

Commodity Profile for Sugar, November, 2017

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1. Sugar Estimates for India (Crop Year: October 2016 to September 2017)

(Unit:LakhTonnes)

Table 1: Sugar Production, Trade, Consumption and Availability				
2015-16	2016-17 (Provisional)	Particular	September, 2017 (Actual)	Source
90.0	74.67	Opening Stock	N.A. ^	DoF&PD
251.21	225.21	Production	225.21	DoF&PD
19.05	14.54	Total Imports	26.82*	DoC
360.26	314.42	Availability	N.A. @	-
37.98	27.52	Total Exports	21.29*	DoC
247.61	255	Consumption	255	DoF&PD
74.67	31.9	Ending Stock	N.A. #	DoF&PD

Source: Department of Food & Public Distribution (DoF&PD), Department of Commerce (DoC)

For preparing provisional balance sheet for 2016-17 production and consumption have been taken from balance sheet of Department of Food & PD. Export and Import taken as last three years' average.

Availability: opening stock in central pool plus production plus Total Imports; Total Availability for Domestic Consumption: Availability minus (total export plus ending stock in central pool).

^Month wise opening stock is not maintained.

*: The figure of export and imports for October- September, 2016-17.

@ Crop of 2016-17 yet to arrive. Therefore, actual data is awaited.

Actual ending stock data will be available at the end of the year.

2. World Sugar Estimates (2016-17)

(Unit: Lakh Tonnes)

Table 2: World Sugar Production, Consumption, Trade and Stock				
Particular	2014-15	2015-16	2016-17	2017-18*
World Production	1774.62	1647.03	1714.72	1849.49
Human Consumption	1678.72	1692.29	1716.23	1742.23
Total Import	501.98	545.70	549.81	536.26
Total Export	550.13	540.00	590.16	618.52
Ending Stock	487.76	440.48	390.34	408.21

Source: United States Department of Agriculture,

*Estimated

- Estimates shows that world sugar production may increase in 2017-18.

3. Production, Area under cultivation and Yield of Sugarcane and Sugar

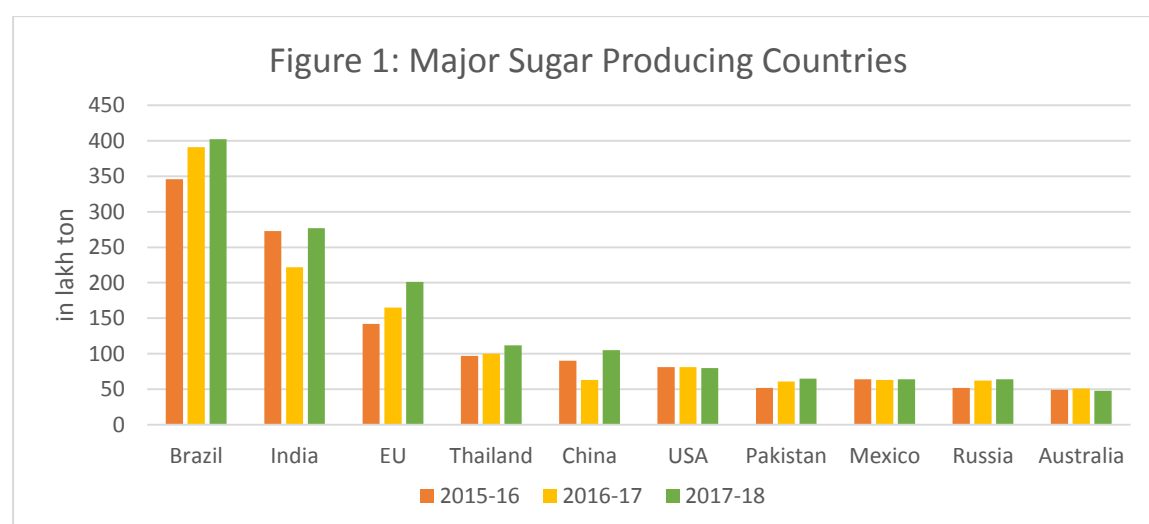
Crop/marketing Year	Area (lakh Hectares)	Production (Lakh Tonnes)		Sugarcane Yield (Tonnes/Hectares)
		Sugarcane	Sugar	
2005-06	42.0	2811.7	193.2	66.92
2006-07	51.5	3555.2	282.0	69.02
2007-08	50.6	3481.9	263.0	68.88
2008-09	44.2	2850.3	146.8	64.55
2009-10	41.7	2923.0	188.0	70.02
2010-11	48.8	3423.8	243.5	70.09
2011-12	50.4	3610.4	263.4	71.67
2012-13	49.99	3412.0	258.5	68.25
2013-14	50.12	3521.4	245.5	69.84
2014-15	50.66	3623.85	284.63	70.86
2015-16	49.60	3484.48	251.21	69.89
2016-17	45.17	3067.20#	225.21	67.57
2017-18		3376.95*		

