



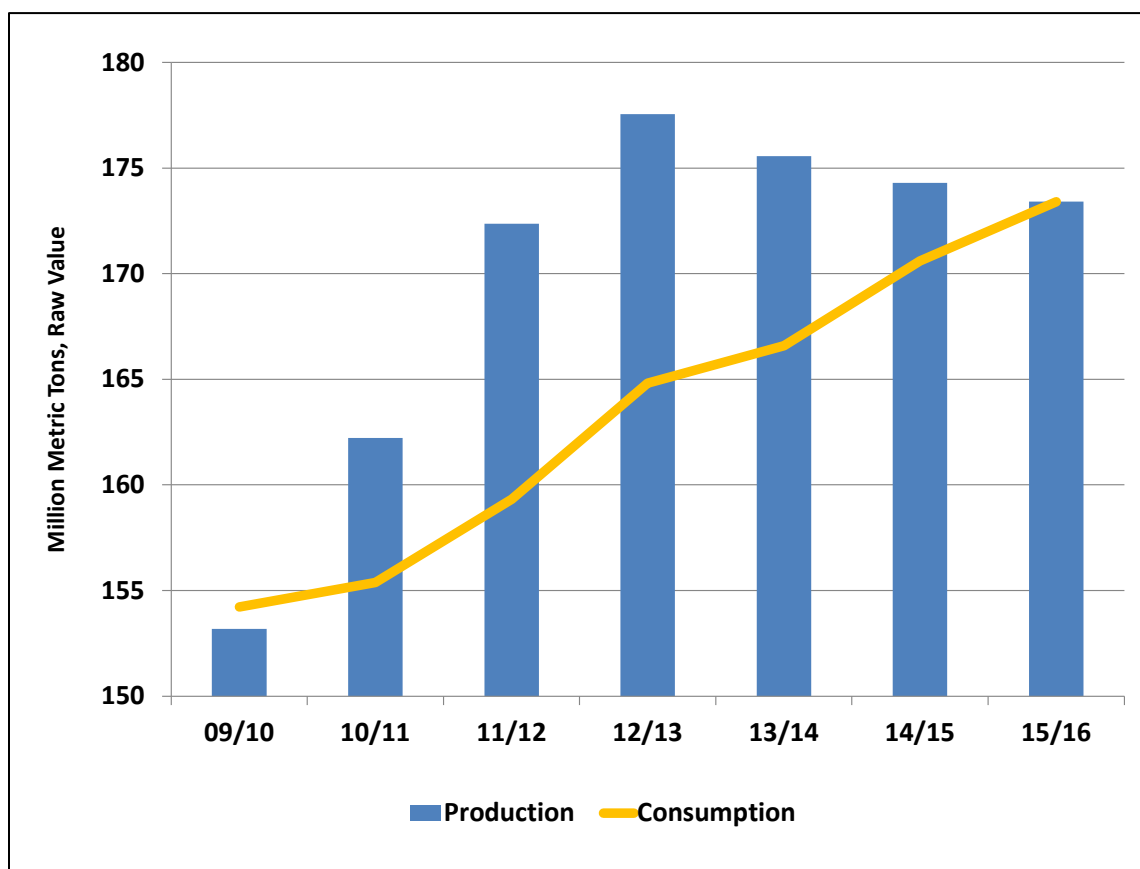
United States
Department of
Agriculture

Foreign
Agricultural
Service

May 2015

Sugar: World Markets and Trade

Declining Global Production Matches Rising Consumption



Global consumption for 2015/16 is forecast at a record 173.4 million metric tons (raw value) equaling production which is forecast to decline for the third consecutive year. Production is down 900,000 tons as reductions in the European Union, India, and the Ukraine more than offset gains in Thailand, Pakistan, Brazil, and Russia. With growing demand, imports are forecast up 3 percent while ending stocks are drawn down 3.8 million tons to 40.5 million.

