

Sugar & Gur Domestic Market 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.
- **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.
- **March NY world sugar #11 (SBH19) on Monday closed up +0.72 (+6.04%)** and March ICE London white sugar (SWH19) closed up by +13.80 (+4.17%). Sugar prices rallied sharply Monday to 2-1/2 week highs on a rally in crude oil to a 2-1/2 week high, which benefits ethanol prices and may prompt Brazil's sugar producers to divert more cane crushing to ethanol production than sugar, thus reducing sugar supplies.
- **In Vijayawada, 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.
- **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 tonnes 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 320 lakh tonnes of sugar this season as compared to 322 lakh tonnes of last year.
- **According to the order issued by the Ministry of Consumer and Food, subsidy on buffer stock will not be provided to the sugar mills which have failed to export mandatory exports.** In the past year, the government decided to make 3 million tonnes of buffer stock to stop falling prices of sugar. The Cabinet had approved the provision of Rs 11.75 billion for buffer stock of 30 lakh tonnes for one year. But now the government has laid down the mandatory export ban to provide subsidy on sugar storage. The New York and London sugar prices are low compared

with India's domestic raw sugar price by almost Rs 12-Rs 15 a kg and also don't have parity for Indian sugar for its destinations.

- **The total export of October-December, 2018 quarter is only 2.6 lakh tonnes, while the average target is 12.5 lakh tonnes in the quarter.** Recently, the government gave a warning to Mills in this case. Most of the weakest exports in UP are sugar mills, which the government was providing transportation subsidy on exports. In spite of this, the provinces of the province could not fulfill the goal of sending another country to China.
- **The government is also exploring the possibility of export in countries like China, Bangladesh, Malaysia and South Korea.** The sugarcane arrears outstanding at the FRP of sugarcane season 2017-18 is Rs 1,924 crore. At the same time, the State Consultation Value (SAP) of the same period is Rs 5,465 crore. Apart from this, Rs 2,082 crore is also owed. Adding these three, the total outstanding Rs 9,471 crore is due to sugarcane farmers.
- **Uttar Pradesh, appears to have favored a 12 per cent increase in the government-set floor price for the sweetener** even as farmers in another producing belt, Maharashtra, have begun agitations to secure payments for the cane already crushed at mills this season. "As 65 per cent of the sugar produced in the country is used by institutional buyers, if the MSP (minimum support price) of sugar is increased from Rs 29/kg to Rs 32.50/ kg, it would not affect the consumers that adversely," Sanjay Bhoosreddy, principal secretary, Sugar Industry and Cane Development Department, Uttar Pradesh, said.
- **Sugar wholesale market prices witnessed mixed trend on Wednesday.** This was despite trade expectations that the release quota of 1.85 million tonnes for Jan was lower than probable demand. The 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. The arrears, including the carryover of the previous 2017-18 crushing season, are estimated at Rs 6,500 crore in the two key sugar producing states of Uttar Pradesh and Maharashtra. They together account for more than 50 per cent of the annual production. UP alone accounts for Rs 4,000 crore of arrears comprising almost Rs 2,000 crore and Rs 4,000 crore for the 2017-18 and 2018-19 seasons, respectively

Weather Forecast for tomorrow:

- During the next 24 hours, light to moderate rain and snow is expected over many places of Jammu and Kashmir, Himachal Pradesh and isolated pockets of Uttarakhand and Arunachal Pradesh. Isolated rains may also occur over North Punjab. Minimums are expected to rise over the northwestern plains and maximums may drop over Jammu and Kashmir, Himachal Pradesh, Uttarakhand and parts of Punjab. Pollution levels over Delhi-NCR will remain unchanged.

Sugar & Gur International Market Update

- **March NY world sugar #11 (SBH19) on Thursday closed down -0.20 (-1.55%)** and March ICE London white sugar (SWH19) closed down -3.60 (-1.04%). Sugar prices moved lower Thursday on weakness in crude oil prices, which undercuts ethanol and may prompt Brazil's sugar mills to divert more cane crushing toward sugar production rather than ethanol, thus boosting sugar supplies.