Source: Department of Food & Public Distribution (for Sugar Production) and Agricultural Statistics (for production and area of Sugarcane).

4th Advance Estimate of 2016-17 of DAC&FW, *1st Advance estimate of 2017-18 of DAC&FW

- India's sugar production has increased in last 10 years at CAGR of 2.63 percent.
- During the same period, India's sugarcane production has increased at CAGR of 2.40 percent and area under cultivation at CAGR of 3.19 percent.

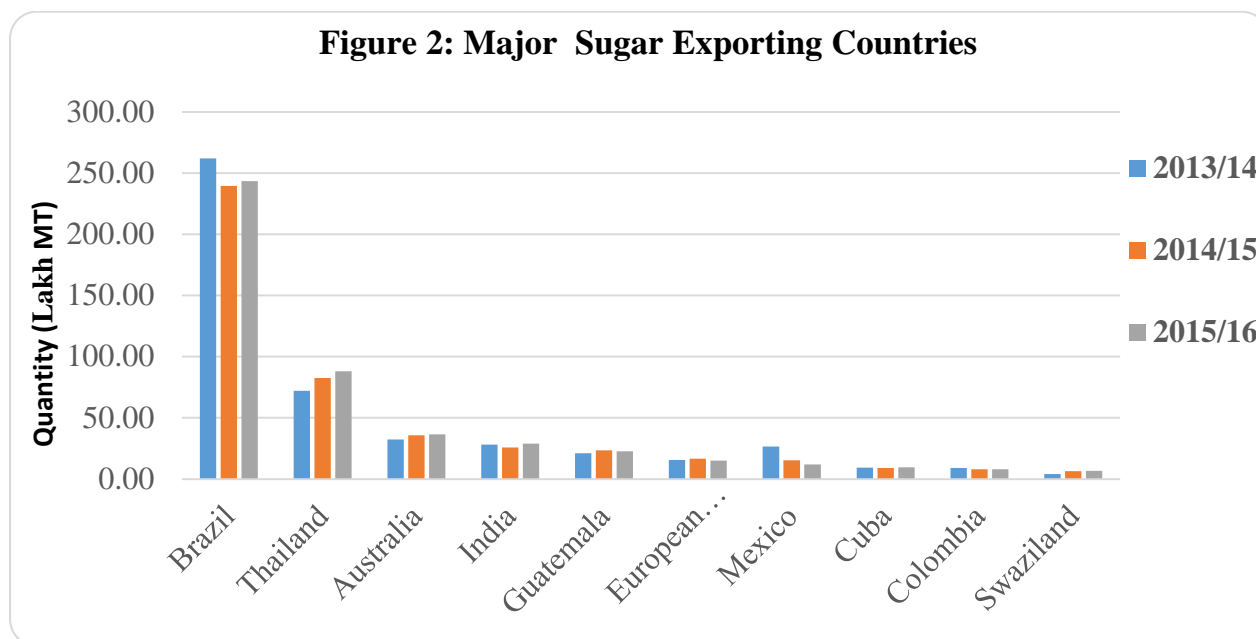
4. Major Sugar Producing Countries of world



