

## Sugar & Gur Domestic & International Fundamentals

### Recent Update:

**A mixed tone was witnessed in Sugar physical markets today in India.** Sugar prices were higher in Delhi at Rs. 3180/q. Prices were firm in Kolhapur at Rs. 3100/q.

**Pakistan trade deficit widens by 32.9 percent in 2021.** With high inflation, rising food prices, raised electricity charges, Pakistan trade deficit widen by 32.9 percent. The deficit was caused by lower export proceeds and higher than expected imports since December 2020. The annual import bill went up by 25.8 percent or USD 11.517 billion to USD 56.091 billion

### Weather Forecast:

Thunderstorm with lightning & gusty winds very likely at isolated places over Jammu & Kashmir, Ladakh, Gilgit -Baltistan & Muzaffargarh and with lightening at isolated places over Himachal Pradesh, Uttarakhand, Punjab, Haryana, Chandigarh & Delhi, Uttar Pradesh, East Madhya Pradesh, Vidarbha, Chhattisgarh, Bihar, Jharkhand and West Bengal, Sikkim, Odisha, Madhya Maharashtra, Marathwada, Coastal Andhra Pradesh & Yanam, Telangana, Rayalaseema, Karnataka, Tamil Nadu, Puducherry & Karikal. Heavy to very heavy rainfalls at isolated places over Assam & Meghalaya, Bihar, Sub- Himalayan West Bengal & Sikkim, East Uttar Pradesh, East Madhya Pradesh, Chhattisgarh, Jharkhand, West Bengal & Sikkim, Odisha, Andaman & Nicobar Islands, Arunachal Pradesh, Coastal Andhra Pradesh & Yanam, Telangana, Rayalaseema, Karnataka, Tamil Nadu, Pondicherry & Karikal and Kerala & Mahe.

### Previous Updates:

**Haryana Government is taking steps to ensure sugar mills clear the pending cane dues.** The Haryana government has released a loan amount of Rs 315 crore to 10 cooperative sugar mills for clearing pending sugarcane payments. Earlier, during the ongoing crushing season 2020-2021, the cooperative sugar mills have procured 429.35 lakh quintals of sugarcane, which amounts to a total amount of Rs 1500.83 crore, out of which Rs 1082.16 crore has been given to the sugarcane farmers and the remaining amount will be given by July 10.

**Brazil's Copersucar, sugar sales have increased to 5.4 million tonnes from 3.7 million tonnes in the last harvest.** The sugar export of the company has increased to 3.4 million tonnes compared to 1.9 million tonnes in the previous harvest. Earlier the ethanol sales were impacted due to pandemic and it was dropped to 11.1 billion litres in 2020-21 compared to 14.2 billion litres in the previous season. The company sold 4.6 billion litres of ethanol directly while sales by the U.S. subsidiary Eco-Energy totalled 6.5 billion litres.

**Government has fixed 22 lakh MT as the monthly sugar sales quota for July 2021:** The Department of Food & Public Distribution has allocated 22 lakh MT monthly sugar sales quota for July 2021 which is 1 lakh MT higher than that of July 2020. In the previous month, June 2021 the government had released a 22 lakh MT sugar sales quota.

**Maharashtra Sugar Commissionerate releases estimation for 2021-22 sugar seasons.** Maharashtra has released estimates of sugar and sugarcane production for the 2021-22 seasons. The estimated sugarcane production is 1194 LMT, sugar production at 122 LMT (Including sugar diverted to ethanol production). It is expected that around 192 sugar mills will participate in the upcoming crushing season. Around 190 sugar

mills including 95 cooperative mills and 95 mills in the private sector were operating during the ongoing season. These mills have crushed 1,012 lakh tonne sugarcane this season as against 545 lakh tonne sugarcane last season. Sugar mills in the state have produced 106.28 lakh tonne sugar this season which is more than the sugar produced during the previous season.

**Sugar mills have closed their crushing operation in Uttar Pradesh.** Sugar mills have concluded the crushing season in the Meerut region of Uttar Pradesh. Sugar mills have reported an increase in sugarcane crushing in the current season, whereas sugar production dipped as compared to the previous season. The region has also recorded a decline in sugar recovery. Around 1,617.84 lakh quintal sugarcane was crushed during the 2019-20 season whereas, during the 2020-21, the sugar mills have crushed 1664.59 quintal sugarcane, which is 46.75 lakh quintal more than the previous season. In terms of sugar production, the mills had produced 183.33 lakh quintal sugar during the 2019-20 season whereas the sugar output in the 2020-21 season was 180.83 lakh quintal.

**The sugarcane output in Thailand for the 2021-22 seasons is expected to drop below 100 million tonnes.** According to Thai Sugar Millers Corporation (TSMC) Thailand will receive less rainfall this year during the wet season. The sugarcane production is likely to be 70-75 million tonnes in the new crop year. Thai sugarcane output decreased to 66.7 million tonnes in 2020-21 from 74.9 million tonnes in 2019-20. According to TSMC, sugar millers are likely to produce less than 7 million tonnes of sugar in 2021-22, compared with a record 14.7 million tonnes in 2017-18 seasons.

