

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

The prices across India showed mixed trend today. The price in Delhi stood firm at Rs. 3305/q, up by Rs.45, whereas, the prices in khatauli stood weak at Rs. 3300/q, down by 20 rupees. While in Kolhapur and Vijayawada the price stood steady Rs.3250/q, and Rs.3700/q, respectively.

In order to clear cane dues of farmers, the cane commissioner of Uttar Pradesh has announced that 85 percent amount of sale value of byproducts of sugarcane (molasses, bagasse, press-mud and ethanol) derived by sugar mills will be tagged for cane price payment to farmers. Thus, 30% of the sale value of ethanol produced from C-grade molasses, 55% produced from B-heavy molasses and 80% produced directly from sugarcane juice will be used for repaying the dues.

Due to the pandemic, many migrant labours have left for their home during lockdown. The Coronavirus has limited the movement of people from one place to others. Due to which industries are facing the difficulty of getting labourers. Therefore, the sugar mills have placed orders for harvesting machines in Maharashtra, Karnataka and Gujarat in order to avoid the dependency on labours during harvesting of cane.

Weather Forecast:

Heavy to very heavy rainfall at isolated places over East Uttar Pradesh and heavy rainfall at isolated places over Jammu & Kashmir, Ladakh, Gilgit-Baltistan & Muzaffarabad, Himachal Pradesh, Uttarakhand, Punjab, Haryana, Chandigarh & Delhi, West Uttar Pradesh, East Rajasthan, West Madhya Pradesh, Sub-Himalayan West Bengal & Sikkim, Andaman & Nicobar Islands, Assam & Meghalaya, Gujarat State, Marathwada, Konkan & Goa, Coastal & South Interior Karnataka and Kerala & Mahe.

Previous Updates:

The area under sugarcane increased to 51.54 lakh ha till 24th July'20, up by around 1% in 2020-21 sugar season compared to the corresponding time last year. The top three sugarcane producing states; Uttar Pradesh, Maharashtra, and Karnataka are leading in area for 2020-21 sugar season by covering 23.71 lakh ha, 9.78 lakh ha and 5.47 lakh ha. Maharashtra is likely to revive this year as the state has faced bad weather conditions last year and likely to cover around 10.5 to 11 lakh ha compared to 8.4 lakh ha covered in 2019-20 season.

The government re-allocated 25000 tonnes of sugar out of the original quota that was allotted in the beginning of the season (Oct'19). The restored quantity is allotted to the eligible sugar under Maximum Admissible Export Quota (MAEQ). India has allocated 60 lakh MAEQ quota for sugar marketing year 2019-20. As the reallocation of sugar export quota was delayed, some mills could not export sugar in July. Also, Industry has demanded release of the export incentives to enable payment of sugarcane to the farmers.

The Indian government has approved a quantity of 10,000 tonnes of sugar exports (raw/white) to EU. The exports would undertake under CXL concessions to European Union for the period of Oct'20 to Sep'21. Availing the CXL concessions on export to the EU, traders can export sugar at relatively low or zero customs duty. Usually India exported around 25,000 tonnes in 2018-19 season and 18,465 tonnes during Oct'18-Apr'19. While the exports of 13,343 tonnes that declined by 28% this year during Oct'19 to Apr'20.

For sugar season 2020-21, UP has issued 131 new licenses to raw sugar producing units to increase their crushing capacities, 14 were issued on priority to women entrepreneurs with established crushing capacity of

4,100 tonnes of cane per day (TCD). The new sugar units would generate an additional crushing capacity of 34,550 TCD. The new raw sugar units would play a crucial role in prompt procurement of sugarcane, thus, generating work and employment in their respective areas.

The decision in hike in minimum selling price of sugar is yet pending. A meeting held between the Group of Ministers yesterday had recommended a hike of Rs.2/kg to Rs.33/kg to ensure mills clear the pending arrears of Rs.20,000 crore in 2019-20 at the earliest. The government will also consider other ways if an increase in MSP of sugar does not help in reducing cane arrears to farmers.

According to Thai Sugar Millers Corporation, Thailand exported 2.36 lakh tonnes of refined sugar and 3.21 lakh tonnes of raw sugar in May'20. Total of 11.05 lakh tonnes of refined sugar (13.34% y/y) has been exported at an average FOB \$366.38/tonne and 22.32 lakh tonnes (2.5% y/y) of raw sugar at an average FOB \$300.57/tonne much lower sugar has been exported so far till May'20 from January'20. The exports were improved compared to the previous month as the demand was hit due to coronavirus.