Source: United States Department of Agriculture

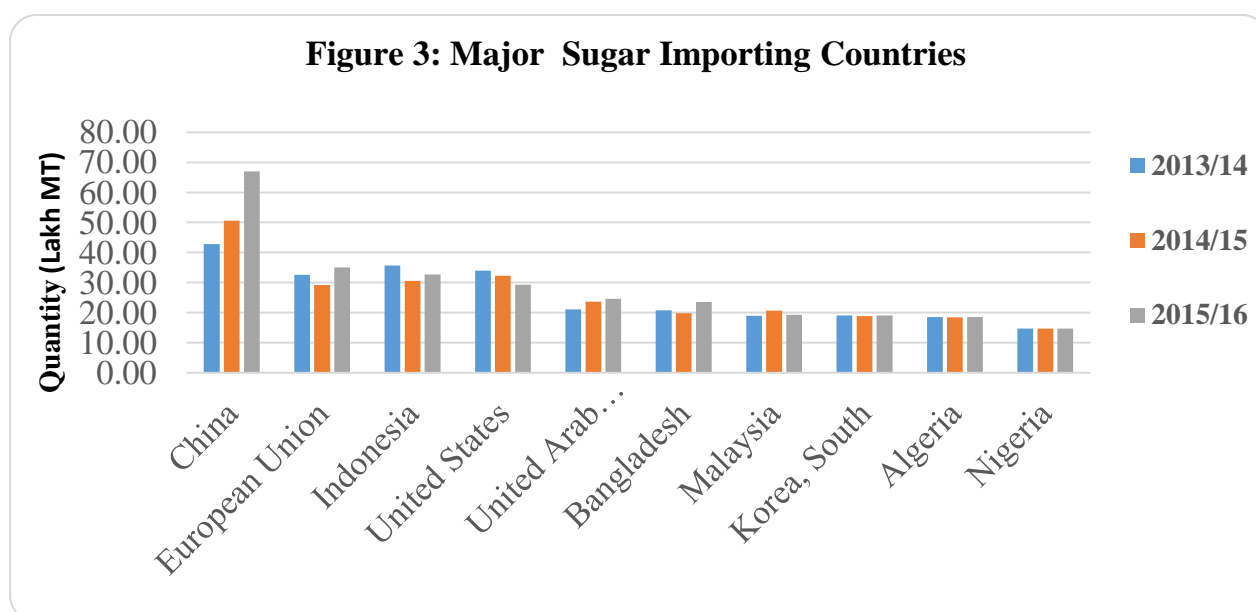
- India was the 2nd largest producer of sugar in the world after Brazil in 2015-16.
- India's share in the world production of sugar was 13 percent in 2016-17.

5. Major Exporting and Importing Countries of Sugar



Source: Comrade

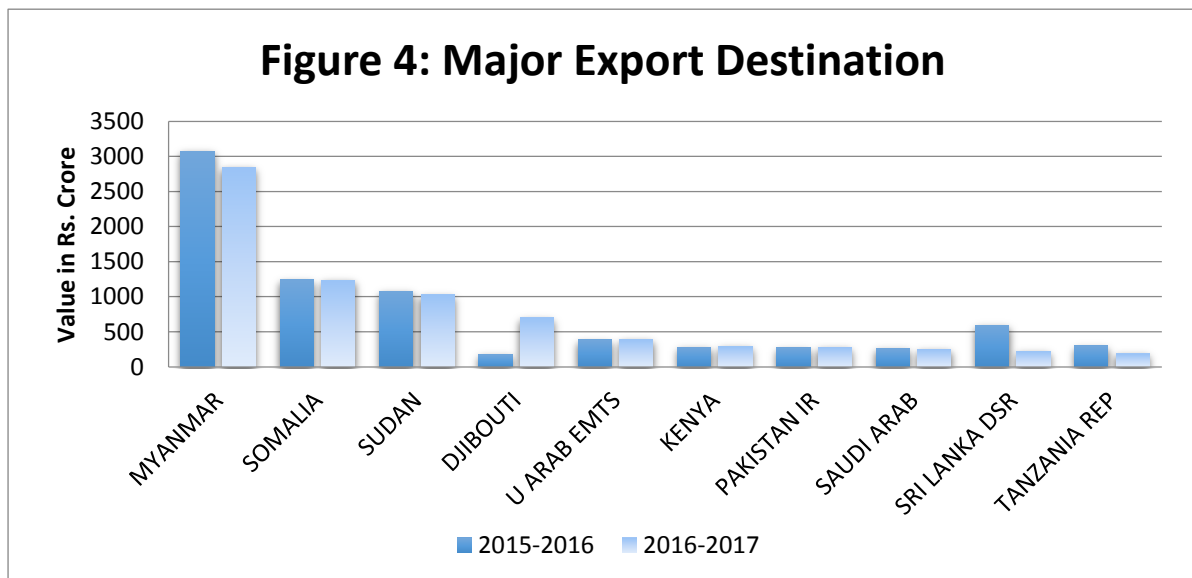
- Brazil was the largest exporter of sugar followed by Thailand and Australia in 2015-16.
- In 2015-16, India was the fourth largest exporter of sugar having a share of 4.55% in total global exports.



