

Sugar &Gur Domestic & International Fundamentals

Recent Update:

Steady to weak tone was witnessed in Sugar physical markets today in India. Sugar prices closed lower in Delhi by Rs.60-65 at Rs. 3230/q. Prices were steady at Rs. 3150/q in Kolhapur and other markets.

Crushing season is at its peak in Maharashtra. About 157 sugar mills have started cane crushing and by crushing 175.18 lakh tonnes of sugarcane have produced around 150.92 lakh quintals sugar with a recovery rate of 8.62 percent.

Weather Forecast:

Heavy to very heavy rainfall with extremely heavy falls at isolated places over south Tamil Nadu; heavy to very heavy rainfall at isolated places over Kerala & Mahe; heavy rainfall at isolated places over south Coastal Andhra Pradesh & Yanam and Rayalseema. Thunderstorm with lightning likely at isolated places over Coastal Andhra Pradesh & Yanam, Rayalaseema, Lakshadweep, Kerala and Mahe, Tamilnadu, Puducherry & Karaikal.

Previous Updates:

Uttar Pradesh sugar mills clear cane dues. Four out of five sugar mills in Uttar Pradesh have cleared 100 percent cane dues for the crushing season 2019-20. The sugarcane department has given deadline of one week to the kaptanganj sugar mill to clear dues and also warned of action in case of non-payment.

Government fixes 21.5 LMT Monthly sales quota for December Month. The food Ministry has allocated 21.5 LMT of monthly sales quota for December 2020 to each of the 550 mills in India. The allocated monthly sales quota is same as the quota allocated in December 2019. In the previous month the government has given a sales quota of 22.5 LMT to 548 sugar mills.

Indonesia aims to increase in sugar production. The Indonesian government is planning to increase sugarcane plantation on 200,000 hectares of land in Java Island through state-owned enterprise and land expansion of 50,000 hectares of land outside Java. The government has set a target to raise sugar output by around 676,000 tons by 2023 reducing the reliance on sugar imports. As a result, the country wants to control the sugar price hike which has risen due to the corona virus pandemic.

More than 170 hectares of sugarcane crop has been damaged due to cyclone in Puducherry. According to the preliminary estimates the initial damage due to the cyclone was around Rs 400 crore and about 170 hectares of sugarcane crop has been damaged. The state government would demand initial interim central assistance of Rs 50 crore for post cyclone reconstruction and rehabilitation.

Sugar millers in Uttar Pradesh are against the hike in State Advisory Price (SAP). The decline in recovery rate of sugar has increased the production cost of sugar. UP sugar mills are now requesting the government not to increase the SAP for current season. As the sugar mills are not able to recover the cost of sugar production.

The sugar recovery percentage has reduced in Uttar Pradesh from 9.54% in 2019-20 to 9.15% at the beginning of the crushing season. The private sugar mills have recorded a decline from 9.57% to 9.16% and the cooperative sugar mills from 9.06% to 8.82%. The decrease in sugar recovery percentage is due to damages incurred to the crop through untimely rains and occurrence of red rot diseases mainly in eastern Uttar Pradesh.

Aurangabad sugar mill produces 7.96 lakh quintals of sugar. Sugar mills in Aurangabad have crushed 11 lakh tonnes of sugar till date. Total 19 private and cooperative sugar mills are participating in crushing operations. Earlier 22 sugar mills have applied for license to start sugarcane crushing, out of which 20 sugar mills were granted permission and are currently operating.

Sugar mills are advised to clear cane dues within 15 days. The sugar mills of Kalaburagi in Karnataka are advised to clear cane bills of the farmers within 15 days of procurement. The factories in the district should pay Rs2, 500 per tonne to the farmers for their produce.

Sugar mills in Pakistan are facing sugarcane shortage. The sugarcane farmers in Pakistan are demanding a higher price than the fixed price of Rs200 per 40 kg by the government. The mills are not able to pay the amount to farmers, hence may be forced to shut down in a week. The sugar mills have already started their operations as per government orders but are now facing problems due to shortage of cane.

Food Ministry provides Rs 12,500 crore loan to set up ethanol unit. About 185 sugar mills and standalone distillers will be provided a loan of Rs12,500 crore for the capacity addition of about 468 crore liter of ethanol per annum, as to achieve the target of 20 percent of the blending with petrol. Earlier, 70 ethanol projects were sanctioned amounting Rs 3, 600 crore. The government is promoting ethanol production as well as making effort to manufacture ethanol.

Sugar production increases in Uttar Pradesh. The sugar production in Uttar Pradesh has increased to about 3.85 lakh tonnes which is 30 percent more than the corresponding period last year 2.93 lakh tonnes. About 76 mills are operating in this season in Uttar Pradesh.

International Sugar Organization has forecasted that the global sugar deficit will be increased to 3.5 million tonnes from 724,000 tonnes estimated earlier in August. The deficit has been projected lower due to lower sugar output which is estimated at 171.1 million tonnes, lower from 173.5 million tonnes earlier. The sugar production estimates for Thailand has been reduced from 8.7 million tonnes to 8.2 million tonnes and for India from 31.5 million tonnes to 31 million tonnes. Also, the global sugar consumption has been increased from 174.2 million tonnes to 174.6 million tonnes.

