

Commodity Profile for Sugar, March, 2017

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

(Unit:Lakh Tonnes)

Table 1: Sugar Production, Trade, Consumption and Availability				
2015-16	2016-17 (Provisional)	Particular	January , 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	12.37*	DoC
360.26	314.42	Availability	N.A. @	-
37.98	27.52	Total Exports	7.74*	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- January, 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	2013-14	2014-15	2015-16*	2016-17*
World Production	1757.03	1743.08	1734.05	1709.41
Human Consumption	1687.34	1706.00	1734.13	1735.73
Total Import	504.81	515.5	528.67	559.04
Total Export	559.13	541.5	558.12	520.76
Ending Stock	455.15	422.81	405.29	307.95

Source: United States Department of Agriculture,

*Estimated

- Estimates shows that world sugar production has been declining since 2013-14.

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	3521.63 *	251.21	69.89
2016-17	45.17	3099.84 #	225.21	67.57

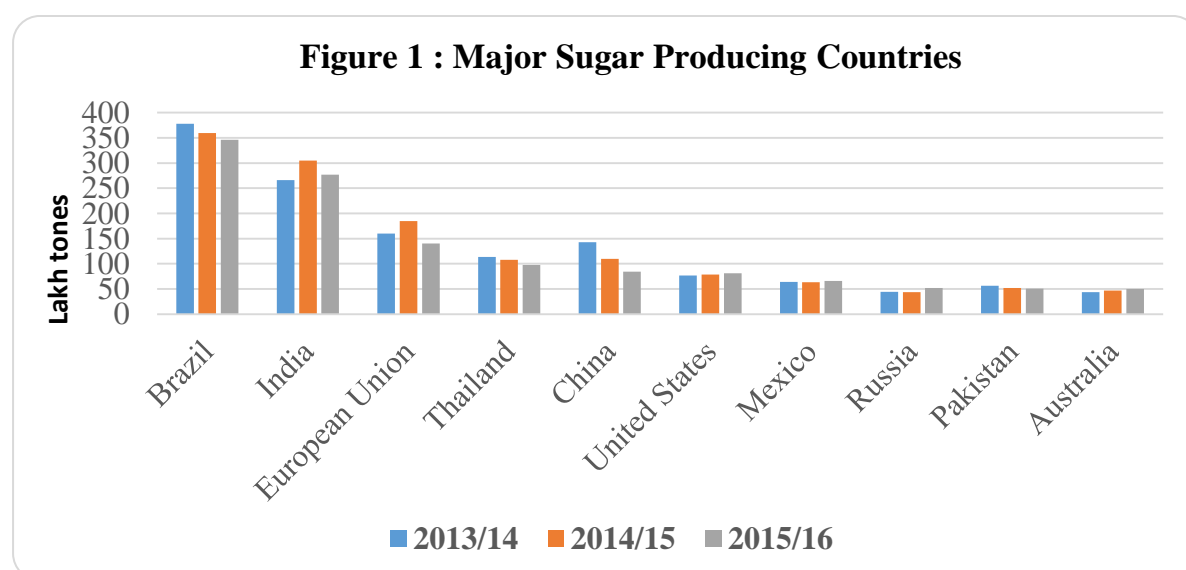
Source: Department of Food & Public Distribution (for Sugar Production) and Agricultural Statistics (for production and area of Sugarcane).

*: As per 4th Advance Estimate (2015-16) of DAC released on **02.08.2016**.

2nd Advance Estimate (2016-17) of DAC & FW released on 15.2.2017

- 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.

