

# Maha coop bank raises valuations after 9 mths

**Nanda Kasabe**

**Pune, March 10:** As the Maharashtra sugar season of 2016-17 is nearing to a close, the Maharashtra State Cooperative Bank (MSCB) has decided to raise valuations for sugar pledged by mills to R3,350 per quintal after nearly nine months. The valuations have been at R3,200 per quintal since June 17, 2016 and the same rate has prevailed for a better part of the season, Pramod Karnad, managing director, MSCB said.

According to Karnad, the same rates had prevailed for a large part of the season because of shortage in production. There has also been the fear of short margins and therefore, the MSCB has been observing the situation for a long time, after

which valuations have finally been revised to R3,350 per quintal, a hike of R150 per quintal, Karnad added. This means the pledge rate is now revised to R2,580 per quintal and the cane quantum comes up to R2,100 per quintal. Sugar prices are currently in the range of R3,950-4,020 per quintal for small grade and R4,025-4,050 for medium grade.

Prior to this, the MSCB had raised valuations on January 1, 2017 (R2,515 per quintal), February 1, 2017 (R2,655 per quintal), March 1, 2017 (R2,765 per quintal), March 21, 2017 (R2,845 per quintal), April 1, 2017 (R2,995 per quintal), May 1, 2017 (R3,100 per quintal) and to R3,200 per quintal since June 2017. Sugar prices have been on the upward side since the start of the season

as a result of the cane shortage. With the peak crushing season coming to an end, the stocks logically should be on the higher side.

The sugar industry has already pruned its production estimate for the 2016-17 sugar season (October-September) to 203 lakh tonne from the previously estimated 213 lakh tonne due to the drought affecting sugarcane yields in states such as Maharashtra and Karnataka.

In 2015-16, sugar mills had produced 251 lakh tonne of sugar. The Indian sugar mills association has maintained that despite a drop in production, the closing balance of sugar this year would be around 40 lakh tonne, which would be enough to meet the domestic requirement till November 2017.