

Sugar & Gur Domestic & International Fundamentals**Recent Update:**

India's sugar exports are likely to be far lower than a 5 million-tonne target set by government as a strengthening rupee and falling global prices make shipments unattractive despite a government push for overseas sales. As Agriwatch expected that India is likely to export to 3.0 million tonnes of sugar in the 2018/19 marketing year that started on Oct. 1

The Government of Punjab has released Rs 35 crore to the cooperative sugar mills of the state towards the payment for sugarcane dues for the year 2017-18. The same has been credited into the accounts of the sugarcane farmers. The cooperative sugar mills had dues amounting to Rs 182.26 crore pending towards the government as of December 31, 2018, out of which Rs 151.82 crores remain due following the payment of Rs 35 crore. Out of these Rs 151.82 crore, a sum of Rs 65 crore has been released by the Punjab Rural Development Board, which would be paid soon. This was stated by the state cooperation minister, S Sukhjinder Singh Randhawa.

Weather Forecast for tomorrow:

Cold wave conditions very likely at isolated pockets over Vidarbha. In East/Northeast India, a cyclonic circulation is over Meghalaya and adjoining region. In wake of this, isolated rain and snow may occur over higher reaches of Arunachal Pradesh. Isolated light rain is also possible over East Assam and North Nagaland. Weather of rest north eastern states will remain dry. Day and night temperatures may fall marginally over East Uttar Pradesh, Bihar and Jharkhand. Dense fog is expected over the foothills of East Uttar Pradesh and Bihar.

Previos Updates:

Sugar prices at Kolhapur gained by Rs 25 on Wednesday on increased demand at the mill level led by strong rumours that the government may increase minimum support rates for mills, currently at ₹2,900 per quintal.

The Centre is likely to revise the sugar minimum selling price (MSP) by 10 per cent from its current level of Rs 29 a kg to Rs 32 a kg in the weeks ahead. Last year, the Union food ministry had fixed the ex-factory sugar sale price at Rs 29 a kg to help domestic sugar mills amid falling retail sugar prices and the export-market squeeze owing to a global glut in the sector.

In Vijayawada, Retail prices are trading near Rs 34-36/ Kg compared to previous week Rs 34/ 37 kg. There is no threat to consumers as of now due to ample sugar production within the country and huge availability of exportable surplus.

Sugar prices have moved up by `20-30 per quintal on Friday on speculation that the government of Uttar Pradesh seems to favour a 12% possible price rise in the minimum floor price (MFP) of the sweetener. The outlook, however, does not look very promising with a continued weak demand in the market and reports of good sugar production.

According to the latest data from the Maharashtra government's Commissionerate of Sugar, mills in the state, as on December 31, were to have paid growers Rs 7,450.90 crore for cane at the "fair and remunerative price" or FRP of about Rs 245 per quintal declared by the Centre for the 2018-19 season (average rate, after deducting harvesting and transport charges from field). But they had only managed to pay Rs 2,875.37 crore, which translates into arrears of Rs 4,575.53 crore. For Uttar Pradesh the current season, they have, till January 4, bought cane worth Rs 10,051.02 crore at the state government's average state "advised" price or SAP of around Rs 320 per quintal. Out of this, they were to pay Rs 7,210.11 crore within the stipulated 14-day period from the date of cane delivery. But payments so far have been just Rs 2,857.03 crore, with the resulting arrears at Rs 4,353.08 crore, and Rs 6,123.26 crore overall.

India's sugar production till December 31, 2018 is up by 6.7% y-o-y. As on 31st December, 2018, 501 sugar mills were in operation in the country and have produced 110.52 lakh tonnes of sugar, as compared to 103.56 lakh tons produced by 505 sugar mills as on 31st December 2017. The slightly higher production of 6.96 lakh tonnes is because Maharashtra and Karnataka sugar mills started their crushing earlier this year. However, due to substantially lower rainfall and white grub infestation, Maharashtra will produce significantly lower quantity this year as compared to last year. Overall, the country is expected to produce much less sugar this season as compared to last year.

Weekly Outlook:

Indian Sugar market witnessed a mixed trend during last week. On hopes of increase in floor price which is currently at Rs 2,900 per quintal. We expect sugar prices may trade down on good physical supplies from mills are continuing in the physical market due to imposed stock limit on mills. Prices are supportive after Jan due to the expectation of weak cane crush this season in the key producing states of UP, Maharashtra and Karnataka. The release quota for January month of 18.50 LMT little lower than December month, since UP and Maharashtra states demanding extra sales quota, due to the low sales quota, mills are unable to sell their sugar and repay the farmers on time.