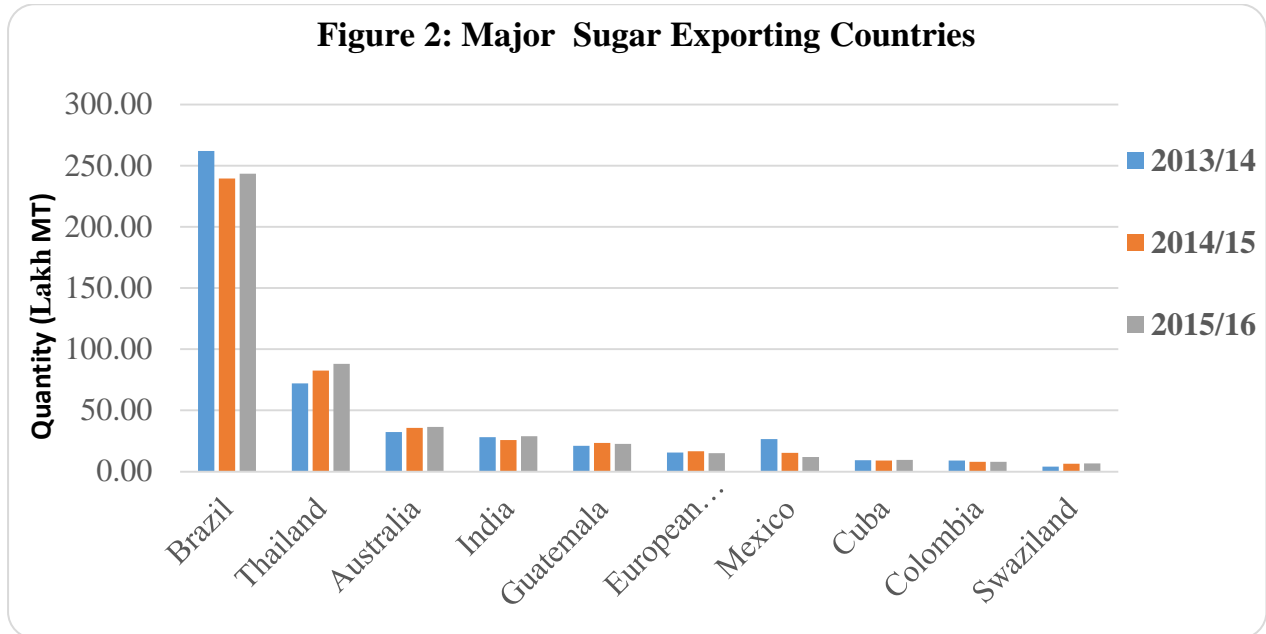
4. Major Sugar Producing Countries of world



Source: United States Department of Agriculture

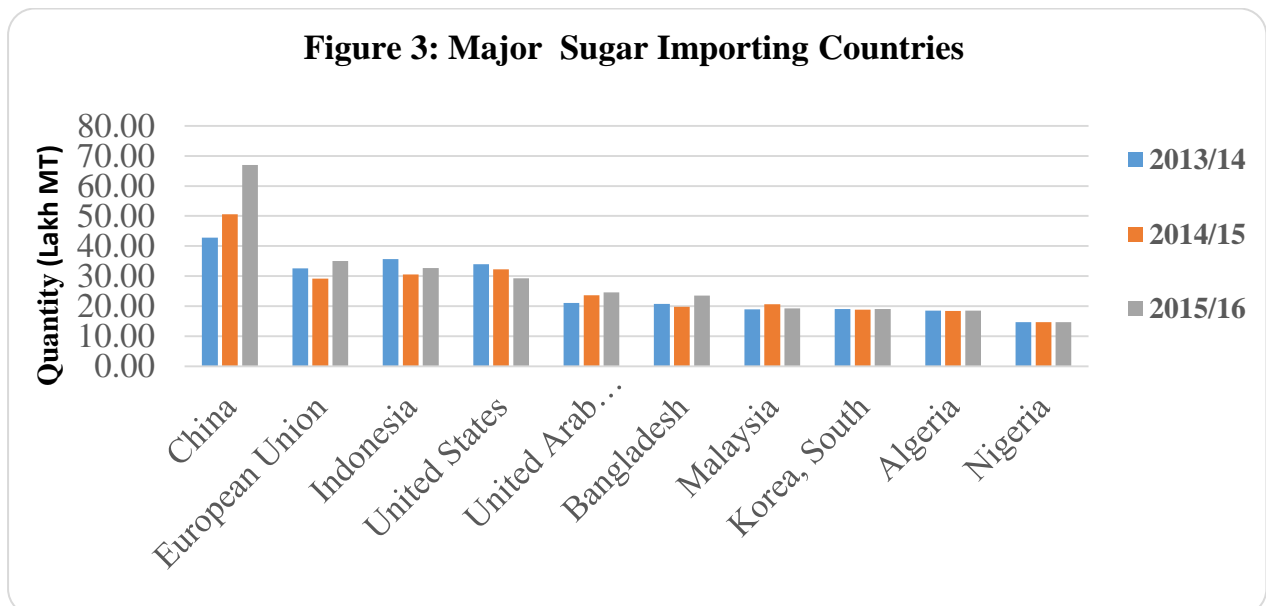
- India was the 2nd largest producer of sugar in the world after Brazil in 2015-16.
- India's share in the world production of sugar was 15 percent in 2015-16.