Source: Comtrade

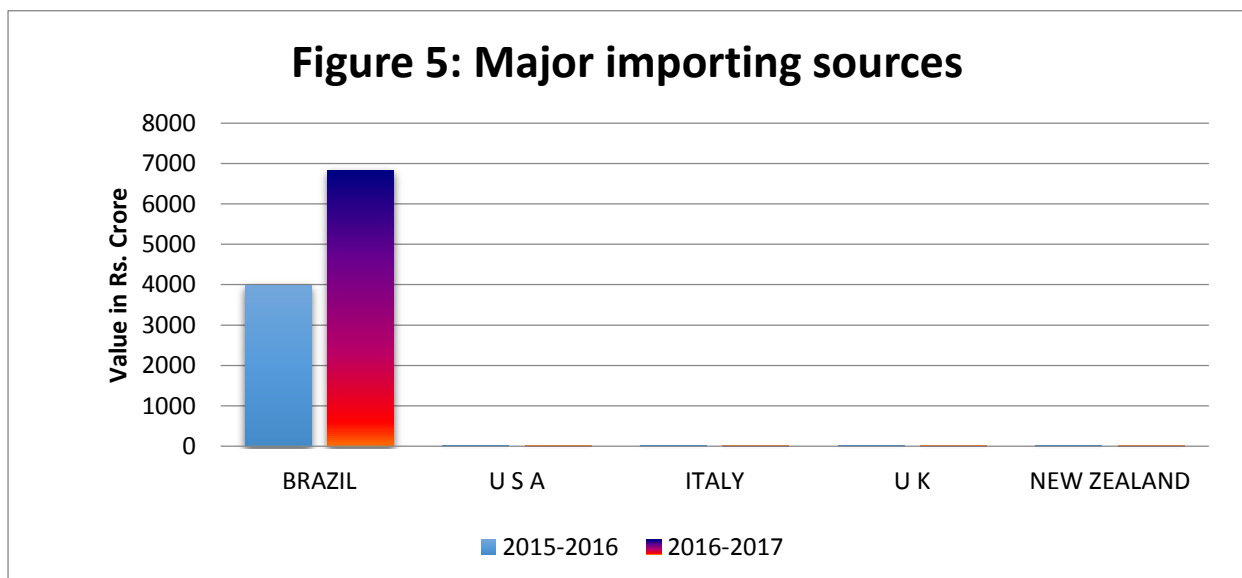
- China, European Union, Indonesia, USA, UAE were the major sugar importing countries in the world in 2015-16.

6. India's Major Export Destinations and Imports Sources



Source: Department of Commerce

- The major export destinations for India in 2016-17 were Myanmar, Somalia, Sudan, Djibouti and UAE.
- Export to Myanmar has decreased slightly than previous year.



Source: Department of Commerce

- Substantial part of India's sugar imports (around 99.68%) came from Brazil in 2016-17. India's imported negligible amount of sugar during the same year from USA, Italy and UK.

