World sugar futures prices at New York rose their two-cent-a-pound limit in a continuation of buying that appeared Tuesday after prices had fallen around 12 cents since Jan. 3.

Some brokers believed the market was oversold during the recent decline, while others thought that consumers who have been out of the market might be attracted by current raw sugar prices in the world market.

The March 1975 world sugar contract on the New York Coffee and Sugar Exchange yesterday sold at 38.85 cents a pound. The price Tuesday was as low as 34.95 cents, or more than 31 cents below the record 66 cents paid late last November.

Several European nations yesterday purchased 42,500 tons of raw sugar. This followed sporadic purchases of sugar in the world market over the past month, and some traders thought it might be the forerunner of increased buying in the weeks ahead.

Sugar traders noted that, during the week ending Jan. 4, U.S. processors shipped 83,433 tons of refined sugar into consuming channels. This was up from 67,980 tons during the prior week. Brokers said a leading refiner ordered 11,000 tons of raw sugar in the world market and paid 38.50 cents a pound, one cent above Monday's last sale.

Egyptian Order

Egypt is scheduled to order 50,000 tons of refined sugar today, dealers said. Egypt sought to buy the sugar last Tuesday, when around 100,000 tons were offered by sellers but it didn't buy because prices were too high, dealers said.

Wholesale Prices Show Drop

With the five-tenths per cent decline in over-all wholesale prices last month, the government's Wholesale Price Index stood at 171.5, meaning that a variety of wholesale goods that sold for $100 in 1967 now cost $171.50.

Industrial prices are regarded by economists as a more sensitive barometer of inflation than farm prices which often show erratic change. The rise in industrial prices has been slowing since August. They were up 2.5 per cent then. Last month four of the 13 major commodity groups within the industrial commodities index declined, with the drop in metals the largest since May of 1968, the government said. Textiles, leathers and lumber products also declined.

A 7.6 per cent jump in soft coal prices following the 28-day strike by the United Mine Workers offset falling prices for crude petroleum, gasoline and other energy products.

The Labor Department said the decline in the prices for farm products last month was due largely to declines for fresh and dried fruits and vegetables, soybeans, and grains. Plant and animal fibers, chicken and milk also decreased, but quotations for livestock and eggs were higher.

Processed foods and feeds fell by eight-tenths of one per cent last month, led by declines by sugar and confectionary products and for fats and oils. Despite a 4.4 per cent drop in sugar prices last month, they were still 182.7 per cent higher than a year ago.

Prices of consumer foods, those ready for display on supermarket shelves, were down 1.2 per cent in December following increases over the previous two months.

By ROBERT A. DOBKin
Associated Press Writer
WASHINGTON (AP) — Wholesale prices declined in December for the first time in 14 months, the government reported today, providing further indication of slowing inflation.

The Labor Department said declining agricultural prices more than offset a small increase for industrial commodities last month as over-all wholesale prices fell five-tenths of a per cent. It was the first decline since prices fell one-tenth of a per cent in October 1973.

Despite the December decline, wholesale prices for 1974 were up 20.9 per cent, the biggest annual increase since prices rose 31.1 per cent in 1946 following the end of World War II price controls.

The report provided a dose of encouragement for President Ford as he prepared to deliver his State of the Union message to Congress.

Government analysts said the decline in wholesale prices indicated a breaking in the nation’s inflationary rate as the effects of the recession spread through the economy.

Industrial prices rose 25.6 per cent over the past year while prices for processed foods and feeds jumped 20.9 per cent. Farm product prices dropped 1.9 per cent over the same period.

In December, farm products declined 4.1 per cent, processed foods and feeds were down 1.5 per cent and industrial prices failed to register any increase on a seasonally adjusted basis. Unadjusted, industrial commodities increased two-tenths of a per cent, the smallest increase in more than a year.

Wholesale price increases have moderated in recent months and the trend is expected to be reflected in retail prices in the coming months.

During the final quarter of 1974, wholesale prices climbed at a seasonally adjusted annual rate of 13.4 per cent, substantially slower than the 33.2 per cent rate in the third quarter but still higher than the 12.2 per cent increase during the second quarter of the year.