

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

The prices across India showed mixed trend today. The prices in Delhi, Kolhapur and Vijayawada stood steady at Rs. 3320/q, Rs.3250/q and Rs.3740/q respectively. The prices were slightly down in khatauli by Rs.20/q and stood at Rs.3350/q.

ISMA estimates an increase of 17% in sugar production from 2019-20 year to around 320 LT in 2020-21. In the view of normal to good rainfall this year, the area is likely to increase by around 8%. In the hope of increase in FRP and minimum selling price of sugar is encouraging to increase the area under sugarcane by the cane farmers. The sugar mills have cleared Rs. 47,127 crore cane price dues out of the total payable of Rs 64,261 crore as on May 28 on FRP basis of the 2019-20 season. Also, the government is reimbursing the carrying cost of Rs 1,674 crore towards the maintenance of buffer stock of 40 lakh tonne of sugar. The government is helping mills to clear off the cane arrears of farmers.

Weather Forecast:

Heavy to very heavy rainfall at a few places with extremely heavy falls at isolated places very likely over Sub-Himalayan West Bengal & Sikkim; heavy to very heavy rainfall at isolated places with extremely heavy falls at isolated places over Bihar, Arunachal Pradesh, Assam & Meghalaya and Kerala & Mahe; heavy to very heavy rainfall at isolated places over East Uttar Pradesh, Nagaland, Manipur, Mizoram & Tripura, South Interior Karnataka and Lakshadweep and heavy rainfall at isolated places over Jharkhand, Madhya Maharashtra, Marathwada, Rayalaseema Coastal Karnataka and Tamilnadu, Puducherry & Karaikal.

Previous Updates:

According to the trade sources, India exported around 4 LT of total sugar (including White refined and raw sugar) in May month almost same quantity was shipped during April this year. As most of the mills has started refining sugar, therefore, more than 1.5 LT of refined sugar has been exported out of the total sugar exports. Sudan, Syria, Jordan, China, Tanzania, Afghanistan, Yemen, UAE, Qatar, Somalia were the major importers for refined sugar. Whereas Indonesia and Bangladesh were the largest importer of raw sugar purchasing around 77,000 tonnes and 27,000 tonnes respectively in May month.

The sugar domestic prices increased in last 10 days, up by around Rs.30 to 150/q across India. Amid the ministry is likely to announce a surge minimum support price sooner by Rs.2/kg to Rs.33/kg and a raise the fair and remunerative price (FRP) of sugarcane by Rs 10 a quintal to Rs 285 for 2020-21 in the next coming days. This has made a positive impact on the sugar market. The demand has increased after the unlocking of lockdown in phased manner and the bulk purchases has been increased slightly.

Sugar mills in Muzaffarnagar district have produced more sugar this season. According to the district official, mills register 116.75 lakh quintals sugar production, which is 11 lakh quintals more than last year. The sugar mills from Khatoli, Mansurpur, Khaikheri, Bhudhana, Tikola, Morna, Titawi and Rohana produced the 116.75 lakh quintal sugar by purchasing 1058.10 lakh quintal sugarcane from farmers during this season. All the sugar mills have stopped cane crushing as of now.

According to ISO, the global sugar demand-supply scenario indicating a sugar deficit of 6.9 million tonnes globally, although India again being surplus. Due to Covid-19, the prices of sugar have gone down in the global markets and during the sugar year 2019-20 (October 2019-September 2020), more than 2.3 million

tonnes of sugar consumption has been lost till now and the future is uncertain. Due to the fall in crude oil prices, Brazil may prefer for production of sugar from sugarcane rather than ethanol. The main buyers of sugar shall be Egypt, Saudi Arabia and Indonesia and looking to the fact Thailand, the main exporting country from Asia, expected to be down by 40% in sugar production. India may take advantage of the same by exporting sugar to these countries.

Uttar Pradesh alone has put a record of producing 126.5 LT of sugar this year in the current season that crushed 1,116 lakh tons of sugarcane. And a record cane price payment of more than Rs. 1,00,000 crores has been paid between 2017 and 2020 to the 47.20 lakh sugarcane farmers in the state. The demand across UP has seen a significant rise in prices in last one week to 10 days. The lifting up of restriction on lockdown picked up the demand supported the sugar prices. The prices stood between Rs.3255/q and Rs.3400/q in last 10 days.

After the lockdown from first week of June, the sugar markets are witnessing a good demand in sugar. The prices are gradually increasing in last 3-5 days by Rs.20-150/q across India within 5 days. The sugar industry feel a relief after a long stagnant demand amid COVID-19 lockdown for more than 2.5 months.

In order to help sugar mills improve their cash flow, the Food ministry has planned to liquidate stocks worth Rs 30,000 crore in 4 months. It will help sugar mills to improve cash flow and pay cane arrears to farmers. The sugar sales in March and April'20, was lower by about 10 lakh tonnes. Due to low sales, mills are under deep financial crisis and are unable to pay cane dues. Apart from that, the ministry is releasing assistance of Rs. 1,100 crore on account of export and buffer subsidy to sugar mills this month itself. This would facilitate sugar mills in clearance of their balance arrears, which have crossed Rs. 22,000 crore.

According to UNICA, a huge surge in the second two weeks of May'20 was by around 36% producing 25.48 LT of sugar and a total of 8 million tonnes in two months. The mills allocated 47.35% of the cane to produce sugar in 2nd half of May'20, compared to 35.28% at this time last year. Brazilian producers are expected to continue to maximize their sugar production, given the increased profitability of sugar production over ethanol production. The amount of sugarcane crushed was around 144 million tonnes so far till May end in 2 months up by around 12% compared to the same time previous year.