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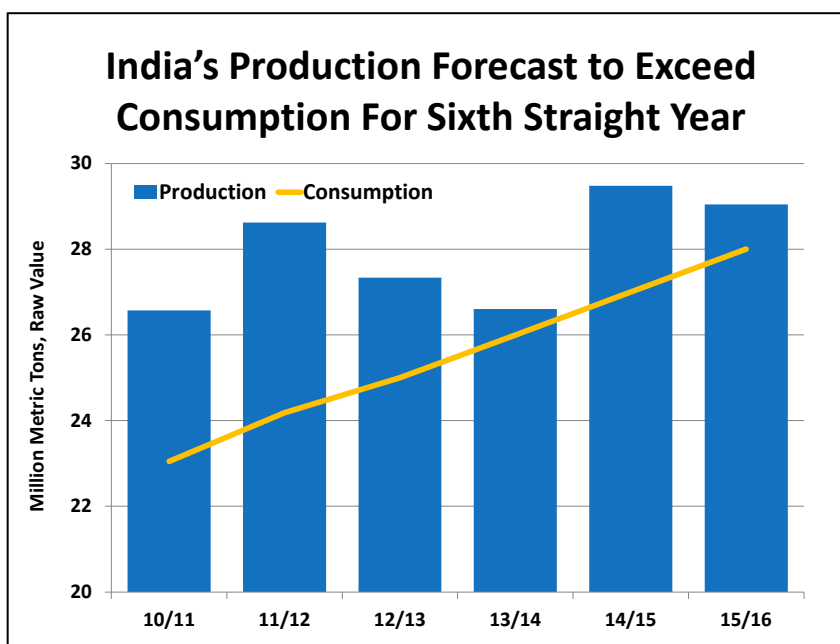
2015/16 Sugar Overview

United States production is forecast slightly less than last year at 7.7 million tons. Imports are forecast at 3.5 million tons, up 10 percent, reflecting the minimum commitment under agreements with the World Trade Organization (WTO) and various Free Trade Agreements between the United States and trading partners. This includes an increase in imports from Mexico of over 500,000 tons from the previous year. Exports are unchanged, while stocks are drawn down nearly 4 percent as consumption grows slightly.

On April 27, 2015, the U.S. Department of Commerce (USDOC) announced that it would resume its anti-dumping (AD) and countervailing duty (CVD) investigations against Mexico. The announcement was made after determining that the two sugar cane refining companies that filed an appeal to the agency had legal standing to do so, although they were not petitioners in the initial investigation. The investigations were initiated in March 2014, but were suspended in December 2014 as a result of an agreement between the USDOC and the Government of Mexico. The terms of the agreement limited quantities and prices of raw and refined sugar that could be imported from Mexico, but agreed not to impose duties that were set by the preliminary investigations. The duties will not be imposed with the continuation of the investigation. The USDOC is expected to release a decision by September 16, 2015.

Brazil's production is up slightly at 36.0 million tons, with less sugarcane diverted to sugar (forecast 43 percent) on increased profitability for ethanol production. Additionally, the mandated level of the biofuel gasoline blend is up from 25 to 27 percent. Sugar consumption is expected to increase slightly reflecting population growth and an expanding food processing sector. Exports are projected lower for the third consecutive year to 24.4 million tons as stocks rise.

India's production is forecast down slightly to 29.0 million as a result of lower area in Maharashtra due to water shortages. Consumption is forecast at a record 28.0 million tons on strong demand from soft drink manufactures and the food processing sector. India is the world's largest consumer and second largest producer of sugar, and imports vary greatly year-to-year. Exports are forecast to expand to 2.2 million tons, bringing stocks to nearly 10 million, which are more than sufficient to meet India's three-month consumption requirement.



Thailand's production and exports are forecast at a record 11.4 million and 8.3 million tons, respectively. Records are based on higher yields and stocks drawn down to meet increased Asian demand, particularly from China and Malaysia. Consumption continues to trend higher, driven by rising household and industrial use.

Production in the **European Union** is forecast to drop 1.3 million tons to 15.5 million tons on decreased sugar beet area in response to low prices for sugar above the quota. As consumption continues to trend higher, imports are projected to grow 200,000 tons to 3.2 million tons. Exports remain at 1.5 million tons, limited by their WTO sugar export ceiling.

