

## 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 5-10 at Rs. 3195/q. Prices were steady at Rs. 3100/q in Kolhapur and other markets.

**Food ministry notifies scheme for sugar millers for exports in sugar season 2020-21.** The Central government and food ministry has notified scheme for providing assistance to sugar mills for expenses on marketing costs including handling, upgrading and other processing costs and cost of international and internal transport and freight charges on export of sugar for the sugar season 2020-21.

### Weather Forecast:

Cold wave to severe cold wave condition very likely in most pockets over Punjab and Haryana, Chandigarh & Delhi; in some pockets over East Rajasthan and Uttarakhand;; in isolated pockets over West Rajasthan and Saurashtra & kutch. Cold wave condition at isolated pockets over Himachal Pradesh, Uttar Pradesh, north Madhya Pradesh, Bihar, Gangetic West Bengal and Odisha.

### Previous Updates:

**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.

**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.

#### 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 Icmsa	408.60	1.20

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

Daily Futures Price Listing Monday December 28 <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>	201228	14.93	15.13	14.83	14.98	+0.08	50,732	380,475	-82
<a href="#">May-21</a>	201228	14.19	14.33	14.08	14.23	+0.10	19,293	208,753	-5,,278
<a href="#">Jul-21</a>	201228	13.82	13.93	13.70	13.85	+0.08	10,300	139,489	-307
<a href="#">Oct-21</a>	201228	13.75	13.81	13.61	13.74	+0.03	4,517	109,851	-39
<a href="#">Mar-22</a>	201228	14.04	14.04	13.88	14.02	+0.01	1,899	65,671	+395
<a href="#">May-22</a>	201228	13.59	13.60	13.41	13.52	-0.02	1,123	43,830	+56
<a href="#">Jul-22</a>	201228	13.30	13.31	13.12	13.22	-0.05	643	36,658	+72
<a href="#">Oct-22</a>	201228	13.20	13.20	13.02	13.12	-0.05	499	32,637	-100
Total Volume and Open Interest							89,525	1,042,540	-4,926

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			29-Dec-20	28-Dec-20	
Delhi	Delhi	M-Grade	3215	3210	5
	Delhi	S-Grade	3195	3190	5
Uttar Pradesh	Khatauli	M-Grade	3175	3200	-25
	Ramala	M-Grade	NA	NA	-
	Dhampur	M-Grade Ex-Mill	3045	3045	Unch
	Dhampur	S-Grade Ex-Mill	3025	3025	Unch
	Dhampur	L-Grade Ex-Mill	3095	3095	Unch
Maharashtra	Mumbai	M-Grade	3320	3320	Unch
	Mumbai	S-Grade	3220	3220	Unch
	Nagpur	M-Grade	3225	3225	Unch
	Nagpur	S-Grade	3125	3225	-100
	Kolhapur	M-Grade	3100	3100	Unch
	Kolhapur	S-Grade	3000	3100	-100
Assam	Guhawati	S-Grade	3309	3410	-102

<b>Meghalaya</b>	Shillong	S-Grade	3320	3420	<b>-100</b>
<b>Andhra Pradesh</b>	Vijayawada	M-Grade (With Duty)	3560	3560	<b>Unch</b>
	Vijayawada	S-Grade (With Duty)	3620	3620	<b>Unch</b>
<b>West Bengal</b>	Kolkata	M-Grade	3650	3650	<b>Unch</b>
<b>Tamil Nadu</b>	Chennai	S-Grade (With GST)	3600	3650	<b>-50</b>
	Dindigul	M-Grade (DCA)	3600	3600	<b>Unch</b>
	Coimbatore	M-Grade (DCA)	3570	3570	<b>Unch</b>
<b>Chattisgarh</b>	Ambikapur	M-Grade (Without Duty)	3600	3600	<b>Unch</b>

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)			29-Dec-20	28-Dec-20	
<b>Uttar Pradesh</b>	Muzaffarnagar	Chaku Fresh	2888	2888	<b>Unch</b>
	Muzaffarnagar	Chaku(Arrival)(40kg Bag)	8000	8000	<b>Unch</b>
	Muzaffarnagar	Khurpa (Fresh)	2600	2600	<b>Unch</b>
	Muzaffarnagar	Laddoo (Fresh)	2725	2725	<b>Unch</b>
	Muzaffarnagar	Rascut (Fresh)	2338	2338	<b>Unch</b>
	Hapur	Chaurasa	2575	Closed	-
	Hapur	Balti	2625	Closed	-
<b>Andhra Pradesh</b>	Chittur	Gold	NR	NR	-
		White	NR	NR	-
		Black	NR	NR	-
<b>Maharashtra</b>	Latur	Lal Variety	NR	NR	-
<b>Karnataka</b>	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)	NA	3100	-
	Mandya	Kurikatu (Medium)	NA	2950	-
	Mandya	Other (Medium)	NA	2900	-
	Mandya	Yellow (Medium)	NA	3100	-
	Shimoga/Shivamogga	Achhu (Average)	3600	3600	<b>Unch</b>



### Disclaimer

Information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at <http://www.agriwatch.com/disclaimer.php> © 2020 Indian Business Systems Ltd.