**Sugarcane farmers from Karnataka are demanding the government to increase the Fair and Remunerative Price (FRP) for sugarcane as the cost of cane cultivation has increased.** According to the farmers input cost and cultivation cost per tonne of sugarcane is around Rs 3,200 to Rs 3,500 per tonne and the FRP for 2020-21 was Rs 2,850 which is less than what they spend on growing the cultivation. The state government is yet to announce the FRP for the next season, as per the local sources, the area is expected to increase to 6.68 lakh hectares in the current year but it is only possible if the government agrees to hike FRP to the input cost level.

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

Daily Futures Price Listing Friday, July 02 <sup>nd</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>	210702	18.00	18.34	17.89	18.15	+0.21	61,870	437,884	+1,466
<a href="#">Oct-21</a>	210702	18.10	18.53	18.05	18.37	+0.26	28,128	178,148	+2,237
<a href="#">Mar-22</a>	210702	17.23	17.64	17.15	17.49	+0.28	9,986	87,618	+2,541
<a href="#">May-22</a>	210702	16.48	16.86	16.41	16.71	+0.24	4,786	80,534	+310
<a href="#">Jul-22</a>	210702	16.06	16.41	16.01	16.26	+0.20	3,966	53,812	+1,661
<a href="#">Oct-22</a>	210702	16.20	16.49	16.13	16.35	+0.15	1,001	24,443	+182
<a href="#">Mar-23</a>	210702	15.39	15.64	15.32	15.49	+0.08	406	10,611	+187
<a href="#">May-23</a>	210702	14.74	15.01	14.74	14.85	+0.06	278	13,754	+171
Total Volume and Open Interest							110,585	897,523	+5,355

Source: MRCI

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

Daily Futures Price Listing Monday, July 05 <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>	210705	453.10	456.00	448.50	451.40	+1.10	6,466	24,035	-1,605
<a href="#">Oct-21</a>	210705	473.50	477.00	470.10	475.90	+4.90	5,231	26,025	+394
<a href="#">Dec-21</a>	210705	480.00	484.90	480.00	483.80	+5.10	1,244	9,150	-1
<a href="#">Mar-22</a>	210705	482.90	487.20	482.90	486.30	+5.10	889	8,337	+145
<a href="#">May-22</a>	210705	478.00	480.00	478.00	479.00	+5.20	534	5,953	+282
Total Volume and Open Interest							15,022	79,635	-495

Source: MRCI

DOMESTIC PRICES AND ARRIVAL

Sugar Prices at Key Spot Markets:					
Commodity	Centre	Variety	Prices (Rs/Qtl)		Change
Sugar			06-Jul-21	05-Jul-21	
Delhi	Delhi	M-Grade	3200	3185	15
	Delhi	S-Grade	3180	3165	15
Uttar Pradesh	Khatauli	M-Grade	NR	NR	-
	Ramala	M-Grade	NR	NR	-
	Dhampur	M-Grade Ex-Mill	NR	NR	-
	Dhampur	S-Grade Ex-Mill	NR	NR	-
	Dhampur	L-Grade Ex-Mill	NR	NR	-
Maharashtra	Mumbai	M-Grade	3332	3332	Unch
	Mumbai	S-Grade	3206	3206	Unch
	Nagpur	M-Grade	3200	3200	Unch
	Nagpur	S-Grade	3125	3125	Unch
	Kolhapur	M-Grade	3075	3075	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)	3560	3560	Unch
	Vijayawada	S-Grade (With Duty)	3560	3560	Unch
West Bengal	Kolkata	M-Grade	3600	3600	Unch
Tamil Nadu	Chennai	S-Grade (With GST)	3550	3550	Unch
	Dindigul	M-Grade (DCA)	3580	3580	Unch
	Coimbatore	M-Grade (DCA)	3620	3620	Unch
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)			06-Jul-21	05-Jul-21	

Uttar Pradesh	Muzaffarnagar	Chaku Fresh	NA	NA	-
	Muzaffarnagar	Chaku(Arrival)(40kg Bag)	NA	NA	-
	Muzaffarnagar	Khurpa (Fresh)	NA	NA	-
	Muzaffarnagar	Laddoo (Fresh)	NA	NA	-
	Muzaffarnagar	Rascut (Fresh)	NA	NA	-
	Hapur	Chaurasa	NA	Closed	-
	Hapur	Balti	NA	Closed	-
Andhra Pradesh	Chittur	Gold	NR	NR	-
		White	NR	NR	-
		Black	NR	NR	-
Maharashtra	Latur	Lal Variety	NR	NR	-
Karnataka	Bangalore	Mudde (Average)	4600	4500	100
	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	3198	-
	Mandya	Achhu (Medium)	3200	3100	100
	Mandya	Kurikatu (Medium)	3000	3050	-50
	Mandya	Other (Medium)	2900	2900	Unch
	Mandya	Yellow (Medium)	3050	3050	Unch
	Shimoga/Shivamogga	Achhu (Average)	3600	3600	Unch

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