

## Sugar &Gur Domestic & International Fundamentals

### Recent Update:

***Steady tone was witnessed in Sugar physical markets today in India.*** Sugar prices closed lower in Delhi and Khatuli by 10-30 at Rs. 3130/q and Rs. 3190/q respectively. Prices were steady at Rs. 3100/q in Kolhapur and other markets.

***ISMA has requested to extend the duration for sales quota for December 2020.*** ISMA has requested Department of Food & Public Distribution to extend the duration for sale of allocated sugar quota for December 2020. ISMA has also requested to reduce the allocation of sugar quota for January 2021. Mills have already been constrained to sell their sugar stocks below Minimum support price (MSP) and U.P state sugar prices are also on the verge of breaching MSP. If the situation keeps moving in the same direction then it would be extremely tough for sugar millers to survive in the ongoing crushing season.

### Weather Forecast:

*Cold wave to severe cold wave conditions at isolated place over Punjab, Haryana, Chandigarh, Delhi and Cold wave Conditions at isolated places over Himachal Pradesh, Uttarakhand, Uttar Pradesh and Odisha. Dense to very Dense fog very likely at few pockets over Punjab, Haryana, Chandigarh & Delhi and Dense fog at isolated places over northern parts of Uttar Pradesh, Assam, Meghalaya and Nagaland, Manipur, Mizoram and Tripura.*

### Previous Updates:

***Andhra Pradesh is planning to revive the closed cooperative sugar mills.*** The Andhra Pradesh government cabinet subcommittee is looking after several options for revival of the cooperative sugar mills. The committee is exploring the possibility of the civil supplies and endowments departments procuring the entire stock produced by cooperative mills. Various discussions are going on with the government so that the revival of the sugar mill can be done as this should be done before the crop season so that the cane farmers will get benefitted.

***Government allows 8,424 tonne raw sugar exports to US under tariff rate quota.*** The government has permitted around 8,424 MTRV (metric ton raw value) of raw sugar to be exported to US under Tariff rate quota. India exports duty free sugar to the US for up to 10,000 tonnes annually under preferential quota arrangements.

***Government of India announces Export quota for sugar season 2020-21.*** The government has announced 60 LMT of quota for export of sugar season 2020-21 with an assistance of Rs. 3500 crores. In the previous season 2019-20, government has provided an assistance of Rs. 10,448 / MT. This assistance will benefit around 5 crore farmers and the sugar industry.

***Pondicherry government started new 'Nammazhvar Agriculture Rejuvenation' Scheme for sugarcane farmers.*** Government has come up with new subsidy scheme for the welfare of sugarcane farmers. The scheme will provide a backend subsidy of Rs. 10,000 per acre to the sugarcane farmers through Direct Benefit Transfer (DBT), around 839 sugarcane farmers will be benefitted under this scheme.

***Maharashtra government issues notice against sugar mills for pending cane dues.*** About 16 sugar mills in Maharashtra have been identified in delaying first cane payment to sugarcane farmers for the current

crushing season, government has issued a show cause- notices to these sugar mills as the sugar mills have failed to pay within 45 days of crushing. The action is been taken to ensure that sugar mills follow the rules and do not default in payments later in the season. Till 14<sup>th</sup> December 2020, about 172 sugar mills have commenced the crushing operations and produced around 261.02 lakh quintals sugar by crushing 287.09 lakh tonnes sugarcane with an average recovery rate of 9.09 percent.

**Ethanol production will increase income of sugarcane farmers.** The sugarcane farmers were earlier having the option of production of sugar or jaggery from the sugarcane, now the farmers have one more alternative of producing ethanol from cane which will help them increase their income. Government has focused on blending 10 percent ethanol in auto fuels. Also, it will help sugar millers to clear payments of cane growers.

