The Moscow Times
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INDEPENDENT NEWS FROM RUSSIA

Sugar Prices Could Rise

By The Moscow Times

December 14, 2011

Russian sugar prices may rise because of a decline in the quality of the sugar beet crop, Alfa Bank said Wednesday.

"Sugar beet harvest might be downgraded, thus supporting local sugar prices," the bank said in an e-mailed note. Sugar prices rose to 20 rubles (63 cents) a kilogram from 19 rubles a kilogram "recently" and may increase to 22 rubles a kilogram by the end of the year, the bank said, citing a forecast by the Institute for Agricultural Market Studies, known as Ikar.

A shortage of processing and storage capacity is forcing farmers to keep their harvests in the field, which reduces the sugar content. Sugar output from beets may be below Ikar's estimate of 4.5 million to 5.2 million tons for the 2011-12 marketing season, Alfa said.

(Bloomberg)

Original url: https://www.themoscowtimes.com/2011/12/14/sugar-prices-could-rise-a11447