

Sugar & Gur Domestic & International Fundamentals

Recent Update:

A mixed tone was witnessed in Sugar physical markets today in India. Sugar prices were lower in Delhi by Rs.10 at Rs. 3180/q. Prices were firm in Kolhapur at Rs. 3100/q.

Monsoon has reached Uttar Pradesh Sugar Belt. According to the Metrological Department, monsoon has arrived in the sugar belt of Uttar Pradesh. The rainfall recorded in Meerut was 94.2 mm rain, Bijnor received 70 mm rains. The sugarcane farmers are happy as the monsoon has begun after a gap, these rains will benefit the sugarcane crop. According to the cane farmers, if these rains continue for few more days there will be bumper sugarcane crops in the region.

Weather Forecast:

Thunderstorm accompanied with lightening very likely at isolated places over Himachal Pradesh, Uttarakhand, Uttar Pradesh, Rajasthan, Bihar, Andaman & Nicobar Islands, Tamil Nadu, Pondicherry & Karikal. Heavy to very heavy rainfall at isolated places over Sub- Himalayana West Bengal & Sikkim, Arunachal Pradesh, Assam & Meghalaya, Madhya Maharashtra and North Interior Karnataka and heavy rainfall at isolated places over Himachal Pradesh, Uttarakhand, Uttar Pradesh, Bihar, Andaman & Nicobar Islands, Nagaland, Manipur, Mizoram & Tripura, Gujarat Region, Kerala & Mahe.

Previous Updates:

According to ISMA, sugar mills have produced 307 lakh tonnes of sugar till 14th July 2021: Around 502 sugar mills were operating in the current season as compared to 457 sugar mills in the previous season. Sugar mills have produced around 307 lakh tonnes of sugar till 14th July '2021. Another around 2 lakh tonnes is expected to be produced in the special season till September 2021 in Tamil Nadu and Karnataka, taking the total sugar production in 2020-21 sugar seasons to 309 lakh tonnes.

The Indian government on 14th July 2021 has permitted exports of specified quantities of sugar and other commodities to the Maldives for the financial year 2021-24 under a bilateral trade agreement. The directorate general of foreign trade (DGFT) has issued a notification stating that the exports will be exempted from any existing or future restrictions. Sugar quantity allowed to export for the financial year 2021-22 is 61,423.17 MT, 2022-23 is 61,423.17 MT, and 2023-24 is 61,423.17 MT.

Brazil has witnessed higher sugar output in second half of June month, in the Center-South region. According to data released by trade association UNICA Sugar production in the center-south region of Brazil has recovered from the poor performance in the first half of June 2021 with production around 2.19 million tonnes to 2.89 million tonnes production in second half of June'2021. UNICA stated that the Brazil's CS sugar output late in June was also 5.6 percent better than in the same period last year. The sugar mills in the region have crushed 45 million tonnes of cane which is 4.4 percent more than the last year.

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.

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.

International Sugar Futures ICE(US Cent/lb)

Daily Futures Price Listing Wednesday, July 14 th , 2021									
Most Recent Information							Previous Day		
Mth	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
Sugar #11(ICE)									
Jul-21	210714	17.24	17.25	16.84	16.93	-0.15	54,273	435,284	-7,809
Oct-21	210714	17.60	17.62	17.29	17.36	-0.13	25,940	203,187	+4,203
Mar-22	210714	16.95	16.95	16.59	16.64	-0.14	10,008	96,387	+1,460
May-22	210714	16.32	16.32	16.04	16.08	-0.14	4,468	81,755	+337
Jul-22	210714	16.02	16.05	15.79	15.83	-0.14	2,822	55,956	+178
Oct-22	210714	16.19	16.21	15.95	15.99	-0.14	1,052	24,802	-250
Mar-23	210714	15.22	15.22	15.10	15.14	-0.14	268	11,437	-34
May-23	210714	14.57	14.57	14.45	14.50	-0.13	285	13,873	+89
Total Volume and Open Interest							99,505	933,678	-1,714

Source: MRCI

International Sugar Futures LIFFE(US \$/MT)

Daily Futures Price Listing Wednesday, July 14 th , 2021									
Most Recent Information							Previous Day		
Mth	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
London Sugar(LCE)									
Aug-21	210714	425.20	429.30	423.30	425.30	+1.40	6,605	7,775	-3,740
Oct-21	210714	452.00	452.30	442.00	444.10	-6.80	5,387	36,001	+995
Dec-21	210714	458.90	458.90	450.70	452.70	-6.20	977	11,249	+244
Mar-22	210714	464.10	464.20	457.50	457.50	-4.70	358	9,384	+124
May-22	210714	457.80	458.50	453.10	453.10	-3.90	214	6,476	-3
Total Volume and Open Interest							13,926	77,997	-2,261

Source: MRCI

DOMESTIC PRICES AND ARRIVAL

Sugar Prices at Key Spot Markets:					
Commodity	Centre	Variety	Prices (Rs/Qtl)		Change
Sugar			15-Jul-21	14-Jul-21	
Delhi	Delhi	M-Grade	3200	3210	-10
	Delhi	S-Grade	3180	3190	-10
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	3386	3386	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	3480	3480	Unch
Tamil Nadu	Chennai	S-Grade (With GST)	3500	3500	Unch
	Dindigul	M-Grade (DCA)	3520	3520	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)			15-Jul-21	14-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)	4600	NA	-
	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	3220	-
	Mandya	Achhu (Medium)	NA	3270	-
	Mandya	Kurikatu (Medium)	NA	3050	-
	Mandya	Other (Medium)	NA	2880	-
	Mandya	Yellow (Medium)	NA	3000	-
	Shimoga/Shivamogga	Achhu (Average)	3600	3600	Unch

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