ethanol for the Ethanol supply year 2020-21. Of this, 321.18 crore liters have been contracted and 145.38 crore liters of ethanol have been supplied till 24th May '2021. Out of the total, about 77 percent comprises ethanol made from sugarcane juice / B-heavy molasses. The average ethanol blending rate in India has reached 7.56 percent in this season, whereas major ethanol-producing states across the country such as Uttar Pradesh, Maharashtra, Karnataka, Uttarakhand, Bihar, Haryana, Punjab, Delhi, Goa, Gujarat, and Himachal Pradesh have reached 10 percent blending rate.

According to ISMA, sugar mills have produced 305.68 lakh tonne of sugar till 31st May 2021: Around 502 sugar mills were operating in the current season as compared to 457 sugar mills in the previous season. Till 31st May 2021, only 7 sugar mills were crushing sugarcane, compared to 18 sugar mills operating same time previous season. Sugar mills have produced around 305.68 lakh tonnes of sugar till 31st May'2021, as compared to 270.05 lakh tonnes produced during the same period last year.

Government has fixed 22 lakh MT as the monthly sugar sales quota for June 2021: The Department of Food & Public Distribution has allocated 22 lakh MT monthly sugar sales quota for June 2021 which is 3.5 lakh MT

higher than that of June 2020. In the previous month, May 2021 the government had released 22 lakh MT sugar sales quota which was 18.2 percent higher than that of June 2020.

The sugarcane farmers from Shamli are still waiting for their pending cane dues. Sugarcane crushing season is in the final phase in Uttar Pradesh. Sugar mills in the Shamli district owe arrears of around Rs 800 crore to the cane farmers. Sugarcane farmers claim that they are reeling under financial stress to meet their daily needs as the mills are not clearing their pending cane dues. According to the market sources, farmer's leader Rajan Jawala has urged the government to take action against the sugar mills that have failed to abide by the rule of clearing cane bills within 14 days of crushing their cane.

Maharashtra sugar recovery rate has fallen from the previous season. Maharashtra has registered a lower sugar recovery rate in the 2020-21 season as compared to previous season 2019-20. Sugar recovery rate is recorded at 10.50 percent against 11.30 percent during the previous season, although the production has increased in this season and is at 106.28 lakh tonnes of sugar.

Sugar Season ends in Maharashtra with production of around 106.3 LMT of sugar. The 2020-21 sugar seasons in Maharashtra has ended this week. Around 190 sugar mills have participated in the current 2020-21 sugar season against the 147 sugar mills which operated in the previous season. The total sugarcane crushed was 1012 LMT compared to 545 LMT in the previous season and the production was around 106.3 LMT of sugar which is 72.54 percent higher than the previous season that is 61.61 LMT. The average recovery percentage was around 10.5%.

Sugar Production in Uttar Pradesh has reached 110 lakh tonnes so far. As sugar season in Uttar Pradesh is towards closure, around 120 sugar mills have operated in the current season have produced around 110 lakh tonnes, which is approximately 12 percent less than last year's production of 126 lakh tonnes. About 10 sugar mills are currently operating and are likely to close by the end of the month or in early June.

Sugar Exports may reach 6.5 million tonnes. Sugar exports may rise by 14 percent in 2020-21 season compared to previous season as Indian mills have started signing sugar export contracts without the assistance from government. Sugar exports may rise if the global price rise above 18 cents, currently the global prices are higher than the domestic price.

International Sugar Futures ICE(US Cent/lb)

Daily Futures Price Listing Friday, June 04th, 2021									
Most Recent Information							Previous Day		
Mth	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
Sugar #11(ICE)									
Jul-21	210604	17.43	17.82	17.43	17.71	+0.28	53,267	364,667	-3,277
Oct-21	210604	17.48	17.86	17.48	17.77	+0.29	34,896	265,209	+7,915
Mar-22	210604	17.64	17.98	17.64	17.90	+0.26	16,427	141,993	+3,863
May-22	210604	16.73	17.02	16.72	16.94	+0.23	3,049	75,735	+49
Jul-22	210604	16.03	16.30	16.03	16.24	+0.24	2,156	76,577	+247
Oct-22	210604	15.56	15.85	15.56	15.79	+0.24	2,977	54,036	-8
Mar-23	210604	15.70	15.91	15.66	15.88	+0.25	714	22,513	+152
May-23	210604	14.99	15.19	14.99	15.15	+0.23	103	9,659	+28
Total Volume and Open Interest							113,706	1,033,767	+8,991

