

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

The prices across India showed mixed trend in prices today prices at Rs.3100/q in Delhi and Rs.3155 in Khatauli, UP. The prices in Vijaywada remained steady at Rs.3740/q today. While Chennai market was closed due to labour's Day.

India has produced around 258 LT of sugar till 30th Apr'20, down by 20% from last year and reached near the target of 2019-20 which is around 262 LT. In all the states, the crushing operations are completed so far except in UP. The mills in UP would continue crushing till the last week of May this year. According to Agriwatch estimates, as the disruption caused amid lockdown in the last few days due to which the cane that used to be delivered to the jaggery units are now moved to the sugar mills in UP. Also, some cane is crushed in special season later in the year in Karnataka and Tamil Nadu. Considering all, the sugar production might increase by around 2-3 LT to reach around 265 LT this year from the previous estimate of 262.

As on 30th April'20, 112 mills were operational in UP while only 90 sugar mills that were still crushing sugarcane last year. In UP, sugar mills have produced 116.52 LT of sugar at 11.36% sugar recovery compared to 112.9 LT of sugar production at 11.46% sugar recovery with 75 mills operational mills till 30th April'20 and 68 mills were operational last year. In Maharashtra, 143 mills have closed their operations with only 3 mills operating at this time with producing 60.67 LT compared with 107.15 LT produced year on year.

Weather Forecast:

Thunderstorm accompanied with lightning, hail & gusty winds (speed reaching 30-40 kmph) likely at isolated places over Uttarakhand and East Madhya Pradesh; with lightning & gusty winds (speed reaching 30-40 kmph) at isolated places over West Madhya Pradesh, Vidarbha, Chhattisgarh, Sub-Himalayan West Bengal & Sikkim, Coastal Andhra Pradesh & Yanam, Tamilnadu, Puducherry & Karaikal and Kerala & Mahe and with lightning at isolated places over Jammu & Kashmir, Ladakh, Gilgit- Baltistan, Muzaffarabad, Bihar, Konkan & Goa and Coastal & South Interior Karnataka.

Previous Updates:

The monthly sales quota has been released at 17 LT for May'20 which is 3.99 LT lower compared to the previous year quota during the same time. After the lockdown in India, the sugar sales have declined and the unsold sugar is piling in the warehouses. The domestic consumption declined by around 40-50% due to the unavailability of demand from the bulk buyers. It was 18 LT sales quota for the April month and the unsold sugar is carry forwarded in the coming month till 31st May'20 by DFPD. As the summer season has arrived in the country, therefore, a slight increase in sugar sales can be expected in the coming month.

The sugar production in UP might increase from the expected production of 123 LT after the lockdown. Till 26th Apr'20, around 1005 LT of sugarcane is crushed by producing 114.06 LT of sugar while sugar production in Maharashtra reached around 60.65 LT by crushing 539 LT of cane this year till 26th April'20. Many sugarcane producers in UP give their produce to the sugar mills and few producers sell to the jaggery units. But, currently the small jaggery units are non-operational as the labour is not available. Therefore, farmers are forced to sell their produced cane to the sugar mills. Also, after the lockdown a fall in demand is reported in jaggery.

UP is producing 61,000 liters of sanitizer per day as a result producing around 21 lakh liters of sanitizer till 20th Apr'20. Sugar mills have continued crushing during the lockdown. So far this year till 26th Apr'20, around 1005 LT of sugarcane is crushed by producing 114.06 LT of sugar up by 2.72% compared to the previous year sugar production during the same period. The sugar recovery rate reached at 11.35% compared to 11.46% in last year during the same period.

The sugarcane crop harvesting is in its peak in Punjab, Haryana and UP. Sugarcane harvesting has been completed in Maharashtra, Karnataka, Gujarat, Andhra Pradesh and Punjab. The maximum area is left for harvesting is in Uttar Pradesh with 15-20%. For the states of Tamil Nadu, Bihar, Haryana and Uttarakhand, 92-98% harvesting has been completed.

The sugar exports have been resumed from India few days back in the week. Around 1.34 LT of raw sugar is in line waiting for loading at the Kandla port by this week end. All the major contracts are being sent to Kandla port because the port is known for following good safety measure required for exports. Also, few shipments are in line in Jaigad and Kakinada port of around 28,000 tonnes in each port for loading. Mostly the sugar from Maharashtra is being transported to Kandla port by train at the price of around Rs.2300-2400/q.