7. Trade flow of India

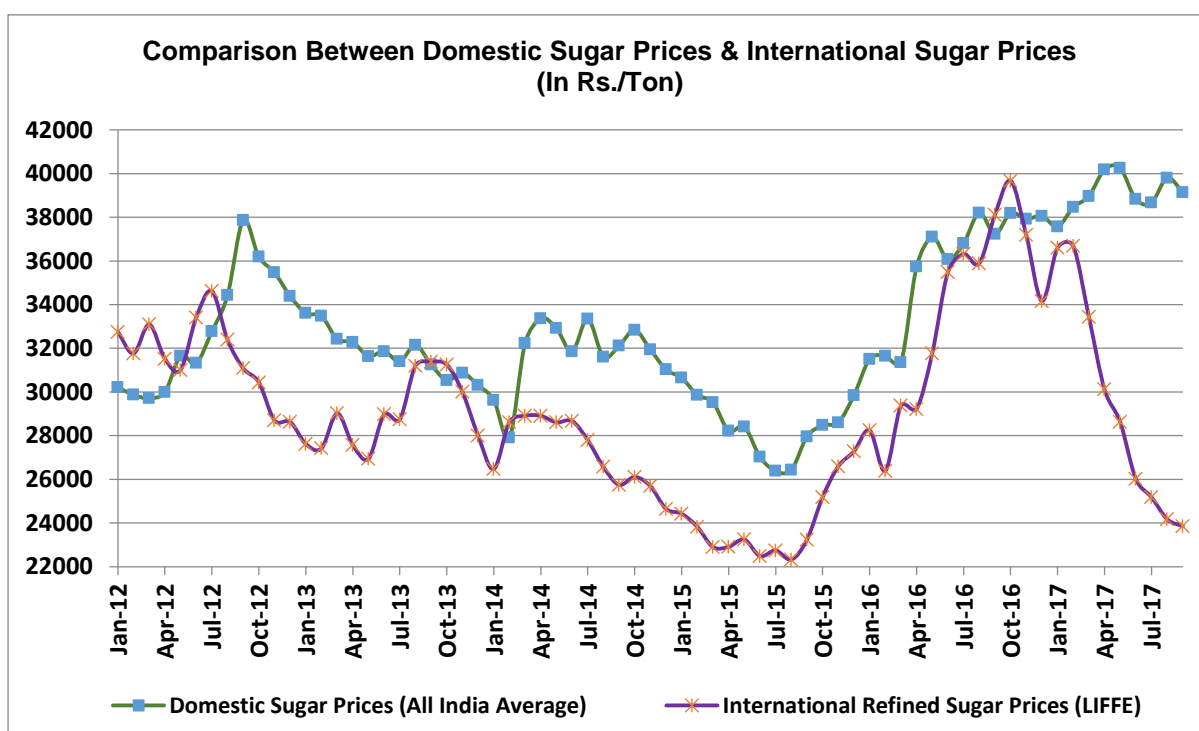
(Unit: Lakh Tonnes)

Year	Export	Import
2010-11	17.11	11.98
2011-12	27.38	0.99
2012-13	27.91	11.21
2013-14	24.60	8.81
2014-15	19.54	15.38
2015-16	38.26	19.4
2016-17	24.45	21.46
2016-17 (Apr-September)	9.84	11.97

Source: Department of Commerce.

- Trade figure shows, that India has been exporting more sugar than that of its import since 2010-11 except current year.

8. Movement of Domestic as well as International Price of Sugar



Source: Agmarknet (for Domestic price), London International Financial Futures Exchange (LIFFE) (for international price)

- The international prices of sugar has been lower than domestic price from November, 2016 onwards.
- Domestic sugar prices surged in the recent months in view of expectation of global sugar deficit forecast for this year.

9. Futures prices
9.1 Sugar Futures Price

(Unit: Rs/Quintal)

Table-5: Sugar Futures Price (Raw Sugar)					
Futures Month	31 Oct, 2017	Week Ago 24 Oct, 2017	Month Ago 28 Sep, 2017	Year Ago 31 Oct, 2016	% Change over Previous Year
March, 2018	2142	2077	2055	3224	-33.54
May, 2018	2151	2088	2077	3155	-31.82
July, 2018	2158	2103	2105	3073	-29.76

Source: Intercontinental Exchange (ICE), New York

(Unit: Rs/Quintal)

Table 6: Sugar Futures Price (White Sugar)					
Futures Month	31 Oct, 2017	Week Ago 24 Oct, 2017	Month Ago 28 Sep, 2017	Year Ago 31 Oct, 2016	% Change over Previous Year
Dec, 2017	2490	2433	2359	3866	-35.59
March, 2018	2491	2441	398	3810	-34.6
May, 2018	2529	2479	2460	3764	-32.82

Source: London International Financial Future & Option Exchange (LIFFE)

- Future Prices of sugar (raw sugar as well as white sugar) are expected to decrease over the previous year as shown in the Table 5 & 6.

9.2 Prices of Sugar in Bench Mark Domestic Market

(Unit: Rs/ Quintal)

Table 7: Prices of Sugar in Bench Mark Domestic Market					
	Today 1 Nov , 17	Week ago 25 Oct, 17	Month Ago 29 Sept , 17	Year Ago 1 Nov, 16	% Change over Previous Year
Sugar : S Grade					
Erode	4045	3995	NA	3645	10.97
Kolhapur	3524	3551	3576	3488	1.03
Sugar : M Grade					
Delhi	3735	3770	3804	3845	-2.86
Erode	4095	4045	NA	3695	10.83
Kanpur	3869	3885	3848	3953	-2.12
Kolhapur	3914	3629	3655	3584	9.21
Kolkata	3914	3910	NA	3895	0.49
MuzaffarNagar	3768	3777	3756	3811	-1.13

Source: National Commodity & Derivatives Exchange Limited (NCDEX)

- Domestic prices of sugar in major markets in November, 2017 were higher compared to same period in the previous year.

