

Sugar & Gur Domestic & International Fundamentals**Recent updates.**

- According to trade sources, the abolition of sugar export tax would help push out just 100,000-150,000 tonnes of sugar mostly to neighbouring Bangladesh and Nepal as everywhere else global prices are weak.
- Domestically, ex-mill prices in most places have dropped to around Rs 2,900-3,000 per quintal, while the total cost of production is somewhere around Rs 3,000-3,500 per quintal. This means that for every quintal of sugarcane crushed, the mills are losing around Rs 400-500.

Previous updates.

- The government on Tuesday scrapped the 20% export duty on sugar in a bid to boost overseas sales of the commodity and lift its domestic price.
- According to ISMA, Sugarcane mills in the country have produced 25.806 million tonne of sugar during the current season up to March 15, 2018, which is 8.256 million tonne more than the last year's production of 17.55 million tonne.
- It is important to note that out of 523 sugar mills in the country, 106 mills have already shut their operations — 31 in Maharashtra, 48 in Karnataka, 5 in Uttar Pradesh, 9 in Tamil Nadu, 7 in Andhra Pradesh and Telangana, and 6 mills in other states —, said Indian Sugar Mills' Association (ISMA) in a release on Monday.
- Sugar mills in Maharashtra have produced 9.383 mt, UP produced 8.439 mt till March 15, 2018. Karnataka produced 3.510 mt of sugar. The mills in other states have a combined production of 4.474 mt (Gujarat 9.10 lakh tonne; Bihar 5.80 LT; Haryana 5.25 LT; Punjab 5.80 LT; AP & Telangana 6.40 LT; Tamil Nadu 4.20 LT; Uttarakhand 3.25 LT; Madhya Pradesh & Chhattisgarh 4.50 LT) till March 15.
- Ex-mill sugar prices have once again started plummeting and are now hovering between Rs 2,900 per quintal in western and southern states, and Rs 3,000 per quintal in north. Mills are incurring losses compared to their cost of production of around `3,500-3,600 per quintal. They are unable to pay cane price to the farmers on time.
- Since sugar production during the current 2017-18 SS will be excess by 45 LT over and above the domestic requirement and anticipation of another surplus sugar year in 2018-19 SS which is to be started from October 1, 2018, India needs to export at least 20 LT in the current season and another 40-50 LT in the next season.
- The total investment in the production of one quintal of sugar is at least Rs. 3,450. Right now, the rate of sugar has gone down to Rs. 3,220 [per quintal], which means that we are bearing a loss of at least Rs. 230 per quintal.
- According to the Uttar Pradesh Sugar Mills Association (UPSMA), farmers sold cane worth Rs 22,880 crore to sugar mills and received Rs16,380.78 crore till March 16. Overall, mill owners have managed to pay about 71.59% of the total money they owe to farmers.

NCDEX Sugar (M grade) Future Quotes (At 05:00 p.m. as on 22-03-2018)

Contract	+/-	Open	High	Low	Close	Volume	O.I
Cont. (C1)	+291	3361	3361	3361	3361	-	-
Spread	Cont Mar (C1)						
Spot	-	-	-	-	-	-	
	-	-	-	-	-	-	

NCDEX Stock & Fed Position

Stocks	Grade	Demat	In-Process	Total	FED
		21-Mar-18	21-Mar-18	21-Mar-18	12-Mar-18
Delhi	M	-	-	-	-
Sangli	M	-	-	-	-
Sholapur	M	-	-	-	-
Kolhapur	M	-	-	-	-
Belgaum	M	-	-	-	-
Delhi	S	-	-	-	-
Sangli	S	-	-	-	-
Sholapur	S	-	-	-	-
Kolhapur	S	50	0	50	50
Belgaum	S	-	-	-	-

Sugar Futures ICE& LIFFE as on 21st March,2018

ICE Sugar Futures (In Cents/Pound)

