



MARKET INTELLIGENCE UPDATES FOR JAGGERY

IRAN BUYS INDIAN RAW SUGAR FOR THE FIRST TIME IN 5 YEARS.

Indian traders will export raw sugar to Iran for March and April delivery, the first Indian sugar sales to Tehran in at least five years as Iran struggles to secure food supplies under sanctions imposed by the United States. Under the sanctions, Iran is blocked from the global financial system, including using US dollars to transact its oil sales. Iran agreed to sell oil to India in exchange for rupees but it can only use those rupees to buy Indian goods, mainly items it cannot produce enough of domestically.

Trading houses have contracted to export 1,50,000 tonnes of raw sugar for shipments arriving in March and April at \$305 to \$310 per tonne on a free-on-board basis.

Iran's state buyer, the Government Trading Corporation (GTC), purchased the sugar to ensure ample supplies in the coming months. Iran usually buys sugar from Brazil, the world's biggest producer and exporter of the product.

There can be an import of Iran could import as much as 4,00,000 tonnes of raw sugar from India in 2019 as its local production is not enough to fulfil the demand

Cargill, Bunge and other global traders have halted food supply deals with Iran because the new US sanctions have disrupted the banking systems used to settle payments.

Iran is paying a premium of as much as \$7 per tonne compared to other buyers as traders are anticipating a risk of a delay in payments.

The exports will help reduce swelling sugar inventories in India, the world's second-biggest sugar producer, but could weigh on global prices that have risen 8.9 per cent so far in 2019 to 13.1 cents per pound as of Monday.

COUNSELLORS APPOINTED IN 10 MAJOR DESTINATIONS

The government has appointed agriculture counsellors in 10 countries, including the US and China, to boost India's agricultural exports, given the plan to double these to \$60 billion by 2022. These countries have been selected based on their current level of imports from India — all of them are among the top five destinations in one or more agri products under 37 categories identified for export push. Vietnam, the US, UAE, Bangladesh, Nepal, Saudi Arabia, China, Iran, Malaysia and Japan are the top destinations in major commodities including Jaggery.

ROYAL JAGGERY OFFERS A SWEET 'MADE IN MYANMAR' PRODUCT

This Made in Myanmar jaggery product can be a probable threat to Indian exporter of jaggery in South East Asian markets. An indigenous product made on Myanmar may hit upon Indian jaggery exporters in the recent times to come. Cost effectiveness is the major thing that needs to be looked into by the Indian export traders.

GALVANISING TRADE VIA THE NORTH EAST

In order to truly galvanise trade through the north-eastern region, a mix of infrastructure investments and trade facilitation measures are warranted. However, it is equally important to develop a robust supply chain and logistics infrastructure on a hub-and-spoke model to ensure smooth transportation. Export of Jaggery items to the South East Asian nations can boost to a very high extent if the ASEAN Trade route is developed. This model is going to help boost the Trade of Jaggery and other agricultural products through the North-Eastern corridor.

COVID-19: FOREIGN TRADE POLICY MAY GET EXTENDED

The government is likely to extend the existing Foreign Trade Policy by six months to September 30 in the wake of the Covid-19 outbreak. A decision is expected in a couple of days. Exports from India touched \$292.9 billion in the 11 months to February 2020, while imports were \$436.03 billion. Industry representatives also called for some more measures to boost the country's sagging exports before the new policy is implemented. China is back on its feet and has increased the export tax rebate for its exporters which has put India's export markets and orders at risk.

COVID-19: EU RELAXES FRUIT & VEGGIES IMPORTS; NO ORDERS FROM US

European Union has gone digital and will accept E-Certificates while importing fruits, vegetables. This will remove the requirement of a physical certificate earlier used as a necessity. Indian walnuts, grapes, gherkin, jaggery items and sugar confectionary items to be benefitted from the changes. Netherlands, Germany and UK are the large import markets for Indian Sugar products.

DOMESTIC AND EXPORT PRICES OF SUGAR FALL DUE TO COVID-19 SCARE

Sugar industry is afraid of a significant fall in sugar consumption due to COVID-19 as there is curbing in social gatherings, weddings and celebrations have been postponed and people are staying away from ice creams and cold drinks to avoid falling sick leading to fall of domestic as well as international sugar prices. The pandemic is also likely to impact India's ongoing sugar exports even as a fresh demand for Indonesia gives hope to the sugar industry. Global prices are down too by 22%.

SUGAR EXPORTS FROM INDIA MAY PICK UP SOON AGAIN

Industry body Indian Sugar Mills Association (ISMA) has directed that despite COVID-19 impacting global sugar prices, increased demand for Indian sugar from Indonesia will help the sugar exports to pick up again. As per the latest reports, sugar mills have dispatched almost 30 lac tons of sugar from their factories for export against MAEQ of 60 lac tons till 15.3.2020. As per market sources, about 36-38 lac tons of sugar have been contracted for exports so far. The current unprecedented situation due to outbreak of COVID-19 has impacted the global sugar prices also. However, the impact could be temporary.

SOURCE LINKS:

- <https://economictimes.indiatimes.com/news/economy/foreign-trade/sugar-exports-from-india-will-again-pick-up-soon-says-isma/articleshow/74671536.cms>
- <https://economictimes.indiatimes.com/news/economy/agriculture/domestic-and-export-prices-of-sugar-fall-due-to-covid-19-scare/articleshow/74687682.cms?from=mdr>
- <https://economictimes.indiatimes.com/news/economy/foreign-trade/covid-19-eu-relaxes-fruit-veggies-imports-no-orders-from-us/articleshow/74854392.cms>
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