10. State Advised Cane Price

(Unit: Rs/Tonnes)

State	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18
All India (FRP)	1700	2100	2200	2300	2300	2550
UP	2800	2800	2800	2800	3050	3150
Maharashtra	2100-2500	NA	NA	-	2375	
Punjab	2400	2800	2850	2800-2950	2900	
Haryana	2710	2950	3050	3000-3100	3200	3300
Gujarat	2500	NA	NA	-	-	
Andhra Pradesh	2500	2600	NA	2360-2400	-	
Karnataka	2400	2500	2500	2300-2625	2300-3050	
Tamil Nadu	2350	2650	2650	2850	2850	

Source: Agriwatch NA: Not Available

11. Trade Policy

- **Export Policy:** Export duty of 20% has been imposed on sugar vide Deptt. of Revenue Notification No. 37/2016-Customs dated 16/06/2016. Raw Sugar imported under Advance Authorization Scheme shall be exempted from export duty of 20% as clarified by DoR vide Notification No. 41/2016-Customs dated 06.07.2016.

HS Code	Item Description	Export Policy	Nature of Restriction
17010000	(a) Sugar*	Free	
	(b) Preferential Quota Sugar to EU under CXL Quota	Free	The Certificate of Origin shall be issued by Additional DGFT, Mumbai. The exporters shall be required to furnish the details of actual exports (viz. quantity, value, destination, name & address of foreign buyer etc) to the Additional DGFT, Mumbai as well as to APEDA, New Delhi. This will be subject to quantitative ceiling notified by DGFT from time to time.
	(c) Sugar to USA under TRQ	Free	The quota will be operated by APEDA, New Delhi as per the modalities and operational guidelines to be notified by APEDA. The exporters shall be required to furnish the details of actual exports (viz. quantity, value, destination, name & address of foreign buyer etc) to APEDA, New Delhi. Certificate of Origin, if required, shall be issued by Additional DGFT, Mumbai. This will be subject to quantitative ceiling notified by DGFT from time to time.

Source: Directorate General of Foreign Trade (DGFT), Department of Revenue

*: Export of Pharmaceutical Grade Sugar would not be subject to registration requirement.

Export of organic sugar without any quantity limits, is permitted till the time export of sugar is “Free”. Such export is subject to following conditions:

- Sugar should be duly certified by APEDA as being organic sugar;
- Prior registration of quantity with DGFT through online system has been dispensed with vide Notification No. 20/2015-20 dated 7th September,2015.

a. Import Policy: The current applied duty on import of all types of sugar is 40%.

Table 10: Import Policy					
Exim Code	Item Description	Import Policy	Bound Duty	Standard Duty	Applied Duty#
1701	Cane or Beet Sugar and Chemically Pure Sucrose In Solid Form				
1701 12 00	Beet sugar	Free	150%	100%	50%
1701 13	Cane sugar specified in Subheading Note 2 to this Chapter:				
1701 13 10	Cane jaggery	Free	150%	100%	50%
1701 13 20	Khandsari sugar	Free	150%	100%	50%
1701 13 90	Other	Free	150%	100%	50%
1701 14	Other cane sugar:				
1701 14 10	Cane jaggery	Free	150%	100%	50%
1701 14 20	Khandsari sugar	Free	150%	100%	50%
1701 14 90	Other		150%	100%	50%
1701 91 00	Refined sugar containing added flavouring or colouring matter	Free	150%	100%	50%
1701 99	Other:				
1701 99 10	Sugar cubes	Free	150%	100%	50%
1701 99 90	Other	Free	150%	100%	50%
1701 12 00	Beet sugar	Free	150%	100%	50%

Source: Directorate General of Foreign Trade (DGFT), Department of Revenue and World Trade Organization (WTO).

Applied duty on sugar was increased from 40% to 50% vide Notification No. 66/2016-Customs dated 10th July, 2017.

##Duty Free Import Authorization Scheme shall not be available for imports of raw sugar vide DGFT’s notification No. 5/2015-20 dated 1st May, 2015.

- The requirement of registration of quantity with DGFT for export of sugar has been dispensed with vide DGFT’s Notification No. 20/2015-20 dated 7.9.2015.

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