

'Inadequate' free sale quota sweetens sugar

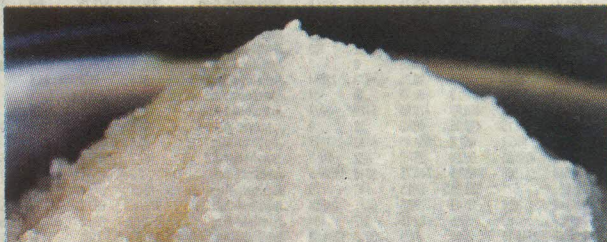
Our Correspondent

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Sugar prices increased by Rs 15-20 a quintal on Friday as the market was of the view that the free sale sugar quota for July-September is inadequate. Volumes at the Vashi wholesale market increased on higher retail demand ahead of holiday on Saturday for the *Ashadhi Ekadashi* festival.

The free sale quota for April-June quarter is 46 lakh tonnes (including one lakh tonnes carry forward).

A Vashi-based leading wholesaler said that sugar prices in spot, naka and mill tender levels shot up by Rs 15-20 as stakeholders believe that the free sale quota of 45 lakh tonnes will prove inadequate considering higher consumer demand for festivals during



August-September. Festivals such as Ramzan, *Raksha Bandhan*, *Janmashtami*, *Ganeshotsav*, etc fall in the second quarter.

He said the Government's decision to maintain the quarterly quota was a cause for concern in view of rising prices, especially in June, higher demand and a possible improvement in exports.

The new crushing season will start from October, giving

an upper hand to suppliers.

Meanwhile, according to the Ministry of Consumer Affairs, sugar factories should sell, deliver-dispatch the entire non-levy quantity of 45 lakh tonnes within the validity period of the release order - from July 1 to September 30 with the condition that mills should sell at least 25 per cent of the quarterly quota in each month of the quarter, and that the remaining 25 per cent can

be sold at any time during the quarter, according to their commercial prudence.

At the Vashi market arrivals were 52-53 truckloads and local dispatches were 51-52 loads.

On Thursday 8-10 mills offered tenders and sold 50,000-55,000 bags in the higher rate of Rs 2,880-2,940 (Rs 2,880-2,930) for S-grade and Rs 2,980-3,040 (Rs 2,960-3,030) for M-grade.

The Bombay Sugar Merchants Association's spot rates (Rs/quintal): S-grade Rs 2,991-3,041 (Rs 2,986 -3,022) and M-grade Rs 3,050- 3,201 (Rs 3,041- 3,181).

Naka delivery rates were: S-grade Rs 2,960 -3,005 (Rs 2,945 -3,000) and M-grade Rs 3,050-3,120 (Rs 3,040-3,110).