#### NCDEX Sugar (M grade) Future Quotes

Contract	+/-	Open	High	Low	Close	Volume	O.I
Cont. (DEC)	0.00	14.49	14.54	14.24	14.49	40351	388466
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 lcumsa	400.60	0.30

## International Sugar Futures ICE(US Cent/lb)

Daily Futures Price Listing Tuesday December 22 <sup>nd</sup> , 2020									
Most Recent Information							Previous Day		
Mth	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
Sugar #11(ICE)									
<a href="#">Mar-21</a>	201222	14.55	14.64	14.40	14.54	+0.01	32,680	380,012	-1,277
<a href="#">May-21</a>	201222	13.90	13.94	13.76	13.85	-0.04	9,160	217,362	-76
<a href="#">Jul-21</a>	201222	13.65	13.65	13.49	13.56	-0.05	5,722	138,064	+287
<a href="#">Oct-21</a>	201222	13.61	13.61	13.46	13.54	-0.03	1,877	109,003	-33
<a href="#">Mar-22</a>	201222	13.86	13.88	13.76	13.84	-0.02	878	65,070	-24
<a href="#">May-22</a>	201222	13.41	13.41	13.32	13.39	-0.01	467	43,545	+20
<a href="#">Jul-22</a>	201222	13.14	13.14	13.07	13.13	Unch	267	36,327	-40
<a href="#">Oct-22</a>	201222	13.03	13.05	13.01	13.05	-0.01	76	32,759	-26
Total Volume and Open Interest							51,176	1,046,856	-1,168

Source: MRCI

## International Sugar Futures LIFFE(US \$/MT)

Daily Futures Price Listing Tuesday December 22 <sup>nd</sup> , 2020									
Most Recent Information							Previous Day		
Mth	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
London Sugar(LCE)									
<a href="#">Mar-21</a>	201222	401.00	401.80	397.70	400.60	+0.30	3,488	36,714	-312
<a href="#">May-21</a>	201222	393.60	394.70	390.30	392.30	-1.00	1,324	27,598	+170
<a href="#">Aug-21</a>	201222	388.50	389.20	385.00	387.00	-1.40	776	14,022	+276
<a href="#">Oct-21</a>	201222	383.90	383.90	381.10	381.10	-1.50	71	4,705	+12
<a href="#">Dec-21</a>	201222	381.20	381.20	381.20	381.40	-1.50	11	3,193	-7
Total Volume and Open Interest							5,671	88,821	+140

Source: MRCI

DOMESTIC PRICES AND ARRIVAL

Sugar Prices at Key Spot Markets:					
Commodity	Centre	Variety	Prices (Rs/Qtl)		Change
Sugar			23-Dec-20	22-Dec-20	
Delhi	Delhi	M-Grade	3150	3230	-80
	Delhi	S-Grade	3130	3210	-80
Uttar Pradesh	Khatauli	M-Grade	3190	3200	-10
	Ramala	M-Grade	NA	NA	-
	Dhampur	M-Grade Ex-Mill	3030	3050	-20
	Dhampur	S-Grade Ex-Mill	3010	3030	-20
	Dhampur	L-Grade Ex-Mill	3080	3100	-20
Maharashtra	Mumbai	M-Grade	3366	3366	Unch
	Mumbai	S-Grade	3232	3232	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)	3650	3650	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)			23-Dec-20	22-Dec-20	
Uttar Pradesh	Muzaffarnagar	Chaku Fresh	2875	2850	25
	Muzaffarnagar	Chaku(Arrival)(40kg Bag)	5000	10000	-5000

	Muzaffarnagar	Khurpa (Fresh)	2575	2550	25
	Muzaffarnagar	Laddoo (Fresh)	2875	2928	-53
	Muzaffarnagar	Rascut (Fresh)	2350	2338	13
	Hapur	Chaurasa	2588	2613	-25
	Hapur	Balti	2600	2600	Unch
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)	NA	3200	-
	Mandya	Kurikatu (Medium)	NA	3000	-
	Mandya	Other (Medium)	NA	2900	-
	Mandya	Yellow (Medium)	NA	3200	-
	Shimoga/Shivamogga	Achhu (Average)	3600	NA	-

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