

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

*The prices across India showed mixed trend today. The prices in Delhi stood firm at Rs. 3260/q. The prices stood steady in Khatauli at Rs. 3320/q and the prices in Kolhapur and Vijayawada stood low at Rs. 3250/q, Rs.3720/q respectively.*

***The Maharashtra government has lifted the ban imposed on the sale and transport of molasses within the state and export outside the state.*** The ban was imposed last year after the flood situation in west Maharashtra and drought in other parts of the state were prominent. As on 9<sup>th</sup> June, the molasses stock totaled to 13.9 LT including the mill's inventory of 8.47 LT while breweries have around 5.43 LT in 2019-20 in the state. The molasses recovery is expected to be 4.75 percent of cane crushed during sugar production. Therefore, in the coming season Maharashtra is likely to crush 900-920 LT of cane producing around 40 to 42 LT of molasses.

**Weather Forecast:**

*Heavy rainfall at a few places with very heavy falls at isolated places over Sub-Himalayan West Bengal & Sikkim; heavy to very heavy rainfall very likely at isolated places over Bihar, Konkan & Goa and Coastal Karnataka and heavy rainfall at isolated places over East Uttar Pradesh, Madhya Pradesh, Vidarbha, Chhattisgarh, Odisha, Arunachal Pradesh, Assam & Meghalaya, Nagaland, Manipur, Mizoram & Tripura, Gujarat State, Madhya Maharashtra, Coastal Andhra Pradesh & Yanam, South Interior Karnataka and Kerala & Mahe.*

**Previous Updates:**

***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.

***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.

## 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	355.7	0.3



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

Daily Futures Price Listing Tue June 30, 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>	200630	11.69	11.9	11.68	11.84	0.13	23,992	10,038	-9,387
<a href="#">20-Oct</a>	200630	11.84	12.1	11.76	11.96	0.19	62,368	414,109	124
<a href="#">21-Mar</a>	200630	12.45	12.69	12.39	12.56	0.16	17,863	192,327	2,301
<a href="#">21-May</a>	200630	12.19	12.42	12.14	12.27	0.12	6,152	84,455	196
<a href="#">21-Jul</a>	200630	11.95	12.17	11.89	12	0.08	5,025	70,797	-272
<a href="#">21-Oct</a>	200630	11.9	12.11	11.81	11.92	0.05	3,005	62,505	-491
<a href="#">22-Mar</a>	200630	12.24	12.38	12.07	12.15	unch	1,080	37,228	95
<a href="#">22-May</a>	200630	11.99	12.1	11.77	11.84	-0.06	1,095	17,305	612
Total Volume and Open Interest							121,961	922,983	-6,269

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

Daily Futures Price Listing Tue June 30, 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>	200630	353.7	361.3	352.6	355.7	3.5	7,754	32,008	-1,230
<a href="#">20-Oct</a>	200630	353	360	352.2	355	3.8	7,551	33,569	277
<a href="#">20-Dec</a>	200630	354	359	353	355.7	4.1	1,801	19,001	260
<a href="#">21-Mar</a>	200630	352.5	358.3	352.5	355	3.9	737	14,057	16
<a href="#">21-May</a>	200630	356.6	359.2	355.2	357.4	3.7	172	5,636	76
Total Volume and Open Interest							18,126	111,186	-567

## DOMESTIC PRICES AND ARRIVAL

Sugar Prices at Key Spot Markets:					
Commodity	Centre	Variety	Prices (Rs/Qtl)		Change
Sugar			1-Jul-20	30-Jun-20	
Delhi	Delhi	M-Grade	3360	3270	90
	Delhi	S-Grade	3340	3250	90
Uttar Pradesh	Khatauli	M-Grade	3320	3320	Unch
	Ramala	M-Grade	3300	3300	Unch
	Dhampur	M-Grade Ex-Mill	3330	3330	Unch
	Dhampur	S-Grade Ex-Mill	3310	3310	Unch
	Dhampur	L-Grade Ex-Mill	3380	3380	Unch
Maharashtra	Mumbai	M-Grade	3560	3550	10
	Mumbai	S-Grade	3360	3350	10
	Nagpur	M-Grade	3375	3425	-50
	Nagpur	S-Grade	3275	3325	-50
	Kolhapur	M-Grade	3250	3300	-50
	Kolhapur	S-Grade	3150	3200	-50
Assam	Guhawati	S-Grade	3461	3512	-51
Meghalaya	Shillong	S-Grade	3470	3520	-50
Andhra Pradesh	Vijayawada	M-Grade	3720	3740	-20
	Vijayawada	S-Grade	3660	3680	-20
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)			1-Jul-20	30-Jun-20	
Uttar Pradesh	Muzaffarnagar	Chaku Fresh	0	NA	-
	Muzaffarnagar	Chaku(Arrival)(40kg Bag)	0	NA	-
	Muzaffarnagar	Khurpa (Fresh)	0	NA	-
	Muzaffarnagar	Laddoo (Fresh)	0	NA	-

	Muzaffarnagar	Rascut (Fresh)	0	NA	-
	Hapur	Chaursa	0	NA	-
	Hapur	Balti	0	NA	-
Andhra Pradesh	Chittur	Gold	0	Closed	-
		White	0	Closed	-
		Black	0	Closed	-
Maharashtra	Latur	Lal Variety	0	NR	-
Karnataka	Bangalore	Mudde (Average)	0	4300	-4300
	Belgaum	Mudde (Average)	0	NA	-
	Belthangadi	Yellow (Average)	0	NA	-
	Bijapur/Vijayapura	Achhu	0	NA	-
	Gulbarga/Kalaburgi	Other (Average)	0	NA	-
	Mahalingapura	Penti (Average)	0	3436	-3436
	Mandya	Achhu (Medium)	0	3500	-3500
	Mandya	Kurikatu (Medium)	0	3200	-3200
	Mandya	Other (Medium)	0	3250	-3250
	Mandya	Yellow (Medium)	0	3400	-3400
	Shimoga/Shivamogga	Achhu (Average)	0	3750	-3750

## Disclaimer

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