

Sugar & Gur Domestic & International Fundamentals

Recent updates.

- Sugar stocks rose by up to 7 percent on Tuesday amid reports that the government is likely to announce a bailout package of over Rs 7,000 crore to ensure cash-starved mills clear dues to farmers at the earliest.
- The decline in local sugar prices has further increased the economic crisis of sugar mills. Local sugar prices have come down to the lowest level of 28 months. Referring to their poor financial situation, mills have said that they are unable to pay sugarcane farmers at the time. Now there is a loan of about 220 billion rupees on mills, which can rise to the record level of Rs. 250 billion in the current 2017-18 season.
- The Government's announcement of 2 million MT of sugar exports under the Minimum Indicative Export Quota (MIEQ) scheme in March 2018 is yet to commence fully. Subsequent announcement of production subsidy of Rs 55/MT announced in May 2018 too has not resulted in raising sugar exports.

Previous updates.

- The Government is likely to announce a bailout package of over ₹7,000 crore to ensure cash-starved mills clear dues to farmers at the earliest, according to sources. A decision in this regard is expected to be taken in the meeting of the Cabinet Committee on Economic Affairs (CCEA) scheduled Tomorrow.
- The package is likely to include a set minimum price for sugar, creation of a 30 lakh tonne buffer stock and a scheme to increase ethanol capacity, said a senior government official.
- Sugar production has hit a record high of more than 315 lakh tonnes this year, crossing the amounts needed for domestic consumption, and leading to a crash in prices.
- UP's sugar production has increased by about 36 per cent from 87.73 lakh tonnes in the previous year to 119.12 lakh tonnes, and still counting, in the current year. The state's sugar production is expected to go up further in the 2018-19 crushing season.
- India's sugar output is likely to scale record highs in the next marketing season, with farmers choosing to plant the crop despite falling prices and around 200 billion rupees (\$2.96 billion) in delayed payments from mills for the current harvest.
- The Centre may create a 3-million-tonne sugar buffer stock to help sugar mills to tide over the crisis triggered by overproduction, Union Food Minister Ram Vilas Paswan said on Thursday.
- The glut in sugar production during the current 2017-18 season (September-October) has led to the sweetener price crashing to levels below cost of production.. This has resulted in ballooning sugarcane arrears to farmers to ₹22,000 crore. Sugar production this year is expected to be around 32 mt , 60 per cent higher than that in the last season.
- The cooperative sugar mills in Haryana has crushed 443.13 lakh quintal of sugarcane producing 44.15 lakh quintal sugars according to Haryana Sugarfed.
- Ongoing sugar campaign is sowing increased area this year. The cultivated area of sugarcane has increased by 1.6 per cent over that of the previous year. Till 25th of May 48.67 lakh hectares has been brought under sugar.
- With policy support from government sugar mills in Maharashtra are planning to sign export contracts with neighboring countries before the start of the next season. Mills are targeting 3-3.5 million tonnes (mt) exports of raw sugar to Bangladesh and China and another 2-2.5 mt of white sugar to Sri Lanka.

- Maharashtra's current sugar season officially ended on Wednesday with the last of the 187 mills ceasing operations. The state has produced 10.7 mt of sugar, the highest in the last 10 years. Last year Maharashtra produced just 4.2 mt of sugar.

NCDEX Sugar (M grade) Future Quotes (At 05:00 p.m. as on 06-06-2018)

Contract	+/-	Open	High	Low	Close	Volume	O.I
Cont. (C1)	-	3073	3073	3073	3073	-	-
Spread	Cont Mar (C1)						
Spot	-	-	-	-	-	-	
	-	-	-	-	-	-	

Note: There is no trade volume in near month future contract. Market participants are advised to wait until trade in volume starts

NCDEX Stock & Fed Position

Stocks	Grade	Demat	In-Process	Total	FED
		5-Jun-18	5-Jun-18	5-Jun-18	4-Jun-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 5th June,2018

ICE Sugar Futures (In Cents/Pound)

Contract	Open	High	Low	Close	+/-
July-18	11.93	12.2	11.88	12.02	0.12
Oct-18	12.25	12.48	12.19	12.33	0.11
Mar-19	13.12	13.31	13.02	13.17	0.06

LCE Sugar Futures (In US\$/MT)

Contract	Open	High	Low	Close	+/-
Aug-18	338.10	346.70	338.10	343.70	6.30
Oct-18	335.50	342.70	335.00	339.20	4.90
Dec-18	340.00	345.00	338.80	342.10	3.80

Sugar Prices at Key Spot Markets:					
Commodity	Centre	Variety	Prices (Rs/Qtl)		Change
Sugar			6-Jun-18	5-Jun-18	
Delhi	Delhi	M-Grade	3300	3300	Unch
	Delhi	S-Grade	3280	3280	Unch
Uttar Pradesh	Khatauli	M-Grade	3100	3100	Unch
	Ramala	M-Grade	NA	NA	-
	Dhampur	M-Grade Ex-Mill	3000	3000	Unch
	Dhampur	S-Grade Ex-Mill	2980	2980	Unch
	Dhampur	L-Grade Ex-Mill	3050	3050	Unch
Maharashtra	Mumbai	M-Grade	3120	3090	30
	Mumbai	S-Grade	2960	2930	30
	Nagpur	M-Grade	3025	3025	Unch
	Nagpur	S-Grade	2925	2925	Unch
	Kolhapur	M-Grade	2900	2900	Unch
	Kolhapur	S-Grade	2800	2800	Unch
Assam	Guhawati	S-Grade	3106	3106	Unch
Meghalaya	Shillong	S-Grade	3120	3120	Unch
Andhra Pradesh	Vijayawada	M-Grade	3200	3200	Unch
	Vijayawada	S-Grade	3140	3140	Unch
West Bengal	Kolkata	M-Grade	3250	3250	Unch
Tamil Nadu	Chennai	S-Grade	3200	3200	Unch
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)			6-Jun-18	5-Jun-18	
Uttar Pradesh	Muzaffarnagar	ChakuSukha(Cold)	2813	2500	313
	Muzaffarnagar	Chaku(Arrival)(40kg Bag)	300	300	Unch
	Muzaffarnagar	Khurpa (Fresh)	2725	2500	225
	Muzaffarnagar	Laddoo (Fresh)	2885	2700	185
	Muzaffarnagar	Rascut (Fresh)	2375	2150	225
	Hapur	Chaurasa	2325	2325	Unch
	Hapur	Balti	2450	2450	Unch
Maharashtra	Latur	Lal Variety	NR	NR	-
Karnataka	Bangalore	Mudde (Average)	4300	4300	Unch
	Belgaum	Mudde (Average)	NA	NA	-
	Belthangadi	Yellow (Average)	NA	NA	-
	Bijapur/Vijayapura	Achhu	NA	2750	-

	Gulbarga/Kalaburgi	Other (Average)	NA	NA	-
	Mahalingapura	Penti (Average)	2776	2806	-30
	Mandya	Achhu (Medium)	3450	3500	-50
	Mandya	Kurikatu (Medium)	3100	3100	Unch
	Mandya	Other (Medium)	3200	3000	200
	Mandya	Yellow (Medium)	3500	3350	150
	Shimoga/Shivamogga	Achhu (Average)	NA	3700	-

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