

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.05-10 at Rs. 3250/q. Prices were firm in Kolhapur at Rs. 3100/q.

Thailand sugar millers predicts sugar production around 6.6 million tonnes in 2020-21 season. According to the Thai Sugar Millers Corporation, the domestic sugar production for the 2020-21 is around 6.6 million tonnes, which is lowest in the decade. Thailand had received less rainfall this year during the rainy season and also drought in the previous year which has impacted the sugar production. Many farmers are shifting to cassava which is drought resistant.

Weather Forecast:

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

Previous Updates:

ISMA has estimated Sugar Production for 2020-21 seasons at 309 lakh tonnes. According to ISMA, opening balance is estimated at 107 lakh tonnes, whereas sugar production for the current sugar season 2020-21 is estimated around 309 lakh tonnes, expected domestic sales of around 260 lakh tonnes and exports are estimated at around 70 lakh tonnes. The opening balance of about 87 lakh tons on 1st Oct. 2021, will be about 20 lakh tonnes less than the opening stock as on 1st Oct 2020.

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.*

International Sugar Futures ICE(US Cent/lb)

Daily Futures Price Listing Friday, July 16 th , 2021									
Most Recent Information							Previous Day		
Mth	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
Sugar #11(ICE)									
Jul-21	210716	17.33	17.78	17.24	17.71	+0.38	44,426	431,025	+909
Oct-21	210716	17.70	18.15	17.64	18.10	+0.38	17,675	205,468	+2,248
Mar-22	210716	16.97	17.32	16.90	17.28	+0.33	5,217	95,260	-362
May-22	210716	16.35	16.62	16.30	16.58	+0.28	2,969	81,535	-668
Jul-22	210716	16.07	16.27	16.00	16.23	+0.24	611	55,851	+139
Oct-22	210716	16.23	16.38	16.14	16.35	+0.21	130	24,745	-28
Mar-23	210716	15.32	15.46	15.22	15.35	+0.12	195	11,465	-14
May-23	210716	14.67	14.77	14.49	14.62	+0.08	218	13,944	-25
Total Volume and Open Interest							71,549	930,440	+2,270

Source: MRCI

International Sugar Futures LIFFE(US \$/MT)

Daily Futures Price Listing Friday, July 16 th , 2021									
Most Recent Information							Previous Day		
Mth	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
London Sugar(LCE)									
Aug-21	210716	434.10	444.50	434.10	443.70	+7.70	3,533	2,147	-2,175
Oct-21	210716	458.20	466.00	455.20	463.20	+7.20	6,032	38,352	+1,162
Dec-21	210716	465.90	473.30	463.40	470.70	+6.40	1,241	11,276	-6
Mar-22	210716	468.50	476.40	467.20	475.50	+6.50	868	9,537	-7
May-22	210716	463.70	470.10	461.20	469.70	+7.30	177	6,372	-65
Total Volume and Open Interest							12,126	75,306	-985

Source: MRCI

DOMESTIC PRICES AND ARRIVAL

Sugar Prices at Key Spot Markets:					
Commodity	Centre	Variety	Prices (Rs/Qtl)		Change
Sugar			19-Jul-21	17-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	3390	3386	4
	Mumbai	S-Grade	3206	3206	Unch
	Nagpur	M-Grade	3200	3185	15
	Nagpur	S-Grade	3125	3125	Unch
	Kolhapur	M-Grade	3075	3060	15
	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)	3570	3520	50
	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)	NA	NA	-

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)			19-Jul-21	17-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	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)	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)	3150	3100	50
	Mandya	Kurikatu (Medium)	3100	3100	Unch
	Mandya	Other (Medium)	3050	3000	50
	Mandya	Yellow (Medium)	3150	3150	Unch
	Shimoga/Shivamogga	Achhu (Average)	NA	3650	-

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