Source: MRCI

International Sugar Futures LIFFE(US \$/MT)

Daily Futures Price Listing Friday, June 04th, 2021									
Most Recent Information							Previous Day		
Mth	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
London Sugar(LCE)									
Aug-21	210604	461.70	468.60	460.10	466.50	+6.90	2,409	44,181	-229
Oct-21	210604	463.50	470.60	462.80	469.00	+6.80	1,077	15,527	-97
Dec-21	210604	465.90	474.00	465.70	472.40	+7.60	434	7,932	+34
Mar-22	210604	469.30	475.80	468.80	474.60	+7.40	320	6,841	+52
May-22	210604	459.90	465.50	459.80	464.50	+6.80	140	4,441	+41
Total Volume and Open Interest							4,456	82,229	-164

Source: MRCI

DOMESTIC PRICES AND ARRIVAL

Sugar Prices at Key Spot Markets:					
Commodity	Centre	Variety	Prices (Rs/Qtl)		Change
Sugar			07-Jun-21	05-Jun-21	
Delhi	Delhi	M-Grade	3240	3250	-10
	Delhi	S-Grade	3220	3230	-10
Uttar Pradesh	Khatauli	M-Grade	3210	3215	-5
	Ramala	M-Grade	NA	NA	-
	Dhampur	M-Grade Ex-Mill	3125	3150	-25
	Dhampur	S-Grade Ex-Mill	3105	3130	-25
	Dhampur	L-Grade Ex-Mill	3175	3200	-25
Maharashtra	Mumbai	M-Grade	3312	3312	Unch
	Mumbai	S-Grade	3206	3210	-4
	Nagpur	M-Grade	3225	3250	-25
	Nagpur	S-Grade	3150	3175	-25
	Kolhapur	M-Grade	3100	3125	-25
	Kolhapur	S-Grade	3025	3050	-25
Assam	Guhawati	S-Grade	3334	3360	-25
Meghalaya	Shillong	S-Grade	3345	3370	-25
Andhra Pradesh	Vijayawada	M-Grade (With Duty)	3580	3580	Unch
	Vijayawada	S-Grade (With Duty)	3560	3560	Unch
West Bengal	Kolkata	M-Grade	3600	3600	Unch
Tamil Nadu	Chennai	S-Grade (With GST)	3600	3600	Unch
	Dindigul	M-Grade (DCA)	NA	NA	-
	Coimbatore	M-Grade (DCA)	NA	NA	-
Chattisgarh	Ambikapur	M-Grade (Without Duty)	3600	3600	Unch

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)			07-Jun-21	05-Jun-21	
Uttar Pradesh	Muzaffarnagar	Chaku Fresh	3125	3250	-125

	Muzaffarnagar	Chaku(Arrival)(40kg Bag)	500	800	-300
	Muzaffarnagar	Khurpa (Fresh)	3175	3213	-38
	Muzaffarnagar	Laddoo (Fresh)	2950	3050	-100
	Muzaffarnagar	Rascut (Fresh)	NA	NA	-
	Hapur	Chaurasa	Closed	NA	-
	Hapur	Balti	Closed	NA	-
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)	3361	NA	-
	Mandya	Achhu (Medium)	3500	3550	-50
	Mandya	Kurikatu (Medium)	3410	3550	-140
	Mandya	Other (Medium)	3400	3600	-200
	Mandya	Yellow (Medium)	3440	3500	-60
	Shimoga/Shivamogga	Achhu (Average)	3600	NA	-

Disclaimer

Information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness, and correctness. The use of data and information contained in this report is at your own risk. This document is not, and should be construed as an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed, or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors, and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at <http://www.agriwatch.com/disclaimer.php> © 2021 Indian Business Systems Ltd.