China's production is projected down 180,000 tons to 10.8 million as farmers reduce area in response to lower floor prices, delayed payments, and higher production costs. Imports are forecast 700,000 tons higher, to a record 5.5 million tons on rising consumption driven by continued growth in food manufacturing. Stocks are forecast down 1.4 million tons to 5.7 million.

Mexico's production is forecast flat at 6.4 million tons. Exports, which are nearly all for the United States, are projected over 300,000 tons higher to 1.9 million. The U.S. total is based on the calculation of U.S. Needs, as defined by the suspension agreements for the AD/CVD investigations against Mexican sugar signed in December 2014. Consumption remains unchanged and stocks drop over 25 percent.

Australia's sugar production is forecast to grow 100,000 tons to 4.8 million on increased area and yield. Australian sugar exports are forecast up 90,000 tons to 3.7 million on greater exportable supplies as consumption remains flat.

Russia's production is forecast up 150,000 tons to 4.5 million on expanded area. Imports are forecast higher to meet growing consumption as well as build stocks.

Selected 2014/15 Revisions from November Forecast:

- Global production is up 1.9 million tons to 174.3 million.
 - India is revised up 2.2 million tons to 29.5 million as more cane is used for centrifugal sugar versus gur.
 - Thailand is raised 770,000 tons to 11.0 million due to favorable weather increasing yield.
 - China dropped 2.3 million tons to 11.0 million on reduced cane available for processing following weather-related damage.
- Global imports are decreased slightly to 51.6 million.
 - Indonesia is revised down 750,000 tons to 3.1 million on stricter import policy enforcement.
 - European Union is lowered 500,000 tons to 3.0 million as importers are reluctant to pay within quota duties.
 - China jumped 1.0 million tons to 4.8 million on growing demand and lower production.

Sugar Marketing Years

Countries are on a May-April Marketing Year with exceptions noted below.

April-March – Brazil (adjusted from May-April for previous 5 years)

July-June – Australia

October-September – Barbados, Belarus, Belize, Bolivia, China, Colombia, Costa Rica, Cuba, Dominican Republic, Egypt, El Salvador, European Union, French West Indies, Guatemala, Guyana, Honduras, India, Iran, Jamaica, Japan, Mexico, Morocco, Nicaragua, Pakistan, Panama, Russia, Serbia, Sudan, Turkey, Ukraine, United States, Venezuela, Vietnam

December-November – Philippines, Thailand

FAS Reports from Overseas Offices

The *Sugar: World Markets and Trade* circular is based on post reports submitted since September 2014 and on available secondary information. The individual country reports can be obtained on FAS Online at: <http://gain.fas.usda.gov/Pages/Default.aspx>.

PSD Online

The entire USDA PSD database is available online at <http://www.fas.usda.gov/psdonline>.

Additional Resources

Please refer to the USDA-FAS sugar website at: <http://www.fas.usda.gov/commodities/sugar> for additional data and analysis.

Situation and outlook information on U.S. sugar and sweeteners can be obtained from the USDA-Economic Research Service at: <http://www.ers.usda.gov/topics/crops/sugar-sweeteners.aspx>.

Future Releases and Contact Information

Please visit <http://www.fas.usda.gov/data/sugar-world-markets-and-trade> to view archived and future releases. The next release of this circular will be in May 2015.

To receive the circular via email, go to:

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World Centrifugal Sugar
1,000 Metric Tons, Raw Value