5. Major Exporting and Importing Countries of Sugar



Source: Comtrade

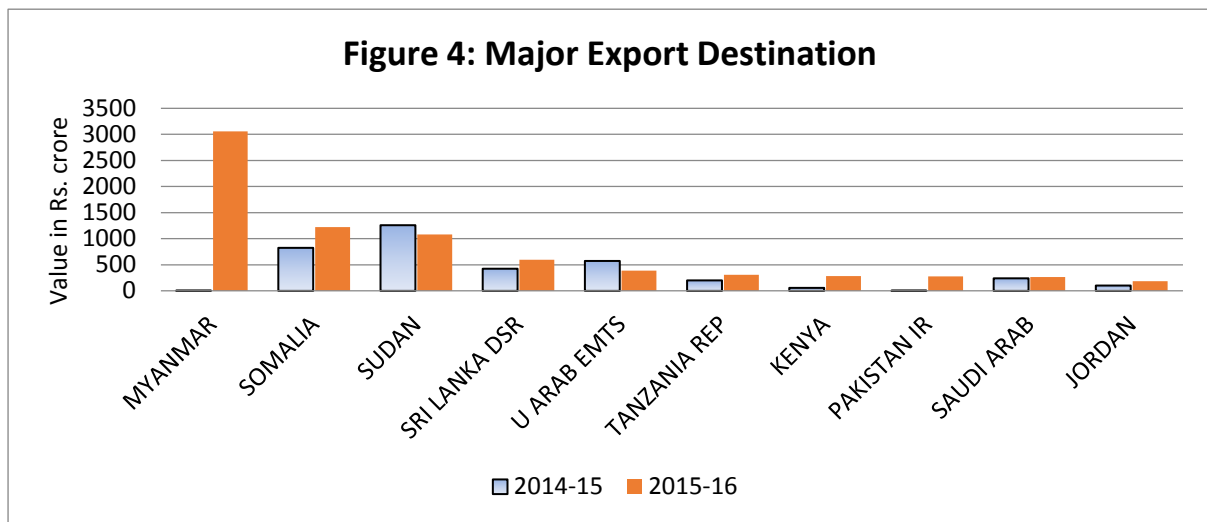
- Brazil was the largest exporter of sugar followed by Thailand and Australia in 2015-16.
- In 2015-16, India was the fourth largest exporter of sugar having a share of 4.55% in total global exports.



