
Cargill set to hike corn sweetener prices-letter

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LONDON, Sept 14 (Reuters) - U.S. agribusiness Cargill has warned its customers in North America to expect corn sweetener prices for calendar 2012 to rise by at least 30 percent, according to a letter obtained by Reuters on Wednesday.

"The persistent increase in demand, which has significantly tightened capacity utilization ... along with significant increases in raw materials, will be reflective of a minimum 30 percent price increase for calendar year 2012," the letter said.

Cargill spokeswoman Nicole Reichert said the company declined to comment on pricing.

CBOT corn prices Cc1 rose to an all-time high near \$8 a bushel in June and still remain far above year-earlier levels after hot and dry weather this summer damaged the U.S. crop, putting further pressure on already depleted stocks.

"Uncertainty with the 2011/12 corn crops has made it necessary to delay the announcement of our corn sweetener pricing for calendar 2012 until as late as November," the letter said.

The letter added that "factors such as weather, income growth in the developing world and dangerously low U.S. feed grain stocks, had created conditions never before seen in our corn wet milling business." (Reporting by Sarah McFarlane, Writing by Nigel Hunt, editing by Jane Baird)