NCDEX Sugar (M grade) Future Quotes (At 05:00 p.m. as on 20-12-2018)

Contract	+/-	Open	High	Low	close	Volume	O.I
Cont. (DEC)	-	2989	2989	2989	2989	-	-
Spread	Cont Dec(C1)						
Spot							

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

International Sugar Futures ICE					(Rs/Qtl)	
Futures month	% Change over previous year	Today	Week ago	Month Ago	Year Ago	RBI Dollar
		9-Jan-19	2-Jan-19	9-Dec-18	9-Jan-18	9-Jan-19
Oct-18	-1.26	2122	#N/A	#N/A	2149	70.44
Mar-19	-3.02	2031	#N/A	#N/A	2094	
May-19	-2.23	2053	#N/A	#N/A	2100	

(Source: Reuters) * Today – figures are a day ago Quotes.

International Sugar Futures LIFFE					(Rs/Qtl)	
Futures month	% Change over previous year	Today	Week ago	Month Ago	Year Ago	RBI Dollar
		9-Jan-19	2-Jan-19	9-Dec-18	9-Jan-18	9-Jan-19
Oct-18	1.70	2542	#N/A	#N/A	2500	70.44
Dec-18	3.46	2609	#N/A	#N/A	2522	
Mar-19	-0.94	2449	#N/A	#N/A	2472	

Commodity		Change
Thai Sugar FOB 45 Icumsa	347.7	2.3

Sugar Prices at Key Spot Markets:					
Commodity	Centre	Variety	Prices (Rs/Qtl)		Change
Sugar			10-Jan-19	09-Jan-19	
Delhi	Delhi	M-Grade	3100	3150	-50
	Delhi	S-Grade	3080	3130	-50
Uttar Pradesh	Khatauli	M-Grade	3270	3270	Unch
	Ramala	M-Grade	NA	NA	-
	Dhampur	M-Grade Ex-Mill	3075	3075	Unch
	Dhampur	S-Grade Ex-Mill	3055	3055	Unch
	Dhampur	L-Grade Ex-Mill	3125	3125	Unch
Maharashtra	Mumbai	M-Grade	3216	3256	-40
	Mumbai	S-Grade	3066	3066	Unch

	Nagpur	M-Grade	3100	3100	Unch
	Nagpur	S-Grade	3050	3050	Unch
	Kolhapur	M-Grade	2975	2975	Unch
	Kolhapur	S-Grade	2925	2925	Unch
Assam	Guhawati	S-Grade	3233	3233	Unch
Meghalaya	Shillong	S-Grade	3245	3245	Unch
Andhra Pradesh	Vijayawada	M-Grade	3440	3440	Unch
	Vijayawada	S-Grade	3400	3400	Unch
West Bengal	Kolkata	M-Grade	3440	3450	-10
Tamil Nadu	Chennai	S-Grade	3110	3100	10
	Dindigul	M-Grade	#N/A	3440	-
	Coimbatore	M-Grade	#N/A	3450	-
Chattisgarh	Ambikapur	M-Grade (Without Duty)	#N/A	3500	-

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

Jaggery (Gur) Prices at Key Spot Markets:

Commodity	Centre	Variety	Prices (Rs/Qtl)		Change
			10-Jan-19	09-Jan-19	
Jaggery(Gur)					
Uttar Pradesh	Muzaffarnagar	Chaku Fresh	2475	2470	5
	Muzaffarnagar	Chaku(Arrival)(40kg Bag)	7000	6000	1000
	Muzaffarnagar	Khurpa (Fresh)	2263	2338	-75
	Muzaffarnagar	Laddoo (Fresh)	2513	2563	-50
	Muzaffarnagar	Rascut (Fresh)	2075	2075	Unch
	Hapur	Chaurasa	2175	2188	-13
	Hapur	Balti	2250	2250	Unch
Andhra Pradesh	Chittur	Gold	4000	4200	-200
		White	3700	3700	Unch
		Black	3000	3100	-100
Maharashtra	Latur	Lal Variety	NR	NR	-
Karnataka	Bangalore	Mudde (Average)	4150	4150	Unch
	Belgaum	Mudde (Average)	NA	NA	-
	Belthangadi	Yellow (Average)	NA	NA	-
	Bijapur/Vijayapura	Achhu	2600	NA	-
	Gulbarga/Kalaburgi	Other (Average)	NA	3050	-
	Mahalingapura	Penti (Average)	NA	NA	-
	Mandya	Achhu (Medium)	2900	NA	-
	Mandya	Kurikatu (Medium)	2700	NA	-

	Mandya	Other (Medium)	2750	NA	-
	Mandya	Yellow (Medium)	3000	NA	-
	Shimoga/Shivamogga	Achhu (Average)	3200	3200	Unch

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