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Sugar Rises on Brazilian Supply Concern, Signs of Higher Demand  
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By Claudia Carpenter and Yi Tian

June 9 (Bloomberg) -- Raw sugar rose to the highest price in almost two weeks on speculation that supplies will ease from Brazil, the world's biggest producer.

Wholesalers are building inventories before an anticipated increase in demand in India and the Middle East, said James Kirkup, the head of sugar broking at Fortis Bank Nederland in London. Sugar prices rose 3.8 percent yesterday on supply concerns.

"There is no question that Brazil got a running start" as processors worked through cane left over from last year, Kirkup said. "The focus has to be on the ongoing crush hitting targets."

Raw sugar for July delivery jumped 0.28 cent, or 1.9 percent, to 15.16 cents a pound at 10:07 a.m. on ICE Futures U.S. in New York. Earlier, the price touched 15.33 cents, the highest level for a most-active contract since May 27.

Refined sugar for August delivery climbed \$9.90, or 2 percent, to \$497.10 a metric ton on the Liffe exchange in London.

Buyers are interested in 50,000 metric tons of raw sugar from Brazil, Fortis said in a report.

India, the largest consumer, will begin the crop year with a stockpile of 3 million tons. That may not be enough to meet rising demand, said Atul Chaturvedi, the president of Adani Enterprises Ltd., the country's biggest non-state trader of farm goods.

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--With assistance from Thomas Kutty Abraham in Mumbai. Editors:  
Patrick McKiernan, Michael Arndt

To contact the reporters on this story:

Claudia Carpenter in London at +44-20-7330-7304 or  
ccarpenter2@bloomberg.net; Yi Tian in New York at +1-212-617-7038 or  
Ytian8@bloomberg.net

To contact the editor responsible for this story:

Steve Stroth at +1-312-443-5931 or  
sstroth@bloomberg.net.