

## Sugar & Gur Domestic & International Fundamentals

### Recent Update:

**A firm tone was witnessed in Sugar physical markets today in India.** Sugar prices were steady in Delhi by Rs.10-60 at Rs. 3245/q. Prices were firm in Kolhapur at Rs. 3075/q.

**Brazil Sugarcane crop may get affected due to upcoming new polar air mass.** The sugarcane crop in Brazil was affected due to frost in Brazil last week and is likely to get affected further due to new polar air mass that will move over the country's agricultural areas this week, this is the third cold wave that will impact the crops in Brazil. According to the forecast, the air mass will reach southern Brazil by Wednesday.

### Weather Forecast:

Thunderstorm accompanied with lightening very likely at isolated places over Himachal Pradesh and Uttarakhand and Heavy to very heavy rainfall at isolated places over Jammu & Kashmir, Ladakh, Gilgit-Baltistan, & Muzaffarabad, Punjab, Haryana, Uttar Pradesh, Jharkhand, Gangetic West Bengal, Odisha, Nagaland, Manipur, Mizoram, Tripura. Heavy rain falls at isolated places over Jammu & Kashmir, Ladakh, Gilgit-Baltistan, & Muzaffarabad, and heavy rain falls at isolated places over east Madhya Pradesh, Chhattisgarh, Bihar, Assam & Meghalaya, Madhya Maharashtra and Konkan & Goa.

### Previous Updates:

**Uttar Pradesh leads in ethanol production in India.** The state has produced 58 crore litres of ethanol and the total operated distillers were 54, the average ethanol blending rate has reached 7.93 percent. Ethanol output is likely to increase in the upcoming season 2021-22 as government has emphasized its production.

**Mawana Sugar Mill has cleared cane dues of Rs. 102 crore.** The sugar mill has crushed 202.08 and 104.78 lakh quintals of sugarcane respectively in the crushing season 2020-21 in their 2 sugar mills Mawana sugar mill and Mawana & Nanglamal sugar complex. The sugar mill on 24<sup>th</sup> July'21 has cleared cane dues of Rs. 102 crore which include Rs. 50.19 crore by Mawana sugar works and Rs. 51.81 crore by the Nanglamal sugar complex.

**Bijnor sugar mill will focus on ethanol production.** Around five sugar mills in the district have accelerated ethanol production. The mills have produced around 9,60,40,000 litres of ethanol, out of which 8,86,94,000 litres of ethanol have been sold, mills have paid 55 per cent of the money earned by selling ethanol to sugarcane farmers. The mills from the district have sold ethanol worth Rs 504.72 crore. Currently, for the coming season 2021-22 ethanol output is likely to increase as the government has emphasized its production.

**India's production is forecasted to reach 35.6 million tonnes by 2030.** According to FAO Agricultural Outlook Report, World Sugarcane production is projected to grow by 1 percent per annum and reach 1,960 million tonnes by 2030 with Brazil and India anticipated to contribute 65 percent of the change in global output. Brazil Sugar production is projected to increase to 41.0 ml t, production in India is forecasted to reach 35.6 ml t by 2030.

**Sugarcane dues reaches above Rs. 21,000 crore.** Sugarcane arrears till May 2021 have reached Rs. 21,321 crore, highest in Uttar Pradesh. The total cane dues of Rs. 18,820 crore is from the current cane crushing season and Rs. 2,501 crore from previous season. For the 2020-21 seasons, around 63 percent of the cane dues are from Uttar Pradesh and rest are from Maharashtra, Karnataka and other states. As per the market the sugar mills said, that the low sugar sales have affected their business and therefore they failed to accumulate the capital and hence affecting the cane dues settlement.