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	398.80	-5.30

International Sugar Futures ICE(US Cent/lb)

Daily Futures Price Listing Monday November 30, 2020									
Most Recent Information							Previous Day		
Mth	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
Sugar #11(ICE)									
21-Mar	201130	14.82	14.91	14.41	14.51	-0.31	50,162	427,461	-2,080
21-May	201130	14.06	14.10	13.73	13.82	-0.20	20,054	219,647	-847
21-Jul	201130	13.52	13.55	13.21	13.31	-0.17	16,132	133,729	-1,510
21-Oct	201130	13.41	13.45	13.25	13.25	-0.16	7,076	103,136	-511
22-Mar	201130	13.78	13.82	13.65	13.65	-0.13	3,528	65,394	-1,114
22-May	201130	13.41	13.44	13.29	13.29	-0.12	5,278	42,009	-23
22-Jul	201130	13.21	13.24	13.11	13.11	-0.10	4,433	35,272	+765
22-Oct	201130	13.24	13.24	13.12	13.12	-0.08	1,505	31,193	+584
Total Volume and Open Interest							109,272	1,081,278	-4,438

Source: MRCI

International Sugar Futures LIFFE(US \$/MT)

Daily Futures Price Listing Monday November 30, 2020									
Most Recent Information							Previous Day		
Mth	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
London Sugar(LCE)									
20-Dec	201130	405.00	405.80	395.80	398.80	-5.90	1,715	41,327	-368
21-Mar	201130	398.50	398.50	389.70	392.00	-5.80	747	24,483	-162
21-May	201130	392.00	392.00	383.50	385.70	-5.50	521	12,871	+90
21-Aug	201130	384.80	384.90	378.10	379.90	-5.40	72	4,277	+42
21-Oct	201130	384.80	384.80	377.30	379.90	-5.30	15	2,786	+15
Total Volume and Open Interest							3,070	87,798	-383

Source: MRCI

DOMESTIC PRICES AND ARRIVAL

Sugar Prices at Key Spot Markets:					
Commodity	Centre	Variety	Prices (Rs/Qtl)		Change
Sugar			01-Dec-20	30-Nov-20	
Delhi	Delhi	M-Grade	3250	3315	-65
	Delhi	S-Grade	3230	3295	-65
Uttar Pradesh	Khatauli	M-Grade	3175	Closed	-
	Ramala	M-Grade	NA	Closed	-
	Dhampur	M-Grade Ex-Mill	3140	Closed	-
	Dhampur	S-Grade Ex-Mill	3120	Closed	-
	Dhampur	L-Grade Ex-Mill	3190	Closed	-
Maharashtra	Mumbai	M-Grade	3496	3496	Unch
	Mumbai	S-Grade	3250	3250	Unch
	Nagpur	M-Grade	3275	3275	Unch
	Nagpur	S-Grade	3225	3225	Unch
	Kolhapur	M-Grade	3150	3150	Unch
	Kolhapur	S-Grade	3100	3100	Unch
Assam	Guhawati	S-Grade	3410	3410	Unch
Meghalaya	Shillong	S-Grade	3420	3420	Unch

Andhra Pradesh	Vijayawada	M-Grade (With Duty)	3560	3560	Unch
	Vijayawada	S-Grade (With Duty)	3620	3620	Unch
West Bengal	Kolkata	M-Grade	3650	3650	Unch
Tamil Nadu	Chennai	S-Grade (With GST)	3560	3560	Unch
	Dindigul	M-Grade (DCA)	3780	3780	Unch
	Coimbatore	M-Grade (DCA)	3570	3570	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
			01-Dec-20	30-Nov-20	
Jaggery(Gur)					
Uttar Pradesh	Muzaffarnagar	Chaku Fresh	2750	Closed	-
	Muzaffarnagar	Chaku(Arrival)(40kg Bag)	10000	Closed	-
	Muzaffarnagar	Khurpa (Fresh)	2500	Closed	-
	Muzaffarnagar	Laddoo (Fresh)	2875	Closed	-
	Muzaffarnagar	Rascut (Fresh)	2425	Closed	-
	Hapur	Chaurasa	2538	Closed	-
	Hapur	Balti	2413	Closed	-
Andhra Pradesh	Chittur	Gold	NR	NR	-
		White	NR	NR	-
		Black	NR	NR	-
Maharashtra	Latur	Lal Variety	NR	NR	-
Karnataka	Bangalore	Mudde (Average)	NA	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)	3100	NA	-
	Mandya	Kurikatu (Medium)	3000	NA	-
	Mandya	Other (Medium)	2900	NA	-
	Mandya	Yellow (Medium)	3000	NA	-
	Shimoga/Shivamogga	Achhu (Average)	3600	3600	Unch

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