

## Sugar & Gur Domestic & International Fundamentals

### Recent updates.

- *The Rs 7,000 crore bailout package for the sugar sector announced by the government earlier this week will help clear over 40% of the payment sugar mills owe farmers.*
- *As per the sowing data released by the Agriculture Ministry, as on 1 June 2018, sugarcane has been planted in around 49.32 lakh hectares (lh) across the country, higher than 48.72 lh in the corresponding week last year and normal of 45.02 lh till date.*
- *India has last week made a strong pitch to export 1.5 mn tons of sugar to China under the 50% tariff category to reduce surplus. China imports 4-5 mn tonnes sugar annually but India's sugar export to China has been thus far very small. The deal is expected to be finalised by August & exports to China might begin after September this year.*

### Previous updates.

- *Concerned over rising farmers discontent over lower payments and the build up of cane arrears, the government has approved a Rs 7000 crore package that aims to increase farmers income by creating a buffer stock for sugar and enhancing ethanol production capacity allowing additional outlet for sugarcane produce in a bumper season.*
- *As per the Cabinet decision, a sum of Rs 4,440 crore will be provided as soft loan to the sector for building ethanol production capacity to absorb the cane and a buffer stock of 3 million tonnes. In addition, for the first time Rs 29 per kg has been fixed as the minimum price below which mills cannot sell the sweetener. These decisions are aimed at helping mills in clearing part of over Rs 22,000-crore arrears to cane farmers.*
- *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 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.*

## NCDEX Sugar (M grade) Future Quotes (At 05:00 p.m. as on 08-06-2018)

Contract	+/-	Open	High	Low	Close	Volume	O.I
Cont. (C1)	-	2908	2908	2908	2908	-	-
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
		7-Jun-18	7-Jun-18	7-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 7<sup>th</sup> June,2018

### ICE Sugar Futures (In Cents/Pound)

Contract	Open	High	Low	Close	+/-
July-18	12.24	12.35	11.70	11.73	-0.47
Oct-18	12.51	12.60	12.00	12.02	-0.45
Mar-19	13.26	13.35	12.77	12.79	-0.46

### LCE Sugar Futures (In US\$/MT)

Contract	Open	High	Low	Close	+/-
Aug-18	349.00	350.90	335.30	335.60	-11.70
Oct-18	344.50	346.60	333.10	333.30	-10.10
Dec-18	346.50	347.80	335.30	335.50	-9.90

Commodity	Price (\$/Ton)	Change
Thai Sugar FOB 45 Icmsa	347.30	3.60

Sugar Prices at Key Spot Markets:					
Commodity	Centre	Variety	Prices (Rs/Qtl)		Change
Sugar			8-Jun-18	7-Jun-18	
Delhi	Delhi	M-Grade	3400	3350	50
	Delhi	S-Grade	3380	3330	50
Uttar Pradesh	Khatauli	M-Grade	3350	3220	130
	Ramala	M-Grade	NA	NA	-
	Dhampur	M-Grade Ex-Mill	3100	3050	50
	Dhampur	S-Grade Ex-Mill	3080	3030	50
	Dhampur	L-Grade Ex-Mill	3150	3100	50
Maharashtra	Mumbai	M-Grade	3350	3220	130
	Mumbai	S-Grade	3092	3040	52
	Nagpur	M-Grade	3275	3025	250
	Nagpur	S-Grade	3175	2925	250
	Kolhapur	M-Grade	3150	2900	250
	Kolhapur	S-Grade	3050	2800	250
Assam	Guhawati	S-Grade	3360	3106	254
Meghalaya	Shillong	S-Grade	3370	3120	250
Andhra Pradesh	Vijayawada	M-Grade	3360	3260	100
	Vijayawada	S-Grade	3300	3200	100
West Bengal	Kolkata	M-Grade	3580	3250	330
Tamil Nadu	Chennai	S-Grade	3150	3100	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)			8-Jun-18	7-Jun-18	
Uttar Pradesh	Muzaffarnagar	ChakuSukha(Cold)	2813	2750	63
	Muzaffarnagar	Chaku(Arrival)(40kg Bag)	500	300	200
	Muzaffarnagar	Khurpa (Fresh)	2750	2625	125
	Muzaffarnagar	Laddoo (Fresh)	3063	2990	73
	Muzaffarnagar	Rascut (Fresh)	2350	2200	150
	Hapur	Chaurasa	2350	2325	25
	Hapur	Balti	2450	2450	Unch

<b>Maharashtra</b>	Latur	Lal Variety	NR	NR	-
<b>Karnataka</b>	Bangalore	Mudde (Average)	4300	4300	Unch
	Belgaum	Mudde (Average)	NA	NA	-
	Belthangadi	Yellow (Average)	NA	NA	-
	Bijapur/Vijayapura	Achhu	2745	2725	20
	Gulbarga/Kalaburgi	Other (Average)	2780	2760	20
	Mahalingapura	Penti (Average)	NA	2922	-
	Mandya	Achhu (Medium)	3450	3450	Unch
	Mandya	Kurikatu (Medium)	3150	3150	Unch
	Mandya	Other (Medium)	3250	3250	Unch
	Mandya	Yellow (Medium)	3200	3400	-200
	Shimoga/Shivamogga	Achhu (Average)	3650	3650	Unch

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