The sugar production in Thailand is estimated to recover to 12.9 MMT in 2020-21 season, up by 56% in 2019-20 year, according to USDA report. Sugar production in 2019-20 is forecast to decline to 8.3 MMT due to reduced sugarcane acreage and reduced average yields caused by drought. Sugar exports in marketing year 2020-21 are expected to increase to around 11 MMT, up 3 percent from exports in MY 2019-20. Also, in MY 2020-21 sugar consumption is expected to be at around 2.5 MMT. As, Non-alcoholic beverage manufacturers in the country are likely to further reduce production of beverages with high-sugar content. However, the demand for sugar from household consumption and food-processing manufacturers will likely continue to increase slightly.

India has permitted the exports of 745 tonnes of raw sugar up to 30th Sep'20 to USA under TRQ (Tariff Rate Quota) i.e., exporting under relatively low tariff. India has permitted the exports of 9,169 tonnes of raw sugar for the export to the USA under TRQ up to Sep'20. Till 3rd Sep'19, India permitted 8,424 tonnes of sugar and the rest of the quantity would be shipped up till 30th Sep this year. India enjoys the duty free sugar exports to US under TRQ annually. India has this preferential quota with the European nations as well.

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	336.2	15

International Sugar Futures ICE (US Cent/lb)

Daily Futures Price Listing Thu April 30, 2020									
Most Recent Information							Previous Day		
Mth	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
Sugar #11(ICE)									
20-May	200430	9.96	10.39	9.96	10.39	0.63	15,960	50,996	-3,502
20-Jul	200430	10.06	10.44	10.04	10.37	0.45	66,496	364,668	4,719
20-Oct	200430	10.3	10.69	10.3	10.63	0.42	26,821	206,914	-1,133
21-Mar	200430	11.01	11.37	11.01	11.32	0.4	12,765	133,751	2,138
21-May	200430	11.11	11.35	11.09	11.31	0.34	3,252	64,633	590
21-Jul	200430	11.2	11.35	11.12	11.31	0.3	3,076	47,166	-478
21-Oct	200430	11.49	11.55	11.35	11.5	0.24	1,915	40,849	-268
22-Mar	200430	12.03	12.08	11.88	11.99	0.17	1,490	21,666	373
Total Volume and Open Interest							132,134	950,948	2,611

International Sugar Futures LIFFE(US \$/MT)

Daily Futures Price Listing Thu April 30, 2020									
Most Recent Information							Previous Day		
Mth	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
London Sugar(LCE)									
20-May	200430	328.5	340	328.3	336.2	15	5,037	52,018	-298
20-Aug	200430	321.3	329.8	318.8	328	13.7	1,609	18,386	147
20-Oct	200430	322.1	326.6	319.4	325.2	9.9	549	10,904	-120
20-Dec	200430	324.9	327.3	321.7	326.3	7.9	523	9,800	-88
21-Mar	200430	331.6	332.9	329	331.8	6.4	561	3,891	223
Total Volume and Open Interest							8,704	100,299	197

DOMESTIC PRICES AND ARRIVAL

Sugar Prices at Key Spot Markets:					
Commodity	Centre	Variety	Prices (Rs/Qtl)		Change
Sugar			1-May-20	30-Apr-20	
Delhi	Delhi	M-Grade	3100	3120	-20
	Delhi	S-Grade	3080	3100	-20
Uttar Pradesh	Khatauli	M-Grade	3155	3160	-5
	Ramala	M-Grade	3110	3100	10
	Dhampur	M-Grade Ex-Mill	3130	3125	5
	Dhampur	S-Grade Ex-Mill	3110	3105	5
	Dhampur	L-Grade Ex-Mill	3180	3175	5
Maharashtra	Mumbai	M-Grade	3510	3510	Unch
	Mumbai	S-Grade	3370	3370	Unch
	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	3740	3740	Unch
	Vijayawada	S-Grade	3680	3680	Unch
West Bengal	Kolkata	M-Grade	3750	3750	Unch
Tamil Nadu	Chennai	S-Grade (With GST)	Closed	3800	-
	Dindigul	M-Grade	4250	4250	Unch
	Coimbatore	M-Grade	4150	4150	Unch
Chattisgarh	Ambikapur	M-Grade (Without Duty)	3700	3700	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)			1-May-20	30-Apr-20	
Uttar Pradesh	Muzaffarnagar	Chaku Fresh	2875	2875	Unch
	Muzaffarnagar	Chaku(Arrival)(40kg Bag)	5000	3000	2000
	Muzaffarnagar	Khurpa (Fresh)	2838	2838	Unch

	Muzaffarnagar	Laddoo (Fresh)	2975	3000	-25
	Muzaffarnagar	Rascut (Fresh)	2550	2500	50
	Hapur	Chaurasa	2863	2875	-13
	Hapur	Balti	2750	2775	-25
Andhra Pradesh	Chittur	Gold	4600	4600	Unch
		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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