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	USD (\$/Tonne)	Change
Thai Sugar FOB 45 lcumsa	356.70	-5.9



International Sugar Futures ICE (US Cent/lb)

Daily Futures Price Listing Wed June 24, 2020									
Most Recent Information							Previous Day		
Mth	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
Sugar #11(ICE)									
20-Jul	200624	11.8	12.05	11.65	11.75	-0.04	38,098	69,951	-11,372
20-Oct	200624	11.93	12.16	11.75	11.84	-0.08	54,724	412,365	5,984
21-Mar	200624	12.59	12.74	12.39	12.49	-0.08	17,383	188,313	-1,174
21-May	200624	12.33	12.46	12.12	12.23	-0.11	8,236	82,758	842
21-Jul	200624	12.16	12.23	11.91	12.02	-0.12	3,950	71,037	106
21-Oct	200624	12.12	12.22	11.91	12.01	-0.14	5,461	63,118	1553
22-Mar	200624	12.28	12.55	12.28	12.35	-0.17	4,741	37,761	-805
22-May	200624	12.09	12.32	12.09	12.13	-0.2	595	15,509	143
Total Volume and Open Interest							134,089	974,311	-4,810

International Sugar Futures LIFFE(US \$/MT)

Daily Futures Price Listing Wed June 24, 2020									
Most Recent Information							Previous Day		
Mth	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
London Sugar(LCE)									
20-Aug	200624	361.5	361.8	353.5	356.7	-5.9	5,999	34,950	-1,133
20-Oct	200624	355	358.2	352	354.1	-2.3	4,778	31,900	294
20-Dec	200624	354.9	358.9	353.2	354.4	-1.5	2,277	18,223	453
21-Mar	200624	354.9	358.6	353	354.1	-1.9	1,130	13,893	503
21-May	200624	357.3	358.3	355.1	356.9	-1.9	169	5,550	0
Total Volume and Open Interest							14,487	111,070	153

DOMESTIC PRICES AND ARRIVAL

Sugar Prices at Key Spot Markets:					
Commodity	Centre	Variety	Prices (Rs/Qtl)		Change
Sugar			25-Jun-20	24-Jun-20	
Delhi	Delhi	M-Grade	3320	3320	Unch
	Delhi	S-Grade	3300	3300	Unch
Uttar Pradesh	Khatauli	M-Grade	3350	3370	-20
	Ramala	M-Grade	3310	3320	-10
	Dhampur	M-Grade Ex-Mill	3330	3300	30
	Dhampur	S-Grade Ex-Mill	3310	3280	30
	Dhampur	L-Grade Ex-Mill	3380	3350	30
Maharashtra	Mumbai	M-Grade	3550	3562	-12
	Mumbai	S-Grade	3356	3362	-6
	Nagpur	M-Grade	3375	3375	Unch
	Nagpur	S-Grade	3275	3275	Unch
	Kolhapur	M-Grade	3250	3250	Unch
	Kolhapur	S-Grade	3150	3150	Unch
Assam	Guhawati	S-Grade	3461	3461	Unch
Meghalaya	Shillong	S-Grade	3470	3470	Unch
Andhra Pradesh	Vijayawada	M-Grade	3740	3740	Unch
	Vijayawada	S-Grade	3680	3680	Unch
West Bengal	Kolkata	M-Grade	3580	3580	Unch
Tamil Nadu	Chennai	S-Grade	Closed	Closed	-
	Dindigul	M-Grade (DCA)	3640	3640	Unch
	Coimbatore	M-Grade (DCA)	3620	3620	Unch
Chattisgarh	Ambikapur	M-Grade (Without Duty)	NA	NA	-
Sugar Prices are in INR/Quintal. (1 Quintal=100 kg)					
*DCA: Department of consumer affairs					

Jaggery (Gur) Prices at Key Spot Markets:					
Commodity	Centre	Variety	Prices (Rs/Qtl)		Change
Jaggery(Gur)			25-Jun-20	24-Jun-20	
Uttar Pradesh	Muzaffarnagar	Chaku Fresh	NA	NA	-
	Muzaffarnagar	Chaku(Arrival)(40kg Bag)	NA	NA	-

	Muzaffarnagar	Khurpa (Fresh)	NA	NA	-
	Muzaffarnagar	Laddoo (Fresh)	NA	NA	-
	Muzaffarnagar	Rascut (Fresh)	2750	2750	Unch
	Hapur	Chaurasa	NR	NR	-
	Hapur	Balti	NR	NR	-
Andhra Pradesh	Chittur	Gold	Closed	Closed	-
		White	Closed	Closed	-
		Black	Closed	Closed	-
Maharashtra	Latur	Lal Variety	NR	NR	-
Karnataka	Bangalore	Mudde (Average)	4300	4300	Unch
	Belgaum	Mudde (Average)	NA	NA	-
	Belthangadi	Yellow (Average)	NA	NA	-
	Bijapur/Vijayapura	Achhu	3400	3400	Unch
	Gulbarga/Kalaburgi	Other (Average)	NA	4000	-
	Mahalingapura	Penti (Average)	NA	NA	-
	Mandya	Achhu (Medium)	3470	3400	70
	Mandya	Kurikatu (Medium)	3200	3250	-50
	Mandya	Other (Medium)	3290	3450	-160
	Mandya	Yellow (Medium)	3500	3570	-70
	Shimoga/Shivamogga	Achhu (Average)	NA	3750	-

Disclaimer

Information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at <http://www.agriwatch.com/disclaimer.php> © 2020 Indian business Systems Ltd.