	2010/11	2011/12	2012/13	2013/14	2014/15	May 2015/16
Production						
Brazil	38,350	36,150	38,600	37,800	35,850	36,000
India	26,574	28,620	27,337	26,605	29,483	29,050
European Union	15,939	18,320	16,655	16,020	16,750	15,500
Thailand	9,663	10,235	10,024	11,333	10,970	11,400
China	11,199	12,341	14,001	14,263	11,000	10,820
United States	7,104	7,700	8,148	7,676	7,735	7,665
Mexico	5,495	5,351	7,393	6,382	6,360	6,360
Pakistan	3,920	4,520	5,000	5,630	5,230	5,430
Australia	3,700	3,683	4,250	4,380	4,700	4,800
Russia	2,996	5,545	5,000	4,400	4,350	4,500
Guatemala	2,048	2,499	2,778	2,862	2,900	2,965
Philippines	2,520	2,400	2,400	2,500	2,500	2,500
Turkey	2,274	2,262	2,130	2,300	2,055	2,300
Argentina	2,030	2,150	2,300	1,780	2,150	2,250
Colombia	2,280	2,270	1,950	2,300	2,350	2,250
Indonesia	1,770	1,830	2,300	2,300	2,100	2,250
Egypt	1,830	1,980	2,000	2,013	2,067	2,125
South Africa	1,985	1,897	2,020	2,435	2,116	2,050
Vietnam	1,240	1,400	1,650	1,700	1,650	1,700
Cuba	1,150	1,400	1,525	1,600	1,650	1,665
Ukraine	1,540	2,300	2,400	1,196	2,135	1,445
Iran	1,380	1,370	1,300	1,350	1,370	1,370
Peru	1,069	1,072	1,080	1,150	1,220	1,240
Sudan	750	750	760	700	780	780
Nicaragua	506	615	712	745	728	770
Other	12,907	13,699	13,837	14,143	14,109	14,220
Total	162,219	172,359	177,550	175,563	174,308	173,405
Human Dom. Consumption						
India	23,050	24,180	25,000	26,000	27,000	28,000
European Union	18,040	18,200	18,250	18,500	18,700	18,800
China	14,000	14,200	15,100	16,500	17,400	17,700
Brazil	11,455	11,500	11,200	11,260	11,300	11,400
United States	10,171	10,106	10,421	10,722	10,758	10,873
Russia	5,523	5,700	5,700	5,400	5,700	5,800
Indonesia	5,000	5,050	5,400	5,450	5,500	5,550
Pakistan	4,250	4,300	4,400	4,500	4,700	4,950
Mexico	4,187	4,384	4,544	4,184	4,505	4,505
Egypt	2,800	2,850	2,840	2,870	2,930	3,000
Iran	2,454	2,333	2,793	2,897	2,785	2,735
Thailand	2,400	2,510	2,525	2,495	2,500	2,600
Philippines	1,850	2,150	2,150	2,250	2,280	2,300
Turkey	2,291	2,300	2,300	2,300	2,300	2,300
Bangladesh	1,646	1,765	1,637	2,190	2,205	2,230
Japan	2,069	1,955	2,072	2,092	2,114	2,139
South Africa	1,660	1,810	1,850	1,890	1,900	1,900
United Arab Emirates	631	1,144	1,864	1,444	1,785	1,895
Vietnam	1,515	1,784	1,806	1,868	1,838	1,893
Malaysia	1,346	1,450	1,734	1,732	1,740	1,815
Argentina	1,780	1,800	1,820	1,840	1,840	1,810
Colombia	1,620	1,766	1,950	1,560	1,610	1,630
Ukraine	1,700	1,700	1,900	1,752	1,587	1,580
Korea, South	1,251	1,162	1,268	1,421	1,430	1,440
Sudan	1,207	1,175	1,555	1,231	1,395	1,425
Other	31,507	32,091	32,841	32,376	32,798	33,143
Total	155,403	159,365	164,920	166,724	170,600	173,413

