

NFCSF asks mills to focus on export of raw sugar

Sugar body bats for 'spot contracts'

OUR BUREAU

Pune, August 9

The National Federation of Co-operative Sugar Factories Limited (NFCSF), the apex body of cooperative sugar mills in India, has asked its members to focus on the production and export of raw sugar in the upcoming sugar season.

In a recent letter to cooperative sugar mills, NFCSF MD, Prakash Naiknavare, said, it is advisable for sugar mills to produce raw sugar in the coming season, enter forward contracts with exporters and go for spot contracts to reap the benefits of the sugar market scenario worldwide.

Tapping opportunities

"Various market reports suggest that due to erratic weather conditions in Brazil,

sugar production is expected to fall down. As a result, there will be a drop in supplies of sugar from Brazil between November 2021 and April 2022, which provides the opportunity for us to export raw sugar in the aforesaid months," Naiknavare said in a letter to the mills.

He added that the latest discussions with the major export houses confirm that they are going for forward contracts with sugar mills for the export of raw sugar for the deliveries in December and January at a price range of ₹3,240-3,280/ quintal on a free-on-board (FOB) basis.

The NFCSF believes that if the sugar mills are able to produce raw sugar at the beginning of the crushing season, then the mills can export above their monthly sugar quota for the domestic sale, which would be helpful in improving their cash liquidity.