

Sugar &Gur Domestic & International Fundamentals

Recent Update:

Steady tone was witnessed in Sugar physical markets today in India. Sugar prices closed higher in Delhi by 10-20 at Rs. 3260/q. Prices were steady at Rs. 3070/q in Kolhapur and other markets.

Sulfur less sugar plant have been established for the first time in Uttar Pradesh. Sulfur less plant in Pipraich and Munderwa sugar mills have been established by the government, for the production of good quality sugar and sale of this sugar will facilitate the cane price payment of farmers. The production of sulfur less sugar in these sugar mills started since beginning of the crushing season 2020-21. The pipraich and munderwa sugar mills produced around 4.43 and 4.02 quintals of sugar respectively, by the crushing of 45.33 and 44.18 lakh quintals of sugarcane during the last crushing season.

Weather Forecast:

Thunderstorm with lightning very likely at isolated places over Kerela & Mahe. Dense fog very likely in isolated places over Uttar Pradesh, Bihar, Sub-Himalayan West Bengal, Mizoram & Tripura, Assam & Meghalaya.

Previous Updates:

Sugar mills in Shamli are asked to clear cane dues. The sugar mills in the district have paid Rs. 922.53 crore against due of Rs. 1216.58 crore. The mills are asked to clear cane dues to the farmer at their earliest. Where else, the sugar mills are claiming that they are suffering from crisis and are unable to pay cane dues.

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.

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.

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)	-0.08	14.45	14.50	14.34	14.45	5041	406913
Spread							
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	397.70	-0.60

International Sugar Futures ICE(US Cent/lb)

Daily Futures Price Listing Tuesday December 08 th , 2020									
Most Recent Information							Previous Day		
Mth	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
Sugar #11(ICE)									
21-Mar	201208	14.46	14.53	14.34	14.39	-0.06	37,281	406,913	-1,260
21-May	201208	13.68	13.90	13.75	13.79	-0.07	14,188	222,366	+572
21-Jul	201208	13.49	13.49	13.34	13.39	-0.05	9,318	133,618	+364
21-Oct	201208	13.45	13.45	13.31	13.37	-0.02	5,350	105,579	-223
22-Mar	201208	13.78	13.78	13.66	13.73	-0.01	1,763	65,899	+234
22-May	201208	13.35	13.36	13.32	13.35	-0.01	534	42,636	-107
22-Jul	201208	13.15	13.15	13.11	13.14	-0.01	497	35,902	-178
22-Oct	201208	13.13	13.13	13.12	13.12	unch	166	32,463	+65
Total Volume and Open Interest							69,175	1,069,394	-529

Source: MRCI

International Sugar Futures LIFFE(US \$/MT)

Daily Futures Price Listing Tuesday December 08 th , 2020									
Most Recent Information							Previous Day		
Mth	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
London Sugar(LCE)									
20-Dec	201208	396.90	398.70	395.00	396.70	-1.00	3,685	40,786	-416
21-Mar	201208	393.40	394.10	390.90	392.20	-1.20	1,767	25,416	+863
21-May	201208	387.20	388.00	385.60	386.40	-1.50	279	12,999	+42
21-Aug	201208	381.60	382.60	380.50	381.20	-1.00	53	4,377	-11
21-Oct	201208	380.80	381.80	379.30	380.90	-0.80	37	3,040	+9
Total Volume and Open Interest							5,869	88,902	+507

Source: MRCI

DOMESTIC PRICES AND ARRIVAL

Sugar Prices at Key Spot Markets:					
Commodity	Centre	Variety	Prices (Rs/Qtl)		Change
Sugar			09-Dec-20	08-Dec-20	
Delhi	Delhi	M-Grade	3280	3260	20
	Delhi	S-Grade	3260	3240	20
Uttar Pradesh	Khatauli	M-Grade	3180	Closed	-
	Ramala	M-Grade	NA	Closed	-
	Dhampur	M-Grade Ex-Mill	3135	Closed	-
	Dhampur	S-Grade Ex-Mill	3115	Closed	-
	Dhampur	L-Grade Ex-Mill	3185	Closed	-
Maharashtra	Mumbai	M-Grade	3410	Closed	-
	Mumbai	S-Grade	3236	Closed	-
	Nagpur	M-Grade	3195	3195	Unch
	Nagpur	S-Grade	3125	3125	Unch
	Kolhapur	M-Grade	3070	3070	Unch
	Kolhapur	S-Grade	3000	3000	Unch
Assam	Guhawati	S-Grade	3309	3309	Unch
Meghalaya	Shillong	S-Grade	3320	3320	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)	3600	3600	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)			09-Dec-20	08-Dec-20	
Uttar Pradesh	Muzaffarnagar	Chaku Fresh	2700	Closed	-

	Muzaffarnagar	Chaku(Arrival)(40kg Bag)	5000	Closed	-
	Muzaffarnagar	Khurpa (Fresh)	2450	Closed	-
	Muzaffarnagar	Laddoo (Fresh)	2775	Closed	-
	Muzaffarnagar	Rascut (Fresh)	2250	Closed	-
	Hapur	Chaurasa	2500	Closed	-
	Hapur	Balti	2543	Closed	-
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	NA	-
	Mandya	Achhu (Medium)	2980	2950	30
	Mandya	Kurikatu (Medium)	2900	2950	-50
	Mandya	Other (Medium)	2870	2850	20
	Mandya	Yellow (Medium)	3010	3000	10
	Shimoga/Shivamogga	Achhu (Average)	3600	3600	Unch

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