

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 and Khatauli by Rs.5-10 at Rs. 3240/q and 3200/q respectively. Prices were steady at Rs. 3150/q in Kolhapur and other markets.

Sugar recovery percentage reaches 10 percent in Kolhapur. About 161 sugar mills are currently operating in Maharashtra, and by crushing 205.17 lakh tonnes of sugarcane, mills have produced about 179.82 lakh quintals of sugar. The higher production is because of the earlier start of crushing operations and higher availability of sugarcane in this season. Average sugar recovery percentage of the state is 8.76 percent; Kolhapur has recorded 10.13 percent average sugar recovery for the crushing season 2020-21.

Weather Forecast:

Heavy rainfall/ snowfall very likely at isolated places over Jammu & Kashmir, Ladakh, Gilgit- Balistan & Muzaffarabad. Thunderstorm with lightning likely at isolated places over Soth Coastal Andhra Pradesh, Lakshadweep, Kerela & Mahe & Tamilnadu, Puducherry & Karaikal.

Previous Updates:

Sugarcane crop gets completely damaged in Tamilnadu. Cyclone Burevi has caused damage to sugarcane crop in Tiruvarur district of Tamilnadu, the crop was ready to be harvested in next 2-3 weeks but now has damaged completely due to cyclone. The cyclone has brought incessant rainfall to the delta district. According to IMD, the deep depression weakened into a depression over the Gulf of Mannar and is likely to remain practically stationary over the same region and weaken into a well-marked low- pressure area.

Department of cane development has started encouraging 'young sugarcane farmers' through state level cane competitions. The Department of cane development, Lucknow is working to motivate the young sugarcane farmers of the state for sugarcane cultivation and to infuse competitive spirit in them for increasing per hectare yield of sugarcane. A new category of 'young sugarcane farmers' has been included in the cane competition awards for the year 2021-22.

Egypt has extended import ban for 3 months. The Egypt's trade and industry ministry has extended the ban on white and raw sugar for three more months. The decision was taken to have a control over imported products and to control spread of corona virus.

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.

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.

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	397.30	-6.30

International Sugar Futures ICE(US Cent/lb)

Daily Futures Price Listing Friday December 04 th , 2020									
Most Recent Information							Previous Day		
Mth	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
Sugar #11(ICE)									
21-Mar	201204	14.75	14.77	14.39	14.44	-0.27	54,769	413,003	-5,163
21-May	201204	14.04	14.09	13.80	13.84	-0.20	22,881	223,217	-876
21-Jul	201204	13.54	13.60	13.33	13.37	-0.17	12,120	133,576	-540
21-Oct	201204	13.49	13.52	13.27	13.31	-0.16	8,304	105,726	+669
22-Mar	201204	13.84	13.86	13.62	13.66	-0.14	3,240	64,966	+91
22-May	201204	13.41	13.41	13.23	13.26	-0.13	1,014	42,729	+36
22-Jul	201204	13.41	13.15	13.00	13.03	-0.12	652	35,975	+52
22-Oct	201204	13.00	13.00	12.99	12.99	-0.10	415	32,339	-16
Total Volume and Open Interest							103,630	1,075,558	-5,762

Source: MRCI

International Sugar Futures LIFFE(US \$/MT)

Daily Futures Price Listing Friday December 04 th , 2020									
Most Recent Information							Previous Day		
Mth	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
London Sugar(LCE)									
20-Dec	201204	403.90	405.00	396.00	397.30	-6.30	3,813	41,102	+173
21-Mar	201204	399.60	399.80	391.40	392.50	-5.40	1,457	24,532	+367
21-May	201204	393.80	393.80	386.00	387.00	-4.90	514	13,014	+7
21-Aug	201204	383.10	384.00	380.50	381.50	-4.60	95	4,383	-9
21-Oct	201204	383.00	383.00	380.30	381.20	-4.60	21	3,021	+5
Total Volume and Open Interest							5,926	88,295	+558

Source: MRCI

DOMESTIC PRICES AND ARRIVAL

Sugar Prices at Key Spot Markets:					
Commodity	Centre	Variety	Prices (Rs/Qtl)		Change
Sugar			07-Dec-20	05-Dec-20	
Delhi	Delhi	M-Grade	3260	3280	-20
	Delhi	S-Grade	3240	3260	-20
Uttar Pradesh	Khatauli	M-Grade	3200	3205	-5
	Ramala	M-Grade	NA	NA	-
	Dhampur	M-Grade Ex-Mill	3145	3150	-5
	Dhampur	S-Grade Ex-Mill	3125	3130	-5
	Dhampur	L-Grade Ex-Mill	3195	3200	-5
Maharashtra	Mumbai	M-Grade	3420	3420	Unch
	Mumbai	S-Grade	3240	3240	Unch
	Nagpur	M-Grade	3225	3225	Unch
	Nagpur	S-Grade	3225	3225	Unch
	Kolhapur	M-Grade	3100	3100	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)			07-Dec-20	05-Dec-20	
Uttar Pradesh	Muzaffarnagar	Chaku Fresh	2700	2738	-38
	Muzaffarnagar	Chaku(Arrival)(40kg Bag)	12000	10000	2000
	Muzaffarnagar	Khurpa (Fresh)	2400	2500	-100
	Muzaffarnagar	Laddoo (Fresh)	2763	2750	13
	Muzaffarnagar	Rascut (Fresh)	2363	2225	138
	Hapur	Chaurasa	Closed	2463	-
	Hapur	Balti	Closed	2425	-
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	NA	-
	Mandya	Achhu (Medium)	3000	3020	-20
	Mandya	Kurikatu (Medium)	2950	2900	50
	Mandya	Other (Medium)	2900	2880	20
	Mandya	Yellow (Medium)	2970	3050	-80
	Shimoga/Shivamogga	Achhu (Average)	3600	3600	Unch



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