- **Mexico produced 225,000 tonnes of sugar**, tel quel, in the week to December 29, up from 221,000 in the corresponding week last year, official data showed.
- **As crushing operations slowed down for the New Year celebrations**, the country's sugar mills had processed 29.1 mln tonnes of cane against 20.1 mln in the same period a year ago.
- **Sugar mills in Brazil's Centre/South (CS) crushed 12.6 mln tonnes of sugarcane in the first half of December**, bringing the total crush since the official start on April 1 to 556.851 mln tonnes, down 4.1% from 580.684 mln crushed by the same time in 2017/18, Unica reported in its press conference for the 2018/19 harvest. Thailand's 2018/19 cane crush continues to ramp up with daily crushing volumes exceeding 1 mln tonnes in mid-December.
- **Indonesia has set the raw sugar import quota for industrial use for 2019 at 2.83 mln tonnes**, according to Oke Nurwan, director general of international trade at the Trade Ministry.
- **Ukraine's sugar factories processed 12.10 million tonnes of beet into 1,639,500 tonnes of sugar as of December 19**, the National Association of Sugar Producers (Ukrtsukor) indicated.
- **Australian Sugar mills crushed only 132,000 tonnes of cane in the week to December 9 as the crop has practically ended**. Thailand's sugar production from the 2018/19 crush crossed the 1 million tonnes threshold by mid-December, official data showed.
- **The USDA reduced its estimate of domestic sugar beet production in 2018/19 (Oct/Sep) by 73,942 short tons, raw value, to 4.900 million in its December WASDE report.**

Spot Prices of Sugar at NCDEX Delivery Centers

Spot Prices of Sugar at NCDEX Delivery Centers:					
Centre	% Change over previous year	Today	Week ago	Month Ago	Year Ago
		11-Jan-19	4-Jan-19	11-Jan-19	11-Jan-18
Sugar S Grade					
Erode	#VALUE!	NA	NA	NA	3895
Kolhapur	-6.23	2919	2925	2919	3113
Kolkata	-	NA	NA	NA	0
Vashi	#VALUE!	NA	NA	NA	0
Sugar M Grade					
Delhi	-3.03	3195	3168	3195	3295
Erode	#VALUE!	NA	NA	NA	0
Kanpur	-6.89	3191	3174	3191	3427
Kolhapur	-6.67	2992	2998	2992	3206
Kolkata	-3.37	3381	3310	3381	3499
Muzaffar Nagar	-4.53	3200	3150	3200	3352
*NA: Not Available					

International Sugar Futures ICE					(Rs/Qtl)	
Futures month	% Change over previous year	Today	Week ago	Month Ago	Year Ago	RBI Dollar
		10-Jan-19	3-Jan-19	10-Dec-18	10-Jan-18	10-Jan-19
Oct-18	-3.42	2085	1937	2104	2159	70.51
Mar-19	-4.45	2001	1842	2032	2094	
May-19	-3.85	2023	1863	2048	2104	

(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
		10-Jan-19	3-Jan-19	10-Dec-18	10-Jan-18	10-Jan-19
Oct-18	0.79	2529	2350	2526	2509	70.51
Dec-18	2.32	2591	2422	2590	2532	
Mar-19	-1.92	2426	2281	2446	2474	

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

NCDEX Futures Quote (As on 20 Dec, 2018)

Contract	+/-	Open	High	Low	Close
Dec-18	-	2989	2989	2989	2989

Source: NCDEX.

