

Sugar &Gur Domestic & International Fundamentals

Recent Update:

Steady tone was witnessed in Sugar physical markets today in India. Sugar prices were higher in Delhi and Khatauli at Rs. 3230/q and Rs. 3200/q. Prices were steady in Kolhapur at Rs. 3100/q.

Government releases harvesting cost to cane farmers. Goa government has released harvesting cost of sugarcane after 9 months at the end of the crushing season (2019-20). Earlier, the government had paid Rs 65 lakh out of pending Rs 1.6 crore. The sugar factory's cane rate last year was around Rs 1200 per tonne. The state government has also paid a support price of Rs. 1800 which totaled the amount to Rs 3,000 per tonne for the cane supplied by the farmers to the mill. But the payment of harvesting cost Rs 600 per tonne was pending which has been cleared now.

Weather Forecast:

Cold wave condition very likely in isolated pockets over Kutch. Cold wave conditions very likely in isolated pockets over Punjab, Haryana, Chandigarh and Delhi. Heavy rainfall very likely at isolated places over Punjab.

Previous Updates:

Mohiuddinpur sugar mill clears pending cane dues. All the five sugar mills from the district have cleared the pending cane dues for the season 2019-20, worth Rs 199.92 crore has been cleared and only Kinauni sugar mill is yet to clear the pending cane dues to the farmers.

Government fixes 20 LMT Monthly sugar quota for January 2021. The food ministry has allocated 20 LMT monthly sugar quota for January 2021 which is 2 LMT lower than that of January 2020 which stood at 22 LMT. In the previous month the government allocated 21.5 LMT monthly sugar quota for December 2020 to 548 mills in India.

Sugar mills in Kolhapur produced around 100 lakh quintals of sugar. Around 37 sugar mills have started cane crushing operation in Kolhapur and have produced around 100.48 lakh quintals sugar by crushing 91.53 lakh tonnes of sugarcane. Kolhapur division has recorded sugar recovery of 11 percent.

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.

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 24th 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.

Commodity	USD (\$/Tonne)	Change
Thai Sugar FOB 45 Icumsa	418.40	6.60

Daily Futures Price Listing Thursday December 31st, 2020									
Most Recent Information							Previous Day		
Mth	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
Sugar #11(ICE)									
Mar-21	201231	15.28	15.53	15.16	15.49	+0.21	28,,854	385,996	+4,448
May-21	201231	14.56	14.75	14.45	14.68	+0.15	11,143	209,680	+1,501
Jul-21	201231	14.06	14.25	13.99	14.19	+0.13	5,022	141,340	+341
Oct-21	201231	13.96	14.10	13.87	14.04	+0.10	1,974	110,451	+58
Mar-22	201231	14.27	14.33	14.13	14.27	+0.07	682	66,210	+49
May-22	201231	13.75	13.78	13.59	13.73	+0.05	196	43,827	+5
Jul-22	201231	13.37	13.46	13.29	13.41	+0.04	111	36,690	+0
Oct-22	201231	13.27	13.35	13.22	13.31	+0.04	213	32,679	-113
Total Volume and Open Interest							48,258	1,052,268	+6,285

Source: MRCI

International Sugar Futures LIFFE(US \$/MT)

Daily Futures Price Listing Thursday December 31 st , 2020									
Most Recent Information							Previous Day		
Mth	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
London Sugar(LCE)									
Mar-21	201231	419.10	422.00	416.20	420.90	+2.50	4,428	34,803	-815
May-21	201231	409.50	413.50	407.60	412.30	+2.60	2,083	29,539	+836
Aug-21	201231	401.70	406.20	400.00	404.70	+2.50	800	14,433	+282
Oct-21	201231	394.10	398.00	393.80	393.80	+2.40	80	4,691	-18
Dec-21	201231	393.50	395.00	393.50	394.20	+2.20	23	3,206	+9
Total Volume and Open Interest							7,414	89,259	+294

Source: MRCI

DOMESTIC PRICES AND ARRIVAL

Sugar Prices at Key Spot Markets:					
Commodity	Centre	Variety	Prices (Rs/Qtl)		Change
Sugar			02-Jan-21	01-Jan-21	
Delhi	Delhi	M-Grade	3250	3170	80
	Delhi	S-Grade	3230	3150	80
Uttar Pradesh	Khatauli	M-Grade	3200	3150	50
	Ramala	M-Grade	NA	NA	-
	Dhampur	M-Grade Ex-Mill	3090	3050	40
	Dhampur	S-Grade Ex-Mill	3070	3030	40
	Dhampur	L-Grade Ex-Mill	3140	3100	40
Maharashtra	Mumbai	M-Grade	3320	3320	Unch
	Mumbai	S-Grade	3220	3220	Unch
	Nagpur	M-Grade	3225	3225	Unch
	Nagpur	S-Grade	3225	3125	100
	Kolhapur	M-Grade	3100	3100	Unch
	Kolhapur	S-Grade	3100	3000	100
Assam	Guhawati	S-Grade	3410	3309	102
Meghalaya	Shillong	S-Grade	3420	3320	100
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)	3500	3550	-50
	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)			02-Jan-21	01-Jan-21	
Uttar Pradesh	Muzaffarnagar	Chaku Fresh	3005	2850	155
	Muzaffarnagar	Chaku(Arrival)(40kg Bag)	3000	1000	2000
	Muzaffarnagar	Khurpa (Fresh)	2678	2653	25
	Muzaffarnagar	Laddoo (Fresh)	2985	2928	58

	Muzaffarnagar	Rascut (Fresh)	2628	2628	Unch
	Hapur	Chaursa	2725	2600	125
	Hapur	Balti	2575	2588	-13
Andhra Pradesh	Chittur	Gold	NR	NR	-
		White	NR	NR	-
		Black	NR	NR	-
Maharashtra	Latur	Lal Variety	NR	NR	-
Karnataka	Bangalore	Mudde (Average)	NA	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)	NA	NA	-
	Mandya	Achhu (Medium)	NA	NA	-
	Mandya	Kurikatu (Medium)	NA	NA	-
	Mandya	Other (Medium)	NA	NA	-
	Mandya	Yellow (Medium)	NA	NA	-
	Shimoga/Shivamogga	Achhu (Average)	NA	3600	-

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