

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. 3255/q. Prices were firm in Kolhapur at Rs. 3100/q.

Uttar Pradesh Farmers are demanding hike in Sugarcane price. Farmers have started urging the government to increase the sugarcane price to Rs. 400 per quintal, they are also demanding to release the pending cane dues and take actions against the default cane payments. Farmers are pressing their demand by staging a protest and meeting the concerned officials.

Weather Forecast:

Thunderstorm accompanied with lightening and squall very likely at isolated places over Andaman & Nicobar Islands and with hail at isolated places over Jammu & Kashmir, Ladakh, Gilgit- Baltistan & Muzaffarabad and with lightening at isolated places over East Uttar Pradesh, West Rajasthan and Tamil Nadu, Pondicherry & Karikal. Heavy to very heavy rainfall at isolated places over Madhya Maharashtra, Konkan & Goa, Coastal & South Interior Karnataka and heavy rainfalls at isolated places over Himachal Pradesh, Uttarakhand, West Uttar Pradesh, East Rajasthan, Gujarat Region, Coastal Andhra Pradesh & Yanam, Telangana, Tamil Nadu, Pondicherry & Karikal, Kerala & Mahe and heavy rainfalls at isolated places over Punjab, Haryana, Chandigarh, Delhi, West Rajasthan, Madhya Pradesh, Vidarbha, Chhattisgarh, Odisha, Andaman & Nicobar Islands, Saurashtra & Kutch, Marathwada, Rayalaseema and North Interior Karnataka.

Previous Updates:

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.

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 Friday, July 09 th , 2021									
Most Recent Information							Previous Day		
Mth	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
Sugar #11(ICE)									
Jul-21	210709	17.33	17.46	17.17	17.28	-0.17	64,646	450,678	-1,232
Oct-21	210709	17.68	17.78	17.53	17.66	-0.12	34,035	34,035	+3,290
Mar-22	210709	16.86	17.00	16.74	16.93	-0.03	9,529	9,529	+1,993
May-22	210709	16.20	16.40	16.09	16.33	+0.06	7,261	7,261	+964
Jul-22	210709	15.82	16.13	15.75	16.05	+0.16	4,209	4,209	+81
Oct-22	210709	16.00	15.30	15.92	16.21	+0.19	974	974	+280
Mar-23	210709	15.14	15.43	15.03	15.34	+0.22	457	457	+235
May-23	210709	14.46	14.77	14.38	14.69	+0.26	214	214	-68
Total Volume and Open Interest							121,566	121,566	+5,640

Source: MRCI

International Sugar Futures LIFFE(US \$/MT)

Daily Futures Price Listing Friday, July 09 th , 2021									
Most Recent Information							Previous Day		
Mth	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
London Sugar(LCE)									
Aug-21	210709	432.30	433.90	423.70	426.10	-7.10	6,923	15,960	-2,174
Oct-21	210709	457.50	458.70	450.50	454.00	-3.80	5,750	32,288	+1,181
Dec-21	210709	466.20	467.30	460.40	463.60	-3.40	982	10,377	-28
Mar-22	210709	467.90	468.80	464.50	467.70	-2.60	515	9,217	+80
May-22	210709	461.60	462.20	457.90	461.50	-0.70	176	6,481	+99
Total Volume and Open Interest							15,293	81,033	-330

Source: MRCI

DOMESTIC PRICES AND ARRIVAL

Sugar Prices at Key Spot Markets:					
Commodity	Centre	Variety	Prices (Rs/Qtl)		Change
Sugar			10-Jul-21	09-Jul-21	
Delhi	Delhi	M-Grade	3275	3270	5
	Delhi	S-Grade	3255	3250	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	3366	Unch
	Mumbai	S-Grade	3206	3206	Unch
	Nagpur	M-Grade	3200	3200	Unch
	Nagpur	S-Grade	3150	3150	Unch
	Kolhapur	M-Grade	3075	3075	Unch
	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)			10-Jul-21	09-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	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)	NA	4600	-
	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)	3150	3150	Unch
	Mandya	Kurikatu (Medium)	3150	3150	Unch
	Mandya	Other (Medium)	2900	2950	-50
	Mandya	Yellow (Medium)	3100	3100	Unch
	Shimoga/Shivamogga	Achhu (Average)	NA	3600	-

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