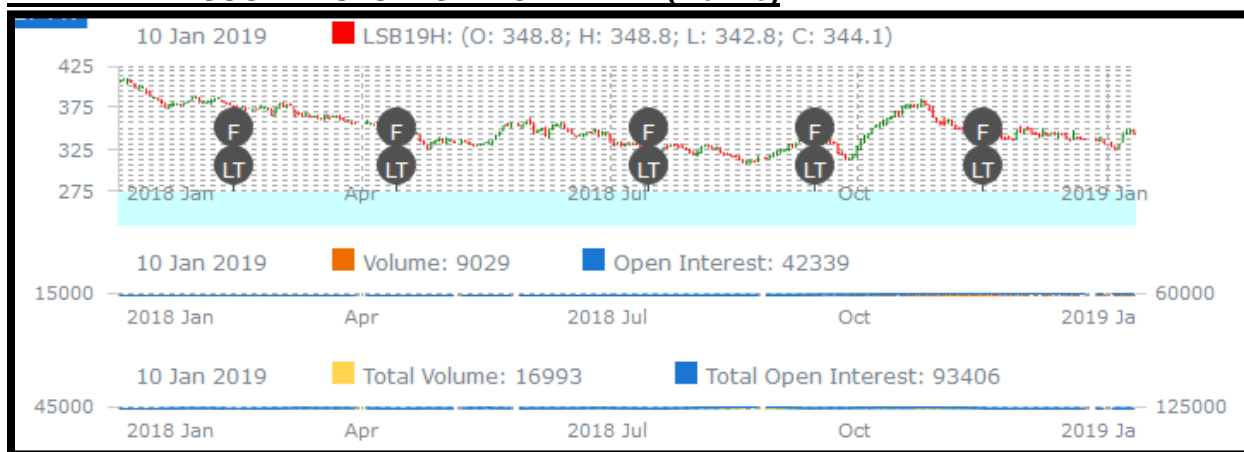
Commodity-wise, Market-wise Daily Report on : 11/01/2019

Market Center	Arrivals(in tonnes)	Unit of Arrivals	Origin	Minimum Prices(in Rs/quintals)	Maximum Prices(in Rs/quintals)	Modal Prices(in Rs/quintals)
Sugar						
Maharashtra						
Mumbai	555	Tonnes	NR	3042	3242	3102
Odisha						
Bonai	3	Tonnes	NR	4000	4000	4000

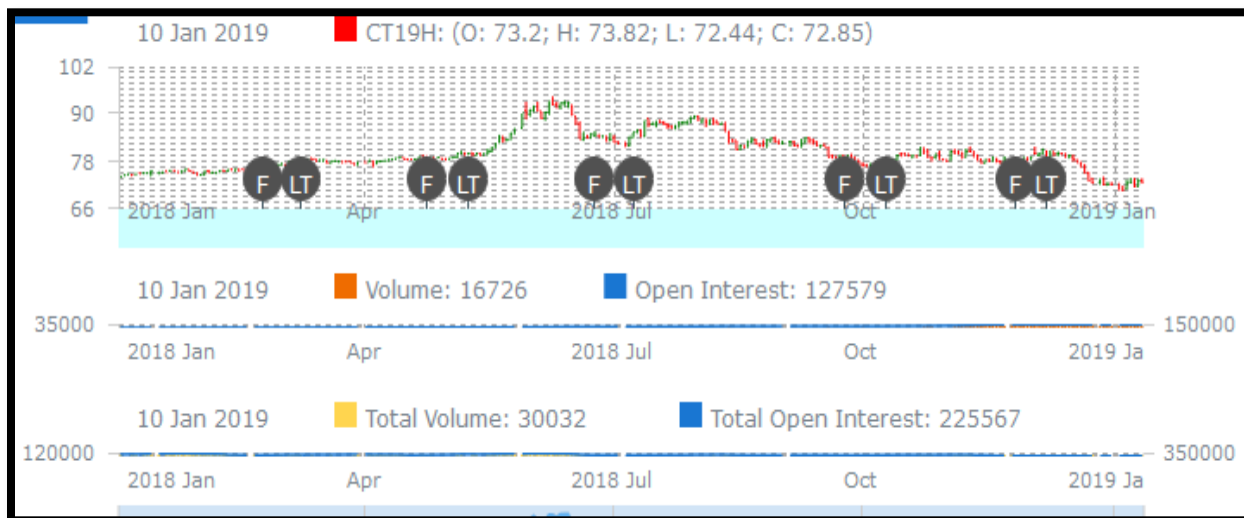
Rajasthan						
Kapasan	0.6	Tonnes	NR	3200	3500	3400
Uttar Pradesh						
Aligarh	80	Tonnes	NR	3290	3330	3310
Lakhimpur	12	Tonnes	NR	3240	3300	3280
Paliakala	1.2	Tonnes	NR	3340	3370	3350
Shamli	25	Tonnes	NR	3200	3400	3300
Sultanpur	4.5	Tonnes	NR	3300	3500	3400

Source: Agmarknet

LIFFE WHITE SUGAR FUTURES PRICE TREND (Mar'19)



ICE RAW SUGAR FUTURES PRICE TREND (Mar'19)





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