Source: Comtrade

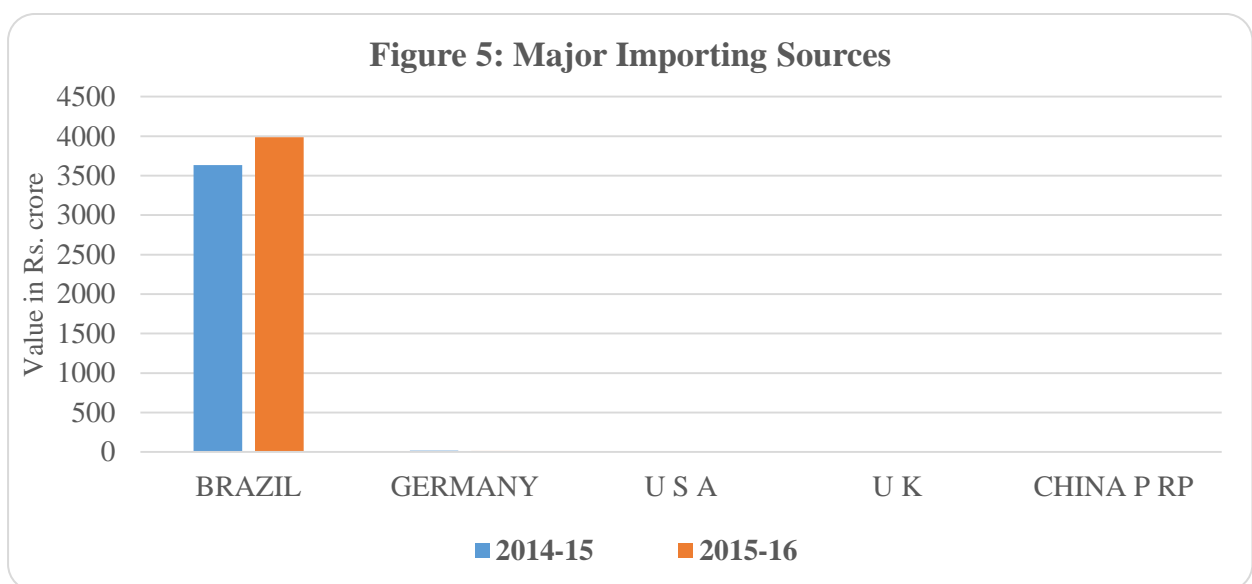
- China, European Union, Indonesia, USA, UAE were the major sugar importing countries in the world in 2015-16.

6. India's Major Export Destinations and Imports Sources



Source: Department of Commerce

- The major export destinations for India in 2015-16 were Myanmar, Somalia, Sudan, Sri Lanka and UAE.
- The highest growth in India's sugar export was for Myanmar in 2015-16 compared to previous year.



Source: Department of Commerce

- Substantial part of India's sugar imports (around 99.6%) came from Brazil in 2015-16. India's imported negligible amount of sugar during the same year from Germany, USA, UK and China.

7. Trade flow of India

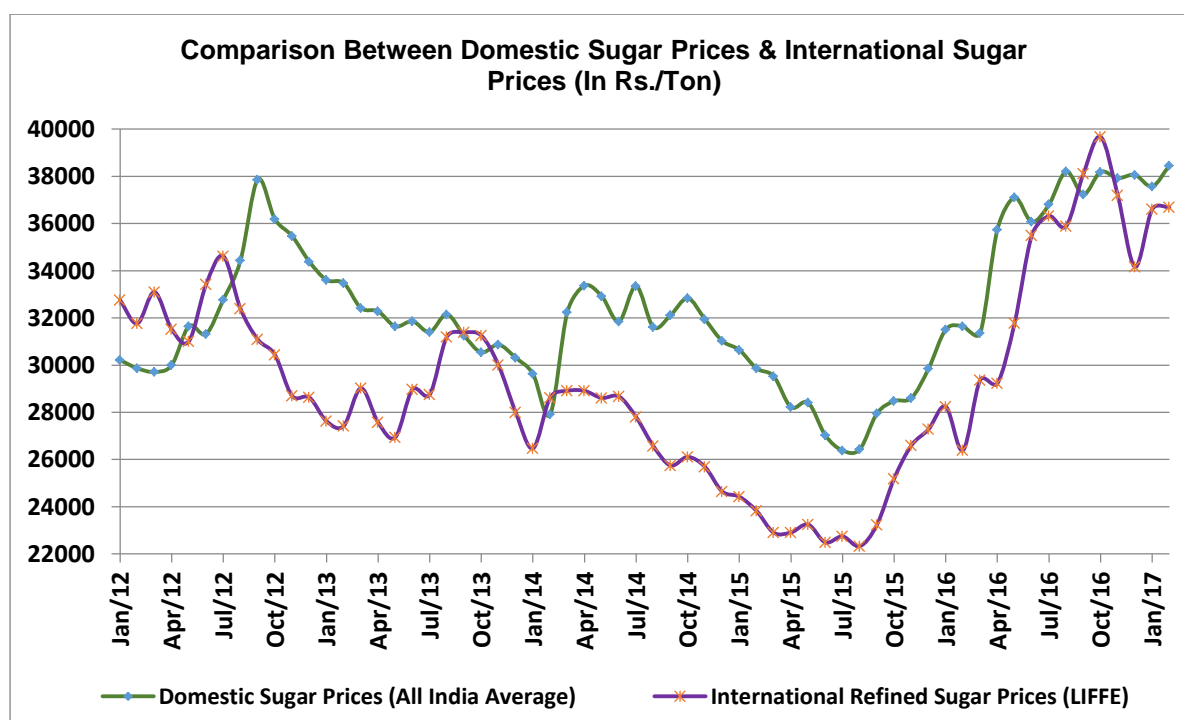
(Unit: Lakh Tonnes)

Table 4: Trade Flow for India during 2010-11 to 2016-17		
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 (April to January)	21.73	18.99

Source: Department of Commerce.