**Sugar Industry waits for hike in Minimum Selling Price of Sugar.** Domestic sugar prices have been depressed in the wake of surplus sugar production for sugar season 2019-20 and 2020-21. Millers have been liquid-strapped given the depressed ex-mill prices along with harming the capability of paying cane dues in the given time. As per the latest reports, the cane dues for the ongoing season 2020-21 are around ₹18820 crores. The sugar industry has been seeking a hike in the MSP of sugar that would help in covering the cost of production, including interest and maintenance costs. The sugar prices have not been increased from last 2 seasons.

**Philippines sugar production reached at 2.13 million metric tonnes.** According to the Sugar Regulatory Administration (SRA), Sugar output in Phillippines has reached 2.137 million metric tonnes in the first week of July which is slightly lower around 2.14 million MT during the same period last year. However, despite the decline, the sugar output in the country has already exceeded its set target. According to the SRA, the sugar production for the current season has surpassed the government's full-year target. The sugar crop year starts in September and ends in August.

**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.

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

Daily Futures Price Listing Monday, July 26th, 2021									
Most Recent Information							Previous Day		
Mth	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
Sugar #11(ICE)									
<a href="#">Oct-21</a>	210726	18.22	18.64	17.77	18.42	+0.25	37,980	421,069	+5,405
<a href="#">Mar-22</a>	210726	18.60	18.99	18.18	18.81	+0.22	18,742	207,949	+1,750
<a href="#">May-22</a>	210726	17.70	18.01	17.33	17.89	+0.17	8,005	93,055	+2,438
<a href="#">Jul-22</a>	210726	16.95	17.14	16.60	17.05	+0.10	4,341	83,095	-323
<a href="#">Oct-22</a>	210726	16.51	16.67	16.21	16.60	+0.06	1,501	57,267	+417
<a href="#">Mar-23</a>	210726	16.49	16.65	16.18	16.58	+0.05	642	25,423	+89
<a href="#">May-23</a>	210726	15.50	15.67	15.21	15.62	+0.11	449	12,066	+80
<a href="#">Jul-23</a>	210726	14.62	14.92	14.47	14.86	+0.15	190	14,264	+91
Total Volume and Open Interest							71,880	926,508	+9,951

Source: MRCI

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

Daily Futures Price Listing Monday, July 26th, 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>	210726	457.20	460.40	448.00	456.40	-1.30	4,258	37,241	-442
<a href="#">Oct-21</a>	210726	471.40	475.00	464.00	471.20	-0.60	2,502	12,083	+282
<a href="#">Dec-21</a>	210726	479.90	484.10	472.30	480.30	-0.20	917	9,865	+173
<a href="#">Mar-22</a>	210726	475.30	480.10	469.20	477.20	+1.10	389	6,530	+225
<a href="#">May-22</a>	210726	465.00	469.50	462.60	467.20	+1.00	301	4,717	+195
Total Volume and Open Interest							8,564	73,936	+531

Source: MRCI

DOMESTIC PRICES AND ARRIVAL

Sugar Prices at Key Spot Markets:					
Commodity	Centre	Variety	Prices (Rs/Qtl)		Change
Sugar			27-Jul-21	26-Jul-21	
Delhi	Delhi	M-Grade	3265	3205	60
	Delhi	S-Grade	3245	3185	60
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	3410	3410	Unch
	Mumbai	S-Grade	3210	3210	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)	3500	3500	Unch
	Vijayawada	S-Grade (With Duty)	3500	3500	Unch
West Bengal	Kolkata	M-Grade	3480	3480	Unch
Tamil Nadu	Chennai	S-Grade (With GST)	3550	3550	Unch
	Dindigul	M-Grade (DCA)	3520	3520	Unch
	Coimbatore	M-Grade (DCA)	3540	3540	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)			27-Jul-21	26-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	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	3350	-
	Mandya	Kurikatu (Medium)	NA	3150	-
	Mandya	Other (Medium)	NA	3100	-
	Mandya	Yellow (Medium)	NA	3350	-
	Shimoga/Shivamogga	Achhu (Average)	3650	3650	Unch

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