

# Spot sugar down as mills clear Dec quota

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**S**ugar prices fell across wholesale markets in the country on Wednesday as mills stepped up sales in order to clear December's leftover quota, dealers and analysts said.

Mills have reduced ex-factory prices, as they need to sell around a lakh tonnes from the December quota, a Delhi-based dealer said.

In Mumbai, sugar prices fell by Rs 15 a quintal, while in Delhi and Kolhapur, it dropped by Rs 10.

The Government had announced sale of 17 lakh tonnes for December.

The January quota has been set lower at 15 lakh tonnes. Prices dropped also as most bulk buyers refrained from big purchases, another Delhi-

based dealer said. There has been regular buying, for which there are enough supplies in the market, he said.

Sugar production rose 17.3 per cent in the first three months of the current sugar season that began in October to 7.58 million tonnes, according to the Indian Sugar Mills Association.

Total sugar output for the season has been estimated at around 26 million tonnes, compared with 24.3 million tonnes produced in 2010-11.

Poor export offtake has also pulled down local prices, dealers said. Sugar futures showed a mixed trend.

The January sugar contract ended at Rs 2,841 a quintal, down Rs 3 from close on Tuesday, while February was up Rs 4 at Rs 2,884.

**M-30 sugar wholesale prices in Rs a quintal:** Muzaffarnagar — 3,104.50; Delhi — 3,030; Mumbai — 3,010; Kolhapur — 2,870.

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