

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

*The prices across India showed mixed trend today at Rs.3120/q in Delhi and Rs.3780 in Vijayawada. The prices in Khatauli, UP remained steady at Rs.3215/q today. While the prices in Chennai stood at Rs. 3800/q.*

***Although the sugar demand declined in both domestic and international market but soon after the lockdown is lifted, it is expected that the demand would surge. As the demand would increase from the bulk consumers when the restaurants, malls, the processing factories would resume their operations. Also, the demand from Indonesia and Thailand could compensate the exports that are halted for a while in lockdown period. Usually Indonesia imports a major quantity of sugar from Thailand but the country is itself facing from sugar shortage of around 5 million tonnes. Therefore, as soon as the lockdown is lifted in all countries the sudden demand is likely to receive by India from Indonesia, Thailand along with Australia with the preferential duty most probably by June and July.***

***Karnataka sugar mills crushed 338 lakh tonnes of sugarcane declined by 15% y/y producing 33.6 LT of sugar in 2019-20 sugar season. Around 1 LT of sugarcane left uncrushed due to the sudden closure of mills after the lockdown. Therefore, the sugar industry is seeking as relief package of Rs.1000 crores that is facing from the severe financial crunch due to the coronavirus lockdown. Along the decline in sugar demand, the ethanol sales also plunged due to the slowdown in demand in petrol and diesel.***

**Weather Forecast:**

*Thunderstorm accompanied with lightning & gusty winds (speed reaching 40-50 kmph) very likely at isolated places over SubHimalayan West Bengal & Sikkim; with lightning & gusty winds (speed reaching 30-40 kmph) Odisha and Arunachal Pradesh and with lightning at isolated places over Chhattisgarh, East Madhya Pradesh, Vidarbha, Bihar, Jharkhand, Coastal Andhra Pradesh & Yanam, Interior Karnataka, Tamil Nadu & Puducherry, Kerala & Mahe and Telangana.*

**Previous Updates:**

***According to ISMA, 247.8 lakh tonnes of sugar have been produced till 15<sup>th</sup> April'20 across India down by 20% as against 311.75 lakh tonnes produced in the same time last year. As on 15<sup>th</sup> April'20, 139 mills were operational while 172 sugar mills that were still crushing sugarcane on 15th April 2019 last year. In UP, sugar mills have produced 108.25 LT of sugar compared to 105.55 LT of sugar with only 98 mills operational mills till 15th April'20 and 103 mills were operational last year. In Maharashtra, 136 mills have closed their operations with only 10 mills operating at this time with producing 60.12 LT compared with 106.71LT produced year on year. Similarly, this year Karnataka has also produced less sugar i.e., around 33.82 LT against 43.2 LT last year till 15th April. All mills are closed so far in the state while 1 mill was in operation during the same time last year. According to Agriwatch, Maharashtra is likely to produce around 60-61 LT followed by UP estimated around 122 LT of sugar and around 34 LT of sugar in Karnataka.***

***The two major sugar producing mills in Philippines are shut down due to the increasing effects of coronavirus in the country. The government announced a lockdown from 13<sup>th</sup> April to 26<sup>th</sup> April'20 to minimize the spread of coronavirus. Both the mills together contributes around 16% of the country's total production and produce around 82% of sugar of Southern island region. After the closure of the mills, it could lead to the shortage of sugar due to which the sugar prices might hike. The country is not a large importer but when it does, it usually buys from Thailand.***

**Brazilian sugar mills produced around 2.27 LT of sugar in the South-Central region in last two weeks of March** that allocated 29.33% of the cane to produce sugar in the period, compared to 20.5% at this time last year. While the total sugar exports declined by 11% in Brazil year on year by producing 26.76 MMT of total sugar, up by only around 1% this season.

**DFPD has asked the sugar mills to submit the quarterly report of sugar export by April 20 extended by 17 days which was supposed to be submitted by April 3<sup>rd</sup>.** The ministry also warned that if mills fail to export the quota by 31<sup>st</sup> Mar'20, they would not be entitled for their claim for their quota of fourth quarter under the MAEQ scheme and also for maintenance of buffer stock of 40 LT notified by DFPD earlier in the previous year.

**Sugar mills in UP would continue operations till the entire sugarcane crop is harvested for this season.** Around 100 mills are still crushing out of the total 119 operational mills this sugar season. So far this year till 10<sup>th</sup> Apr'20, around 932 LT of sugarcane has been harvested by producing 105.41 LT of sugar up by 2.66% compared to the previous year sugar production during the same period. Only around 15 per cent sugarcane is left to be supplied to the sugar mills.

**In many states, the mills are facing difficulty in the crushing operations as many labourers have returned to their homes after the lockdown.** Sugarcane is lying in the fields in many states because of lack of cane harvesting labourers to cut it. The Bardoli district in Gujarat has an area of 8000 ha spread over 1.25 lakh tonnes of sugarcane is not being harvested. The area needs around 10,000 labours but only 3000 farm labours are working to harvest 1.25 lakh tonnes of cane.

**As the poor families and daily wage workers are suffering a lot after the covid-19 lockdown in every state,** the Gujarat government has decided to provide free ration to around 60 lakh families who were not getting food under National Food Security Act. They would be given 10 kg wheat grains, 3 kg rice, 1 Kg pulse grain and 1 kg sugar all free of cost. As the sugar piles in the godowns after the lockdown due to the lack of availability of labour and disruption in transport, now the mills are able to liquidate the stocks.