In UP, so far 13.39 million litre of sanitizer has been produced till 8th July'20, out of which 67.42 lakh litre of sanitizer has been supplied within the state and 47.15 lakh litre has been supplied to other states of the country. Quantity supplied within the state; 67.42 lakh litre includes the quantity of 2.47 lakh litre supplied to various government organizations and government hospitals through the District Magistrates.

According to the sources, the official announcement can be released in the coming week regarding hike in minimum selling price for sugar and sugarcane FRP. There is possibility of an increase of Rs.200/q in minimum selling price of sugar to Rs.3300/q and a rise of Rs.100/q in sugarcane FRP to Rs.285/q of cane.

India shipped out around 45 LT of sugar till June end, out of the total 50 LT contracts booked including 24 lakh tonnes raw sugar and around 20 lakh tonnes of refined or white sugar. The top 5 buyers were Iran, Somalia, Indonesia, Sri Lanka and Afghanistan.

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	365	2.1

International Sugar Futures ICE (US Cent/lb)

Daily Futures Price Listing Wed July 29, 2020									
Most Recent Information							Previous Day		
Mth	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
Sugar #11(ICE)									
20-Oct	200729	12.05	12.1	11.84	12.01	unch	102,600	385,337	4,120
21-Mar	200729	12.65	12.71	12.49	12.65	0.02	50,474	236,564	4,446
21-May	200729	12.42	12.48	12.3	12.44	0.03	19,331	98,352	2,327
21-Jul	200729	12.26	12.26	12.11	12.24	0.05	11,740	80,197	2,249
21-Oct	200729	12.2	12.24	12.09	12.22	0.05	7,404	66,978	297
22-Mar	200729	12.49	12.5	12.36	12.49	0.06	2,821	38,582	555
22-May	200729	12.18	12.26	12.13	12.26	0.07	1,261	20,743	554
22-Jul	200729	12.02	12.1	11.97	12.1	0.08	1,861	19,551	542
Total Volume and Open Interest							199,268	965,975	15,588

Source: MRCI

International Sugar Futures LIFFE (US \$/MT)

Daily Futures Price Listing Wed July 29, 2020									
Most Recent Information							Previous Day		
Mth	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
London Sugar(LCE)									
20-Oct	200729	363.7	366.4	361.4	365	2.1	4,534	45,340	-205
20-Dec	200729	359.9	362.3	358.3	361.1	1.9	1,999	20,385	200
21-Mar	200729	358.6	360.6	357	359.7	2	701	15,213	192
21-May	200729	361.7	364	360.9	363.1	1.6	267	8,080	82
21-Aug	200729	362.1	362.1	359.2	361	0.7	142	4,190	101
Total Volume and Open Interest							7,673	96,836	397

Source: MRCI

DOMESTIC PRICES AND ARRIVAL

Sugar Prices at Key Spot Markets:					
Commodity	Centre	Variety	Prices (Rs/Qtl)		Change
Sugar			30-Jul-20	29-Jul-20	
Delhi	Delhi	M-Grade	3305	3260	45
	Delhi	S-Grade	3285	3240	45
Uttar Pradesh	Khatauli	M-Grade	3300	3320	-20
	Ramala	M-Grade	NA	NA	-
	Dhampur	M-Grade Ex-Mill	3225	3250	-25
	Dhampur	S-Grade Ex-Mill	3205	3230	-25
	Dhampur	L-Grade Ex-Mill	3275	3300	-25
Maharashtra	Mumbai	M-Grade	3580	3580	Unch
	Mumbai	S-Grade	3350	3350	Unch
	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	3700	3700	Unch
	Vijayawada	S-Grade	3700	3700	Unch
West Bengal	Kolkata	M-Grade	3720	3720	Unch
Tamil Nadu	Chennai	S-Grade (With GST)	3750	3750	Unch
	Dindigul	M-Grade (DCA)	3840	3840	Unch
	Coimbatore	M-Grade (DCA)	3620	3620	Unch
Chattisgarh	Ambikapur	M-Grade (Without Duty)	3600	3600	Unch

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-Jul-20	29-Jul-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	Chaurisa	NA	NA	-
	Hapur	Balti	NA	NA	-
Andhra Pradesh	Chittur	Gold	NR	NR	-
		White	NR	NR	-
		Black	NR	NR	-
Maharashtra	Latur	Lal Variety	NR	NR	-
Karnataka	Bangalore	Mudde (Average)	4400	4400	Unch
	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	3472	-
	Mandya	Achhu (Medium)	3640	NA	-
	Mandya	Kurikatu (Medium)	3370	NA	-
	Mandya	Other (Medium)	3350	NA	-
	Mandya	Yellow (Medium)	3600	NA	-
	Shimoga/Shivamogga	Achhu (Average)	3650	3650	Unch

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