

## 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 20-30 at Rs. 3190/q. Prices were steady at Rs. 3100/q in Kolhapur and other markets.

***Uttar Pradesh government will soon announce the State advised price for sugarcane.*** The government assured farmers that they will soon announce the SAP of sugarcane. About 92 percent of the last season's payment has been made in the state. The government has paid Rs. 1.12 lakh crore to cane growers in the past three and a half years.

### Weather Forecast:

*Cold wave to severe cold wave condition very likely at isolated pockets over Uttarakhand, Punjab and Haryana, Chandigarh & Delhi and north Rajasthan; in isolated pockets over Himachal Pradesh and cold wave condition at isolated pockets over Uttar Pradesh, Gujarat state and north Madhya Pradesh.*

### Previous Updates:

***117 sugar mills are engaged in crushing operations in Maharashtra.*** Majority of sugar mills in Maharashtra have started cane crushing operations, till 24<sup>th</sup> December 2020 about 177 mills are engaged in crushing operations and have produced around 343.86 lakh quintal of sugar by crushing 367.9 lakh tonne sugarcane. The state has recorded average sugar recovery percentage of about 9.35 percent. Solapur is leading in the state with 38 sugar mills in operation.

***Uttar Pradesh Farmers urged the government to declare State Advised Price for sugarcane.*** More than two months have passed since the starting of new crushing season, but the government has yet not announced the SAP for sugarcane. The Centre has already announced the Fair and Remunerative Price (FRP) for sugarcane for 2020-21 season with a hike of Rs 10 to Rs 285 per quintal for a basic recovery of 10 percent. The farmers are also expecting a hike in SAP as it has not been increased from three seasons.

***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.

***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 benefited under this scheme.

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

Contract	+/-	Open	High	Low	Close	Volume	O.I
Cont. (DEC)	+0.01	14.83	14.90	14.56	14.82	11478	380557
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	407.40	6.80

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

Daily Futures Price Listing Thursday December 24 <sup>th</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>	201224	14.89	15.00	14.74	14.90	+0.07	24,319	380,557	-263
<a href="#">May-21</a>	201224	14.10	14.20	13.99	14.13	+0.09	11,616	214,031	-1,060
<a href="#">Jul-21</a>	201224	13.73	13.81	13.62	13.77	+0.10	6,461	139,796	+749
<a href="#">Oct-21</a>	201224	13.66	13.73	13.57	13.71	+0.11	2,726	109,890	+684
<a href="#">Mar-22</a>	201224	13.95	14.02	13.87	14.01	+0.12	841	65,276	-4
<a href="#">May-22</a>	201224	13.45	13.54	13.41	13.54	+0.13	452	43,774	+22
<a href="#">Jul-22</a>	201224	13.16	13.27	13.13	13.27	+0.15	333	36,586	+149
<a href="#">Oct-22</a>	201224	13.05	13.17	13.04	13.17	+0.16	206	32,737	-21
Total Volume and Open Interest							47,062	1,047,466	+249

Source: MRCI

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

Daily Futures Price Listing Thursday December 24 <sup>th</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>	201224	409.20	409.40	406.50	408.60	+1.20	3,195	36,377	+18
<a href="#">May-21</a>	201224	400.00	400.00	396.70	399.00	+0.80	925	27,862	+165
<a href="#">Aug-21</a>	201224	392.50	392.70	391.10	392.30	+0.50	356	14,199	+54
<a href="#">Oct-21</a>	201224	385.70	385.80	385.70	385.70	+0.40	8	4,731	+1
<a href="#">Dec-21</a>	201224	384.40	385.40	385.10	385.10	+0.30	0	3,206	+0
Total Volume and Open Interest							4,484	88,965	+238

Source: MRCI

DOMESTIC PRICES AND ARRIVAL

Sugar Prices at Key Spot Markets:					
Commodity	Centre	Variety	Prices (Rs/Qtl)		Change
Sugar			28-Dec-20	26-Dec-20	
Delhi	Delhi	M-Grade	3210	3170	40
	Delhi	S-Grade	3190	3150	40
Uttar Pradesh	Khatauli	M-Grade	3200	3195	5
	Ramala	M-Grade	NA	NA	-
	Dhampur	M-Grade Ex-Mill	3045	3040	5
	Dhampur	S-Grade Ex-Mill	3025	3020	5
	Dhampur	L-Grade Ex-Mill	3095	3090	5
Maharashtra	Mumbai	M-Grade	3320	3326	-6
	Mumbai	S-Grade	3220	3220	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)			28-Dec-20	26-Dec-20	
Uttar Pradesh	Muzaffarnagar	Chaku Fresh	2888	2875	13
	Muzaffarnagar	Chaku(Arrival)(40kg Bag)	8000	7000	1000
	Muzaffarnagar	Khurpa (Fresh)	2600	2575	25

	Muzaffarnagar	Laddoo (Fresh)	2725	2750	-25
	Muzaffarnagar	Rascut (Fresh)	2338	2325	13
	Hapur	Chaurasa	Closed	2588	-
	Hapur	Balti	Closed	2650	-
Andhra Pradesh	Chittur	Gold	NR	NR	-
		White	NR	NR	-
		Black	NR	NR	-
Maharashtra	Latur	Lal Variety	NR	NR	-
Karnataka	Bangalore	Mudde (Average)	4400	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)	3170	3170	Unch
	Mandya	Achhu (Medium)	3100	3120	-20
	Mandya	Kurikatu (Medium)	2950	2950	Unch
	Mandya	Other (Medium)	2900	2970	-70
	Mandya	Yellow (Medium)	3100	3000	100
	Shimoga/Shivamogga	Achhu (Average)	NA	NA	-

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