## 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	nt Dec(C1)						
Spot							

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

Commodity		Change
Thai Sugar FOB 45 Icumsa	340	2.2



### International Sugar Futures ICE (US Cent/lb)

Daily Futures Price Listing Mon April 20, 2020									
Most Recent Information							Previous Day		
Mth	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
Sugar #11(ICE)									
<a href="#">20-May</a>	200420	10.37	10.37	10.03	10.06	-0.31	57,038	142,692	-37,256
<a href="#">20-Jul</a>	200420	10.53	10.55	10.22	10.26	-0.27	72,516	346,421	3,712
<a href="#">20-Oct</a>	200420	10.76	10.78	10.47	10.53	-0.23	25,854	208,709	2,354
<a href="#">21-Mar</a>	200420	11.43	11.45	11.17	11.21	-0.22	11,686	122,488	1,550
<a href="#">21-May</a>	200420	11.45	11.46	11.21	11.25	-0.19	2,733	57,250	-417
<a href="#">21-Jul</a>	200420	11.48	11.49	11.27	11.3	-0.17	1,503	42,828	-252
<a href="#">21-Oct</a>	200420	11.66	11.67	11.47	11.5	-0.14	828	42,238	-140
<a href="#">22-Mar</a>	200420	12.03	12.06	11.99	12.02	-0.1	184	18,992	57
Total Volume and Open Interest							172,558	997,739	-30,319

### International Sugar Futures LIFFE(US \$/MT)

Daily Futures Price Listing Mon April 20, 2020									
Most Recent Information							Previous Day		
Mth	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
London Sugar(LCE)									
<a href="#">20-May</a>	200420	338.5	339	329	329.1	-10.9	5,921	49,657	1,222
<a href="#">20-Aug</a>	200420	328.7	329.1	319.2	319.9	-10.1	2,393	17,344	28
<a href="#">20-Oct</a>	200420	326.8	328	319.7	320	-9	664	10,748	55
<a href="#">20-Dec</a>	200420	326.9	326.9	321.2	321.4	-7.9	175	9,474	-24
<a href="#">21-Mar</a>	200420	331.9	331.9	327	327.3	-7	46	3,268	1
Total Volume and Open Interest							9,244	94,727	1,312

DOMESTIC PRICES AND ARRIVAL

Sugar Prices at Key Spot Markets:					
Commodity	Centre	Variety	Prices (Rs/Qtl)		Change
Sugar			21-Apr-20	20-Apr-20	
Delhi	Delhi	M-Grade	3120	3110	10
	Delhi	S-Grade	3100	3090	10
Uttar Pradesh	Khatauli	M-Grade	3215	3215	Unch
	Ramala	M-Grade	3120	3120	Unch
	Dhampur	M-Grade Ex-Mill	3140	3140	Unch
	Dhampur	S-Grade Ex-Mill	3120	3120	Unch
	Dhampur	L-Grade Ex-Mill	3190	3190	Unch
Maharashtra	Mumbai	M-Grade	3440	3450	-10
	Mumbai	S-Grade	3400	3380	20
	Nagpur	M-Grade	3325	3325	Unch
	Nagpur	S-Grade	3225	3225	Unch
	Kolhapur	M-Grade	3200	3200	Unch
	Kolhapur	S-Grade	3100	3100	Unch
Assam	Guhawati	S-Grade	3410	3410	Unch
Meghalaya	Shillong	S-Grade	3420	3420	Unch
Andhra Pradesh	Vijayawada	M-Grade	3780	3820	-40
	Vijayawada	S-Grade	3720	3760	-40
West Bengal	Kolkata	M-Grade	3750	3750	Unch
Tamil Nadu	Chennai	S-Grade (With GST)	3800	3800	Unch
	Dindigul	M-Grade	4160	4160	Unch
	Coimbatore	M-Grade	4020	4020	Unch
Chattisgarh	Ambikapur	M-Grade (Without Duty)	3600	3600	Unch
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)			21-Apr-20	20-Apr-20	
Uttar Pradesh	Muzaffarnagar	Chaku Fresh	2878	2910	-33
	Muzaffarnagar	Chaku(Arrival)(40kg Bag)	8000	10000	-2000
	Muzaffarnagar	Khurpa (Fresh)	2588	2563	25

	Muzaffarnagar	Laddoo (Fresh)	2900	2878	23
	Muzaffarnagar	Rascut (Fresh)	2413	2413	Unch
	Hapur	Chaurasa	2560	Closed	-
	Hapur	Balti	2563	Closed	-
Andhra Pradesh	Chittur	Gold	4800	4900	-100
		White	NA	NA	-
		Black	4000	4000	Unch
Maharashtra	Latur	Lal Variety	NR	NR	-
Karnataka	Bangalore	Mudde (Average)	NA	NA	-
	Belgaum	Mudde (Average)	NA	NA	-
	Belthangadi	Yellow (Average)	NA	NA	-
	Bijapur/Vijayapura	Achhu	NA	NA	-
	Gulbarga/Kalaburgi	Other (Average)	NA	NA	-
	Mahalingapura	Penti (Average)	NA	NA	-
	Mandya	Achhu (Medium)	NA	NA	-
	Mandya	Kurikatu (Medium)	NA	NA	-
	Mandya	Other (Medium)	NA	NA	-
	Mandya	Yellow (Medium)	NA	NA	-
	Shimoga/Shivamogga	Achhu (Average)	NA	NA	-

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