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

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.
- Green Pool predicted a global sugar supply deficit of 8.51 MT in 2015-16 (October-September) and a deficit of 6.5 MT in 2016-17 (October-September) following a drop in sugarcane crop in India and Thailand due to the adverse EI Nino effect.

9. Futures prices

9.1 Sugar Futures Price

(Unit: Rs/Quintal)

Futures Month	7 March, 2017	Week Ago 28 Feb, 2017	Month Ago 7 Feb, 2017	Year Ago 7 Mar, 2016	% Change over Previous Year
May, 2017	2746	2917	3113	2202	24.74
July, 2017	2748	2896	3068	2226	23.46
Oct, 2017	2769	2897	3042	2299	20.40

Source: Intercontinental Exchange (ICE), New York

(Unit: Rs/Quintal)

Futures Month	7 March, 2017	Week Ago 28 Feb, 2017	Month Ago 7 Feb, 2017	Year Ago 7 Mar, 2016	% Change over Previous Year
May, 2017	3417	3538	3693	2805	21.80
May, 2017	3320	3435	3667	2778	19.51
July, 2017	3265	3371	3557	2782	17.37

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

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

9.2 Prices of Sugar in Bench Mark Domestic Market

(Unit: Rs/ Quintal)

	8 Mar, 2017	Week Ago 1 Mar, 2017	Month Ago 8 Feb, 2017	Year Ago 8 Mar, 2016	% Change over Previous Year
Sugar : S Grade					
Erode	3948	4095	4120	3048	29.53
Kolhapur	3862	3880	3890	3157	22.33
Sugar : M Grade					
Delhi	3890	3945	3935	3338	16.54
Erode	4023	4170	4195	3098	29.86
Kanpur	4051	4050	4073	3438	17.83
Kolhapur	3955	3973	3969	3260	21.32
Kolkata	4050	4070	4158	3480	16.38
MuzaffarNagar	3912	3929	3971	3324	17.69

Source: National Commodity & Derivatives Exchange Limited (NCDEX)

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

10. State Advised Cane Price

(Unit: Rs/Tonnes)

State	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17
All India (FRP)	1450	1700	2100	2200	2300	2300
UP	2400	2800	2800	2800	2800	3050
Maharashtra	1800-2050	2100-2500	NA	NA	-	2375
Punjab	2200	2400	2800	2850	2800-2950	2900
Haryana	2210	2710	2950	3050	3000-3100	-
Gujarat	NA	2500	NA	NA	-	-
Andhra Pradesh	2000	2500	2600	NA	2360-2400	-
Karnataka	2000	2400	2500	2500	2300-2625	2300-3050
Tamil Nadu	2100	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%	40%
1701 13	Cane sugar specified in Subheading Note 2 to this Chapter:				
1701 13 10	Cane jaggery	Free	150%	100%	40%
1701 13 20	Khandsari sugar	Free	150%	100%	40%
1701 13 90	Other	Free	150%	100%	40%
1701 14	Other cane sugar:				
1701 14 10	Cane jaggery	Free	150%	100%	40%
1701 14 20	Khandsari sugar	Free	150%	100%	40%
1701 14 90	Other		150%	100%	40%
1701 91 00	Refined sugar containing added flavouring or colouring matter	Free	150%	100%	40%
1701 99	Other:				
1701 99 10	Sugar cubes	Free	150%	100%	40%
1701 99 90	Other	Free	150%	100%	40%
1701 12 00	Beet sugar	Free	150%	100%	40%

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

Applied duty on sugar was increased from 25% to 40% vide Notification No. 28/2015-Customs dated 30th April, 2015.

##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.
