

Maharashtra mills lower new season sugar price

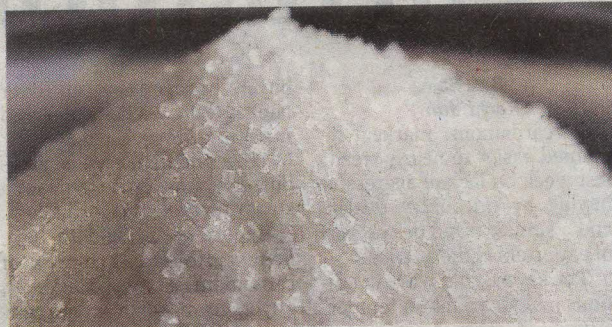
Our Correspondent

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Sugar prices extended further loss by Rs 10 a quintal at mill level and pulled down spot rates by Rs 15-20 on Monday as producers sold new stocks at lower rates.

The premium of new season's stocks narrowed significantly in the last few days on a routine demand. Naka rates ruled unchanged. Sugar futures prices continued to remain range-bound on higher production and ample supply in the markets, said traders.

A wholesaler said: "Maharashtra's millers have started selling new season's stocks by lowering prices to ease pressure of inventory. Last month they were offering new sugar at a premium of Rs 90-100 which is now cut to Rs 20-30. Other side in



physical markets, demand remained need based due to normal off take by retailers. Activities become regular due to ample supply.

The Vashi wholesale market currently carries about 100-110 truckloads inventory. Crushing season is picking up and prices in the other main producing centres are ruling at par with Maharashtra; hence, upcountry buying

is lacking in Maharashtra.

"There is nothing to support sugar prices. Unless the Government takes some steps, either raising import duty or announcing some incentives for sugar mills, we don't see recovery in prices," said analysts.

In Vashi market, arrivals were 62-63 truckloads (each of 100 bags), while dispatches were 61-62 loads. On Sat-

urday about 12-14 mills offered tenders and sold 43,000-45,000 bags (each of 100 kg) in the range of Rs 3,130-3,180 (Rs 3,140-3,190) for S-grade and Rs 3,240-3,290 (Rs 3,250-3,290) for M-grade.

On the National Commodities and Derivatives Exchange, sugar prices for February futures were Rs 3,267 (Rs 3,273); March dropped to Rs 3,295 (Rs 3,300) and April Rs 3,350 (Rs 3,347) till noon.

The Bombay Sugar Merchants Association's spot rates: S-grade Rs 3,266-3,326 (Rs 3,272-3,342) and M-grade Rs 3,346-3,491 (Rs 3,352-3,511). **The Naka delivery rates were:** S-grade Rs 3,230-3,260 (Rs 3,230-3,260) and M-grade Rs 3,280-3,420 (Rs 3,280-3,420).