World Centrifugal Sugar: Imports and Exports

1,000 Metric Tons, Raw Value

	2010/11	2011/12	2012/13	2013/14	2014/15	May 2015/16
Exports						
Brazil	25,800	24,650	27,650	26,200	24,550	24,350
Thailand	6,642	7,898	6,693	7,200	8,000	8,300
Australia	2,750	2,800	3,100	3,242	3,561	3,650
Guatemala	1,544	1,619	1,911	2,100	2,200	2,350
India	3,903	3,764	964	2,801	1,500	2,200
Mexico	1,558	985	2,091	2,661	1,596	1,930
European Union	1,113	2,343	1,662	1,552	1,500	1,500
Cuba	577	830	798	1,053	1,050	1,050
Colombia	830	876	542	800	810	790
Pakistan	70	350	1,100	729	600	700
South Africa	400	271	356	868	744	700
United Arab Emirates	1,228	935	569	739	565	575
Algeria	400	343	522	478	500	500
Belarus	495	510	479	509	480	480
El Salvador	316	386	480	404	430	450
Nicaragua	272	343	375	375	428	450
Mauritius	338	389	412	447	435	435
Swaziland	320	315	363	350	400	405
Argentina	210	194	258	233	135	340
Korea, South	399	396	383	361	315	310
Egypt	550	389	400	350	350	300
Malaysia	259	313	317	314	300	300
Philippines	507	282	275	250	300	300
Azerbaijan	253	200	254	240	250	255
Costa Rica	107	126	166	199	206	220
Other	2,945	3,429	3,023	3,074	2,950	2,972
Total	53,786	54,936	55,143	57,529	54,155	55,812
Imports						
China	2,143	4,430	3,802	4,330	4,800	5,500
United States	3,391	3,294	2,925	3,395	3,143	3,457
European Union	3,755	3,552	3,790	3,263	3,000	3,200
Indonesia	3,082	3,027	3,570	3,570	3,050	3,200
United Arab Emirates	1,969	2,154	2,583	2,108	2,400	2,500
Bangladesh	1,537	1,700	1,547	2,085	2,075	2,100
Malaysia	1,827	1,760	2,066	2,031	2,075	2,100
Korea, South	1,688	1,668	1,806	1,909	1,870	1,875
Algeria	1,193	1,594	2,014	1,854	1,760	1,800
Nigeria	1,495	1,399	1,450	1,470	1,465	1,470
Saudi Arabia	1,173	1,454	1,403	1,319	1,430	1,470
Iran	1,292	1,079	1,553	1,629	1,400	1,400
Japan	1,331	1,230	1,330	1,353	1,365	1,390
Russia	2,510	510	735	1,020	1,200	1,350
Canada	1,135	1,103	1,156	1,033	1,291	1,300
Egypt	1,120	1,480	1,050	1,208	1,330	1,150
India	455	188	837	1,050	1,000	900
Venezuela	850	800	840	840	870	850
Yemen	672	754	563	749	825	830
Sudan	467	467	997	623	800	800
Morocco	887	932	985	762	780	780
Taiwan	559	499	603	577	585	590
Sri Lanka	575	606	598	542	582	580
Israel	448	623	492	599	530	530
Chile	541	441	595	499	518	520
Other	13,042	11,582	11,720	11,483	11,407	11,225
Total	49,137	48,326	51,010	51,301	51,551	52,867

World Centrifugal Sugar
1,000 Metric Tons, Raw Value

	2010/11	2011/12	2012/13	2013/14	2014/15	May 2015/16
Ending Stocks						
India	6,299	7,163	9,373	8,227	10,210	9,960
Thailand	2,983	2,810	3,616	5,254	5,724	6,224
China	1,621	4,140	6,793	8,832	7,187	5,762
United States	1,250	1,795	1,958	1,642	1,458	1,403
European Union	1,974	3,303	3,836	3,067	2,617	1,017
Pakistan	1,470	1,350	859	1,270	1,210	1,000
Philippines	934	932	942	982	947	897
Indonesia	602	409	879	1,299	949	849
Mexico	806	1,024	1,548	881	961	707
Iran	650	640	700	750	700	700
Brazil	260	260	10	350	350	600
Japan	529	543	550	560	560	560
Ukraine	212	644	901	233	649	404
Bangladesh	330	340	365	400	400	400
Chile	390	385	380	380	400	400
Malaysia	300	320	350	350	400	400
Argentina	81	232	444	141	306	396
Ecuador	222	263	328	363	398	395
Korea, South	373	358	388	390	390	390
United Arab Emirates	150	225	375	300	350	380
Sudan	230	230	340	280	315	320
Saudi Arabia	300	310	300	290	300	300
Costa Rica	166	210	262	298	306	284
Canada	235	253	260	240	280	280
Egypt	129	350	160	161	278	253
Other	7,030	6,799	6,714	7,091	6,636	6,248
Total	29,526	35,288	42,631	44,031	44,281	40,529