

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

*The prices across India showed mixed trend today. The prices in Delhi and Khatauli stood low at Rs. 3270/q and Rs. 3320/q respectively. And the prices in Kolhapur and Vijayawada stood steady at Rs. 3300/q, Rs.3740/q respectively.*

***The monthly quota has been released for Jul'20 for 21 LT of sugar sales limit to each 546 mills which is 2.5 LT higher compared to the previous month's sales quota. The July'20 sales quota is 50,000 MT higher compared to the previous year quota during the same time. The supply and demand chain has improved during the phased unlocking across the nation. No extension has been announced for the allocated quota of June 2020.***

***Maharashtra government in its recent meeting, has decided to start cane crushing earlier this year by 15th October'20. Last year, due to the bad weather conditions the crushing was delayed and commenced on 22nd November'19. According to the government, a total of 9.21 lakh ha has been covered as on 26th June'20 under sugarcane, up by around 9.6% year on year basis. According to Agriwatch, Maharashtra may see a surge of around 22-26% rise in area under sugarcane against the previous year. And the state may see a surge of 65-70% in sugar production in 2020-21. Around 40% of sugar production was declined in 2019-20 season with the reduction in yield. As per the IMD weather report, the country has received 22% more rainfall from the actual rainfall and around 55% more in Maharashtra so far. Thus, increase in yield by about 8-10% is expected in 2020-21 sugar season.***

**Weather Forecast:**

*Heavy to very heavy rainfall at isolated places likely over Assam & Meghalaya and heavy rainfall at isolated places over East Rajasthan, West Madhya Pradesh, Vidarbha, Bihar, Sub-Himalayan West Bengal & Sikkim, Arunachal Pradesh, Nagaland, Manipur, Mizoram & Tripura, Konkan & Goa, Coastal Andhra Pradesh & Yanam, Telangana and Coastal Karnataka. Thunderstorm accompanied with lightning likely at isolated places over Sub-Himalayan West Bengal & Sikkim, Coastal Andhra Pradesh & Yanam, Telangana and North Interior Karnataka.*

**Previous Updates:**

***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 26<sup>th</sup> 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.

**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 11<sup>th</sup> 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 21<sup>st</sup> 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.**

## 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	355.4	4.2



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

Daily Futures Price Listing Mon June 29, 2020									
Most Recent Information							Previous Day		
Mth	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
Sugar #11(ICE)									
<a href="#">20-Jul</a>	200629	11.46	11.77	11.33	11.71	0.16	36,030	19,425	-21,533
<a href="#">20-Oct</a>	200629	11.51	11.84	11.39	11.77	0.15	49,417	413,985	-484
<a href="#">21-Mar</a>	200629	12.14	12.44	12.05	12.4	0.14	14,244	190,026	-1,473
<a href="#">21-May</a>	200629	11.94	12.18	11.86	12.15	0.13	7,239	84,259	1,081
<a href="#">21-Jul</a>	200629	11.74	11.94	11.67	11.92	0.11	4,068	71,069	-249
<a href="#">21-Oct</a>	200629	11.72	11.88	11.66	11.87	0.09	2,002	62,996	655
<a href="#">22-Mar</a>	200629	12.03	12.17	11.97	12.15	0.08	990	37,133	133
<a href="#">22-May</a>	200629	11.8	11.94	11.75	11.9	0.07	796	16,693	346
Total Volume and Open Interest							115,352	929,252	-21,409

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

Daily Futures Price Listing Mon June 29, 2020									
Most Recent Information							Previous Day		
Mth	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
London Sugar(LCE)									
<a href="#">20-Aug</a>	200629	348.8	355.6	347.7	352.2	1	3,538	33,238	-323
<a href="#">20-Oct</a>	200629	345.6	353.7	345	351.2	2.7	3,099	33,292	82
<a href="#">20-Dec</a>	200629	345	353.9	344.9	351.6	3.2	779	18,741	86
<a href="#">21-Mar</a>	200629	344.9	352.9	344.1	351.1	2.9	261	14,041	17
<a href="#">21-May</a>	200629	348	354	346.8	353.7	3	45	5,560	-13
Total Volume and Open Interest							7,915	111,753	-56

DOMESTIC PRICES AND ARRIVAL

Sugar Prices at Key Spot Markets:					
Commodity	Centre	Variety	Prices (Rs/Qtl)		Change
Sugar			30-Jun-20	29-Jun-20	
Delhi	Delhi	M-Grade	3270	3300	-30
	Delhi	S-Grade	3250	3280	-30
Uttar Pradesh	Khatauli	M-Grade	3320	3360	-40
	Ramala	M-Grade	3300	NA	-
	Dhampur	M-Grade Ex-Mill	3330	3320	10
	Dhampur	S-Grade Ex-Mill	3310	3300	10
	Dhampur	L-Grade Ex-Mill	3380	3370	10
Maharashtra	Mumbai	M-Grade	3550	3540	10
	Mumbai	S-Grade	3350	3356	-6
	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	3750	Unch
	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)			30-Jun-20	29-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	NA	-
	Hapur	Chaurasa	NA	Closed	-
	Hapur	Balti	NA	Closed	-
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	NA	3400	-
	Gulbarga/Kalaburgi	Other (Average)	NA	NA	-
	Mahalingapura	Penti (Average)	3436	3408	28
	Mandya	Achhu (Medium)	3500	3450	50
	Mandya	Kurikatu (Medium)	3200	3200	Unch
	Mandya	Other (Medium)	3250	3250	Unch
	Mandya	Yellow (Medium)	3400	3500	-100
	Shimoga/Shivamogga	Achhu (Average)	3750	3750	Unch

## Disclaimer

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