Contract	Open	High	Low	Close	+/-
May-18	12.57	12.84	12.56	12.67	0.11
July-18	12.75	13.00	12.74	12.87	0.12
Oct-18	13.13	13.35	13.13	13.26	0.13

LCE Sugar Futures (In US\$/MT)

Contract	Open	High	Low	Close	+/-
May-18	350.20	355.40	349.90	353.40	3.60
Aug-18	345.80	350.60	345.80	348.60	2.70
Oct-18	348.10	351.00	347.80	349.50	2.90

Commodity	Price (\$/Ton)	Change
Thai Sugar FOB 45 Icumsa	349.80	-6.80

Sugar Prices at Key Spot Markets:					
Commodity	Centre	Variety	Prices (Rs/Qtl)		Change
Sugar			22-Mar-18	21-Mar-18	
Delhi	Delhi	M-Grade	3087	3154	-67
	Delhi	S-Grade	3067	3134	-67
Uttar Pradesh	Khatauli	M-Grade	3150	3150	Unch
	Ramala	M-Grade	NA	NA	-
	Dhampur	M-Grade Ex-Mill	3020	3020	Unch
	Dhampur	S-Grade Ex-Mill	3000	3000	Unch
	Dhampur	L-Grade Ex-Mill	3070	3070	Unch
Maharashtra	Mumbai	M-Grade	3322	3326	-4
	Mumbai	S-Grade	3090	3106	-16
	Nagpur	M-Grade	3125	3125	Unch
	Nagpur	S-Grade	3025	3025	Unch
	Kolhapur	M-Grade	3000	3000	Unch
	Kolhapur	S-Grade	2900	2900	Unch
Assam	Guhawati	S-Grade	3207	3207	Unch
Meghalaya	Shillong	S-Grade	3220	3220	Unch
Andhra Pradesh	Vijayawada	M-Grade	3500	3500	Unch
	Vijayawada	S-Grade	3440	3440	Unch
West Bengal	Kolkata	M-Grade	3350	NA	-
Tamil Nadu	Chennai	S-Grade	3250	3300	-50
Chattisgarh	Ambikapur	M-Grade (Without Duty)	NR	NR	-
	Ambikapur	S-Grade (Without Duty)	NR	NR	-

Sugar Prices are in INR/Quintal. (1 Quintal=100 kg)

Jaggery (Gur) Prices at Key Spot Markets:					
Commodity	Centre	Variety	Prices (Rs/Qtl)		Change
Jaggery(Gur)			22-Mar-18	21-Mar-18	
Uttar Pradesh	Muzaffarnagar	Chaku Sukha(Cold)	2440	2450	-10
	Muzaffarnagar	Chaku(Arrival)(40kg Bag)	5000	5000	Unch
	Muzaffarnagar	Khurpa (Fresh)	2178	2190	-13
	Muzaffarnagar	Laddoo (Fresh)	2400	2395	5
	Muzaffarnagar	Rascut (Fresh)	2013	2025	-13

	Hapur	Chaurasa	2075	2080	-5
	Hapur	Balti	2113	2075	38
Maharashtra	Latur	Lal Variety	NR	NR	-
Karnataka	Bangalore	Mudde (Average)	4400	4400	Unch
	Belgaum	Mudde (Average)	NA	NA	-
	Belthangadi	Yellow (Average)	NA	NA	-
	Bijapur/Vijayapura	Achhu	NA	NA	-
	Gulbarga/Kalaburgi	Other (Average)	3700	3680	20
	Mahalingapura	Penti (Average)	3145	3159	-14
	Mandya	Achhu (Medium)	3650	3650	Unch
	Mandya	Kurikatu (Medium)	3200	3200	Unch
	Mandya	Other (Medium)	3100	NA	-
	Mandya	Yellow (Medium)	NA	3500	-
	Shimoga/Shivamogga	Achhu (Average)	NA	3900	-

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