

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

The prices across India showed steady trend today. The prices in Delhi stood low at Rs. 3300/q. And the prices in Kolhapur and Khatauli stood steady at Rs. 3300/q, Rs.3360/q respectively.

Due to the pandemic the sugar industry is affected. Maharashtra State Cooperative Sugar Factories Federation said that the sugar exported were hit and the process of exports slowed down during the lockdown. Around 36 LT of sugar has been exported during January to June. Another 5-6 LT sugar contracts have been booked and ready for shipment. So far, most of the sugar has been purchased by Indonesia and Iran. As Indonesia would continue to buy raw sugar from India amid the deal with increase in Indonesian palm oil purchases by India.

In Uttar Pradesh, around 70 per cent of the locust swarm that entered Uttar Pradesh's Jalaun from Jhansi was eliminated in a six-hour-long operation. Around 3-4 smaller swarm of locusts entered in UP last week. The sugarcane planting is almost completed and as on 26th Jun'20 around 23 lakh ha area has been covered. The crop is in the vegetative phase in few areas around 3 to 3.5 months old. The crop is more prone to damage in the first 3-4 months of the crop growth. So far no damage reported but the assessments are being done continuously in the fields in case of any damage.

Weather Forecast:

Heavy to very heavy rainfall at isolated places likely over West Madhya Pradesh and Coastal & South Interior Karnataka and heavy rainfall at isolated places over East Uttar Pradesh, East Rajasthan, East Madhya Pradesh, Andaman & Nicobar Islands, Arunachal Pradesh, Assam & Meghalaya, Nagaland, Manipur, Mizoram & Tripura, Gujarat State, Konkan & Goa, Telangana and North Interior Karnataka. Thunderstorm accompanied with lightning likely at isolated places over East Uttar Pradesh, Jharkhand, Gujarat State, Rayalaseema and Karnataka.

Previous Updates:

According to ISMA, the area under sugarcane is likely to increase by around 8%. Whereas, according to Agriwatch, the area under sugarcane is likely to increase by only 2-4% in India. Already around 48 lakh ha area has been sown so far till 11th June. If the government does not approve a raise in FRP on sugarcane and minimum selling price on sugar, would discourage farmers to plant the area under sugarcane. Also, there is around Rs.17,000 crore cane price dues that are still pending to be given to the farmers.

Maharashtra got the extension in producing sanitizer till December end this year. As there is a huge demand of sanitizers to stop the spread of Covid-19. So far till 21st June'20, UP produced around 11.84 million litres of sanitizer followed by Maharashtra producing around 11 million litres during the same period.

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.

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.

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 Icumsa	351.2	-5.4



International Sugar Futures ICE (US Cent/lb)

Daily Futures Price Listing Fri June 26, 2020									
Most Recent Information							Previous Day		
Mth	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
Sugar #11(ICE)									
20-Jul	200626	11.77	11.87	11.45	11.55	-0.26	44,026	40,958	-12,551
20-Oct	200626	11.92	11.99	11.53	11.62	-0.3	76,264	414,469	1,681
21-Mar	200626	12.55	12.63	12.17	12.26	-0.31	20,787	191,499	2,433
21-May	200626	12.31	12.38	11.94	12.02	-0.29	7,634	83,178	208
21-Jul	200626	12.07	12.14	11.74	11.81	-0.27	3,621	71,318	-165
21-Oct	200626	12.03	12.1	11.72	11.78	-0.27	1,803	62,341	3
22-Mar	200626	12.33	12.39	12.01	12.07	-0.28	1,051	37,000	-118
22-May	200626	12.07	12.13	11.77	11.83	-0.27	743	16,347	433
Total Volume and Open Interest							156,375	950,661	-7,958

International Sugar Futures LIFFE(US \$/MT)

Daily Futures Price Listing Fri June 26, 2020									
Most Recent Information							Previous Day		
Mth	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
London Sugar(LCE)									
20-Aug	200626	355.9	356.8	343.5	351.2	-5.4	7,236	33,561	-327
20-Oct	200626	355.1	355.3	343.5	348.5	-6.4	6,559	33,210	1,394
20-Dec	200626	354.3	354.9	345.1	348.4	-6.2	2,066	18,655	55
21-Mar	200626	353.4	353.8	345.6	348.2	-5.5	551	14,024	228
21-May	200626	356.6	356.6	349	350.7	-5.4	92	5,573	16
Total Volume and Open Interest							16,658	111,809	1,483

DOMESTIC PRICES AND ARRIVAL

Sugar Prices at Key Spot Markets:					
Commodity	Centre	Variety	Prices (Rs/Qtl)		Change
Sugar			29-Jun-20	27-Jun-20	
Delhi	Delhi	M-Grade	3300	3300	Unch
	Delhi	S-Grade	3280	3280	Unch
Uttar Pradesh	Khatauli	M-Grade	3360	3360	Unch
	Ramala	M-Grade	NA	NA	-
	Dhampur	M-Grade Ex-Mill	3320	3320	Unch
	Dhampur	S-Grade Ex-Mill	3300	3300	Unch
	Dhampur	L-Grade Ex-Mill	3370	3370	Unch
Maharashtra	Mumbai	M-Grade	3540	3540	Unch
	Mumbai	S-Grade	3356	3356	Unch
	Nagpur	M-Grade	3425	3425	Unch
	Nagpur	S-Grade	3325	3325	Unch
	Kolhapur	M-Grade	3300	3300	Unch
	Kolhapur	S-Grade	3200	3200	Unch
Assam	Guhawati	S-Grade	3512	3512	Unch
Meghalaya	Shillong	S-Grade	3520	3520	Unch
Andhra Pradesh	Vijayawada	M-Grade	3740	3740	Unch
	Vijayawada	S-Grade	3680	3680	Unch
West Bengal	Kolkata	M-Grade	3710	3710	Unch
Tamil Nadu	Chennai	S-Grade	3750	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)			29-Jun-20	27-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)	NA	2725	-
	Hapur	Chaurasa	Closed	NA	-
	Hapur	Balti	Closed	NA	-
Andhra Pradesh	Chittur	Gold	Closed	Closed	-
		White	Closed	Closed	-
		Black	Closed	Closed	-
Maharashtra	Latur	Lal Variety	NR	NR	-
Karnataka	Bangalore	Mudde (Average)	4300	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)	3450	3450	Unch
	Mandya	Kurikatu (Medium)	3200	3200	Unch
	Mandya	Other (Medium)	3250	3250	Unch
	Mandya	Yellow (Medium)	3500	3500	Unch
	Shimoga/Shivamogga	Achhu (Average)	3750	NA	-

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