

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. 3250/q. Prices were firm in Kolhapur at Rs. 3100/q.

European Union's sugar production is likely to rise in the season 2021-22. According to the European Commission short-term outlook report, Sugar output in EU is estimated to increase in 2021-22 season. Sugar production in the previous season was 14.5 million tonnes, whereas in the 2021-22 seasons it is forecasted to increase 15.5 million tonnes.

Weather Forecast:

Thundersquall very likely at isolated places over Andaman & Nicobar Islands and with gusty winds at isolated places over East Rajasthan, and with lightening at isolated places over Jammu & Kashmir, Ladakh, Gilgit- Baltistan & Muzaffarabad, Himachal Pradesh, Uttarakhand, Uttar Pradesh, Haryana, Chandigarh, Delhi, Madhya Pradesh, Bihar, Jharkhand and West Bengal & Sikkim, Odisha, Gujarat Region, Coastal Andhra Pradesh & Yanam, Telangana, Rayalaseema, Tamil Nadu, Puducherry & Karikal. Thunderstorm with lightening & gusty winds very likely at isolated places over West Rajasthan. Heavy to very heavy rainfall at isolated places over West Mdhya Pradesh, Andaman & Nicobar Islands, Konkan & Goa, Coastal & South Interior Karnataka, Kerala & Mahe, Tamil Nadu, Pondicherry and Karikal and heavy rainfalls at isolated places over Himachal Pradesh, Uttarakhand, Haryana, Chandigarh, Delhi, Uttar Pradesh, East Rajasthan, East Madhya Pradesh, Vidarbha, Chhattisgarh, Odisha, Madhya Maharashtra, Marathwada, Coastal Andhra Pradesh & Yanam, & South Interior Karnataka.

Previous Updates:

Sri Lanka is planning to import sugar from India. Sri Lanka government is planning to import sugar from India to cool down the rising commodity prices in the country. Currently, the sugar imports are under license and require prior consent from the Controller of Imports and Exports. On recommendation of the trade ministry cabinet has allowed importing 2,500 tonnes of sugar per month.

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.

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.

International Sugar Futures ICE(US Cent/lb)

Daily Futures Price Listing Thursday, July 08 th , 2021									
Most Recent Information							Previous Day		
Mth	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
Sugar #11(ICE)									
Jul-21	210708	17.78	17.81	17.32	17.45	-0.30	68,543	451,910	+3,159
Oct-21	210708	18.05	18.10	17.66	17.78	-0.24	32,554	189,507	+5,038
Mar-22	210708	17.28	17.28	16.85	16.96	-0.22	8,875	93,844	+2,064
May-22	210708	16.46	16.53	16.18	16.27	-0.16	4,553	80,849	+364
Jul-22	210708	16.05	16.14	15.89	15.89	-0.14	2,648	55,445	+361
Oct-22	210708	16.13	16.20	16.02	16.02	-0.10	1,417	24,652	+228
Mar-23	210708	15.24	15.25	15.12	15.12	-0.08	548	11,046	+232
May-23	210708	14.50	14.58	14.41	14.43	-0.10	258	13,770	+125
Total Volume and Open Interest							119,489	931,814	+11,618

Source: MRCI

International Sugar Futures LIFFE(US \$/MT)

Daily Futures Price Listing Thursday, July 08 th , 2021									
Most Recent Information							Previous Day		
Mth	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
London Sugar(LCE)									
Aug-21	210708	438.50	441.80	430.80	433.20	-5.50	7,172	18,134	-2,904
Oct-21	210708	464.40	467.40	455.60	457.80	-8.20	7,298	31,107	+2,412
Dec-21	210708	470.70	474.90	466.00	467.00	-6.60	2,404	10,405	+845
Mar-22	210708	477.00	477.00	469.50	470.30	-6.10	1,677	9,137	+322
May-22	210708	465.60	468.10	462.20	462.20	-5.60	189	6,382	+71
Total Volume and Open Interest							19,045	81,363	+843

Source: MRCI

DOMESTIC PRICES AND ARRIVAL

Sugar Prices at Key Spot Markets:					
Commodity	Centre	Variety	Prices (Rs/Qtl)		Change
Sugar			09-Jul-21	08-Jul-21	
Delhi	Delhi	M-Grade	3270	3275	-5
	Delhi	S-Grade	3250	3255	-5
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	3366	3350	16
	Mumbai	S-Grade	3206	3206	Unch
	Nagpur	M-Grade	3200	3225	-25
	Nagpur	S-Grade	3150	3150	Unch
	Kolhapur	M-Grade	3075	3100	-25
	Kolhapur	S-Grade	3025	3025	Unch
Assam	Guhawati	S-Grade	3334	3334	Unch
Meghalaya	Shillong	S-Grade	3345	3345	Unch
Andhra Pradesh	Vijayawada	M-Grade (With Duty)	3520	3520	Unch
	Vijayawada	S-Grade (With Duty)	3520	3520	Unch
West Bengal	Kolkata	M-Grade	3520	3520	Unch
Tamil Nadu	Chennai	S-Grade (With GST)	3550	3550	Unch
	Dindigul	M-Grade (DCA)	3560	3560	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)			09-Jul-21	08-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	Chaursa	NA	NA	-
	Hapur	Balti	NA	NA	-
Andhra Pradesh	Chittur	Gold	NR	NR	-
		White	NR	NR	-
		Black	NR	NR	-
Maharashtra	Latur	Lal Variety	NR	NR	-
Karnataka	Bangalore	Mudde (Average)	4600	4600	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)	NA	3130	-
	Mandya	Kurikatu (Medium)	NA	3150	-
	Mandya	Other (Medium)	NA	2950	-
	Mandya	Yellow (Medium)	NA	3100	-
	Shimoga/Shivamogga	Achhu (Average)	3600	3600	Unch

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