

Sugar

Annual Review ————— September 2008

Summary

CRISIL Research expects sugar prices to rise in the next 2 years on account of lower production, leading to a fall in inventory levels. Sugar prices will range between Rs 17,000 - 18,500 per tonne in SS 2008-09 and Rs 18,500 - 20,000 per tonne in SS 2009-10. The target of 10 per cent ethanol blending will not be met. To meet the blending target, ethanol will need to be made from 'B' molasses or cane juice. However, the present ethanol pricing renders these alternative feedstocks unviable.



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