

Sugar &Gur Domestic & International Fundamentals

Recent Update:

Steady tone was witnessed in Sugar physical markets today in India. Sugar prices closed higher in Delhi and Dhampur by Rs.50-60 at Rs. 3270/q and Rs 3200/q respectively. Prices were steady at Rs. 3150/q in Kolhapur and other markets.

Congress demands hike in sugar prices. The Uttar Pradesh congress committee has demanded immediate payment of cane arrears of around Rs 14,000 crore. They also urged to hike sugarcane price up to Rs 450 per quintal. The farmers are reeling under a financial crisis due to non- payment of the bill. Although some sugar mills have started clearing cane dues of farmers in the state.

Weather Forecast:

Heavy to very heavy rainfall very likely at isolated places over south Kerala, south Tamilnadu & Lakshadweep and heavy rainfall at isolated places over north Kerela & Mahe,north Tamilnadu, Puducheery & Karikal, south coastal Andhra Pradesh & Yanam and Rayalseema. Thunderstorm with lightning likely at isolated places over Coastal Andhra Pradesh & Yanam, Rayalaseema, Lakshadweep, south interior Karanataka , Kerala and Mahe, Tamilnadu, Puducherry & Karaikal.

Previous Updates:

Sugar prices slip in Indian market. According to Indian Sugar Mills Association, the average ex-mill sugar prices in most of the major sates are reported to be declining. In Maharashtra and Karnataka , the ex mill prices were around Rs 3200- 3250 per quintal for last couple of months but has declined to Rs 50-100 per quintal now. Similarly, in northern states the prices were more or less steady. This indicates pressure in the domestic market due to high opening balance, expected increase in production for the current season, delayed export policy announcement by government and no decision yet on increasing the minimum support price of sugar.

Sugar prices fixed at Rs 83 per kg in Pakistan. The district administration in Faisalabad has fixed the prices of sugar at Rs 84 per kg. Due to shortage of the commodity, the government was forced to import sugar earlier to meet the domestic supply. The prices of the sugar are being regulated by the government to ensure that the consumers get sugar at affordable rates.

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.

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 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.

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.

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	401.10	2.30

International Sugar Futures ICE(US Cent/lb)

Daily Futures Price Listing Wednesday December 02 nd , 2020									
Most Recent Information							Previous Day		
Mth	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
Sugar #11(ICE)									
21-Mar	201202	14.63	14.74	14.33	14.60	+0.09	56,056	422,186	-4,418
21-May	201202	14.02	14.09	13.78	13.97	+0.01	23,002	218,469	-910
21-Jul	201202	13.55	13.58	13.35	13.50	+0.01	12,993	133,476	-107
21-Oct	201202	13.48	13.50	13.31	13.46	+0.03	7,054	105,394	+1,932
22-Mar	201202	13.81	13.89	13.70	13.84	+0.03	3,873	64,926	-325
22-May	201202	13.40	13.42	13.30	13.42	+0.02	1,253	42,584	+438
22-Jul	201202	13.16	13.18	13.06	13.17	+0.01	925	35,783	+309
22-Oct	201202	13.11	13.11	13.01	13.11	unch	532	32,373	+171
Total Volume and Open Interest							106,282	1,079,004	-2,695

Source: MRCI

International Sugar Futures LIFFE(US \$/MT)

Daily Futures Price Listing Wednesday December 02 nd , 2020									
Most Recent Information							Previous Day		
Mth	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
London Sugar(LCE)									
20-Dec	201202	400.6	402.90	395.10	401.10	+2.30	3,406	40,887	-414
21-Mar	201202	395.10	397.30	390.40	395.60	+1.80	1,088	24,418	-98
21-May	201202	389.40	391.80	385.80	390.40	+2.00	507	12,987	+9
21-Aug	201202	382.50	386.10	380.60	384.90	+1.80	199	4,318	+23
21-Oct	201202	381.50	385.30	380.00	384.70	+1.70	124	2,957	+101
Total Volume and Open Interest							5,371	87,753	-351

Source: MRCI

DOMESTIC PRICES AND ARRIVAL

Sugar Prices at Key Spot Markets:					
Commodity	Centre	Variety	Prices (Rs/Qtl)		Change
Sugar			03-Dec-20	02-Dec-20	
Delhi	Delhi	M-Grade	3290	3225	65
	Delhi	S-Grade	3270	3205	65
Uttar Pradesh	Khatauli	M-Grade	3200	3175	25
	Ramala	M-Grade	NA	NA	-
	Dhampur	M-Grade Ex-Mill	3150	3140	10
	Dhampur	S-Grade Ex-Mill	3130	3120	10
	Dhampur	L-Grade Ex-Mill	3200	3190	10
Maharashtra	Mumbai	M-Grade	3490	3490	Unch
	Mumbai	S-Grade	3242	3246	-4
	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
Jaggery(Gur)			03-Dec-20	02-Dec-20	
Uttar Pradesh	Muzaffarnagar	Chaku Fresh	2700	2725	-25
	Muzaffarnagar	Chaku(Arrival)(40kg Bag)	15000	5000	10000
	Muzaffarnagar	Khurpa (Fresh)	2513	2500	13
	Muzaffarnagar	Laddoo (Fresh)	2788	2863	-75
	Muzaffarnagar	Rascut (Fresh)	2250	2413	-163
	Hapur	Chaurasa	2463	2438	25
	Hapur	Balti	2425	2425	Unch
Andhra Pradesh	Chittur	Gold	NR	NR	-
		White	NR	NR	-
		Black	NR	NR	-
Maharashtra	Latur	Lal Variety	NR	NR	-
Karnataka	Bangalore	Mudde (Average)	NA	4400	-
	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	3244	-
	Mandya	Achhu (Medium)	NA	3000	-
	Mandya	Kurikatu (Medium)	NA	3100	-
	Mandya	Other (Medium)	NA	2920	-
	Mandya	Yellow (Medium)	NA	2970	-
	Shimoga/Shivamogga	Achhu (Average)	NA	3600	-



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