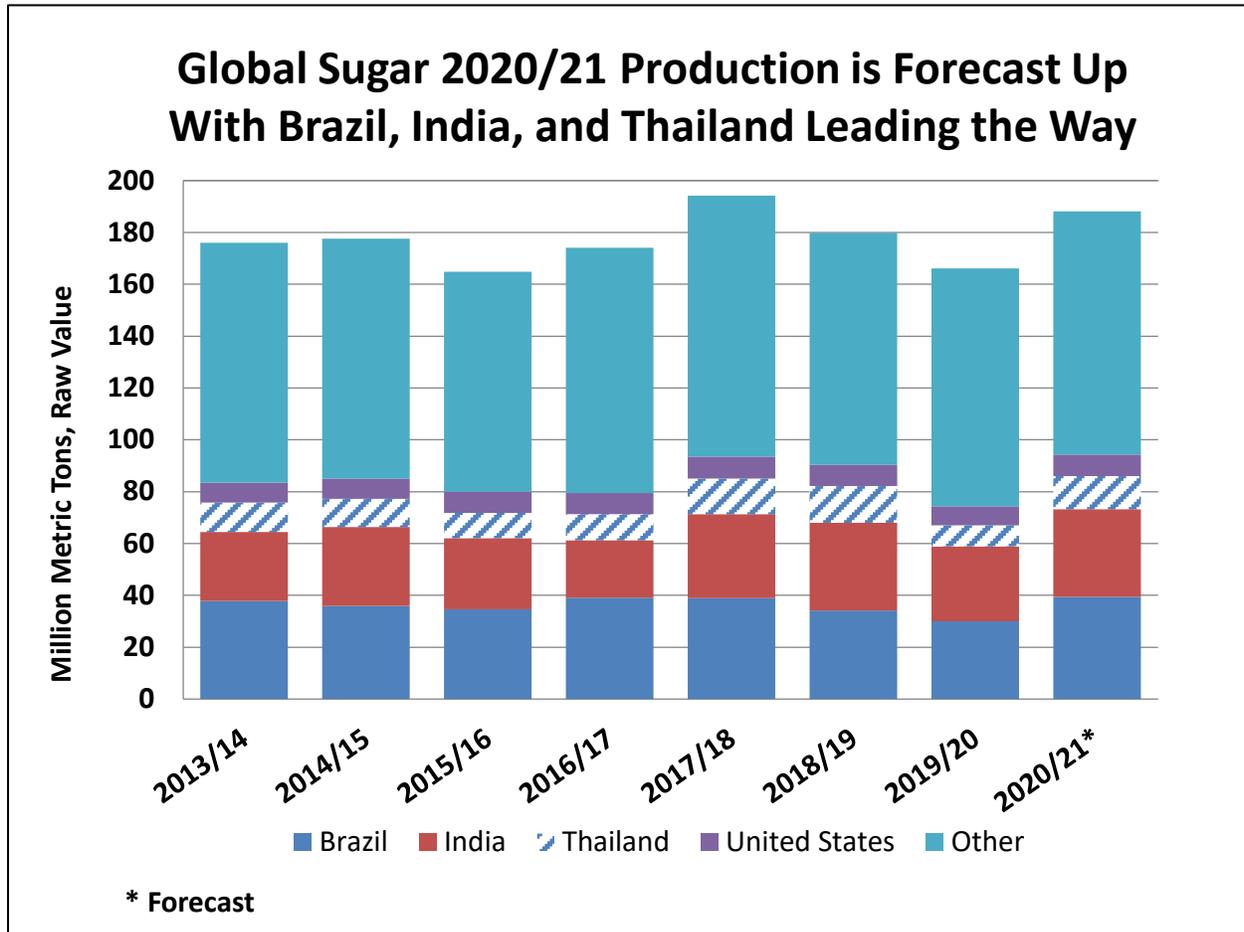




Sugar: World Markets and Trade

Global Sugar Production to Jump in 2020/21 But Stocks Continue to Fall



Global production for Marketing Year (MY) 2020/21 is forecast up 22 million tons to 188 million (raw value) due to higher production in Brazil, India, and Thailand. Consumption is expected to rise to a new record due to growth in markets such as India and is projected to continue to draw stocks lower despite a rebound in output. Exports are forecast up sharply with rising supplies.

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2020/21 Sugar Overview

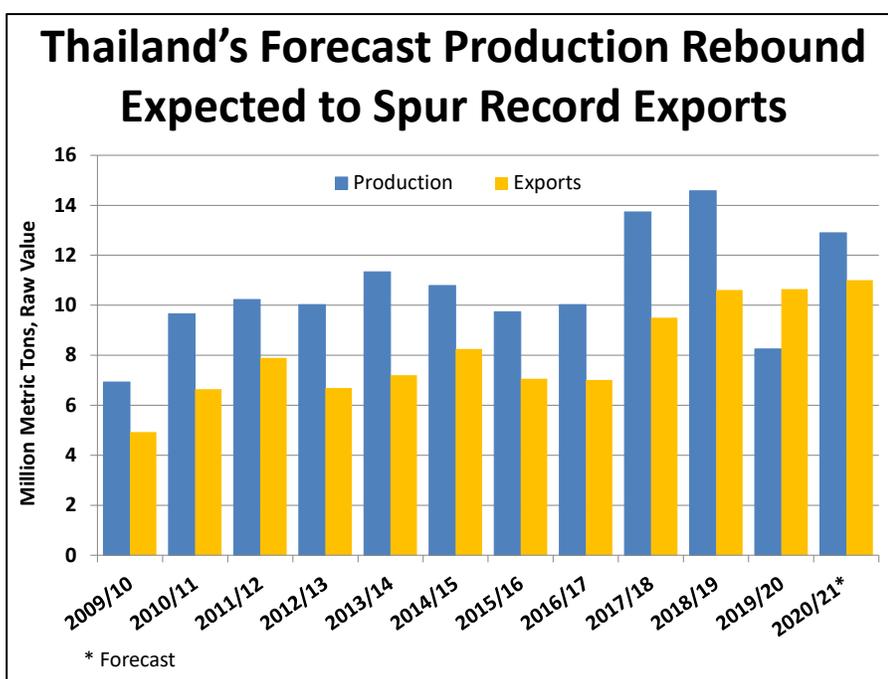
Impacts of COVID-19 have been taken into consideration in the global sugar forecast for trade and consumption. However, the impact of the pandemic on the global economy remains highly uncertain. For country-specific details, please refer to the specific Sugar Annual reports published in the FAS GAIN system which is available at <https://gain.fas.usda.gov/#/>

Brazil's production is forecast to rebound 9.6 million tons to 39.5 million as initial concerns about the August-October dry spell in 2019 were offset by steady January-March rainfall that improved the sugarcane harvest. Low gasoline prices are expected to drastically change the dynamics for the Brazilian sugar/ethanol industry, negatively affecting the ethanol industry and significantly increasing sugar production. Approximately 46 percent of the sugarcane crop is expected to be processed for sugar and 54 percent for ethanol, versus last year's 35 and 65 percent split. Consumption is expected to be unchanged and stocks are expected to be down while exports are forecast to increase with the higher available supplies.

India's production is forecast to rebound 17 percent to 33.7 million tons as above average water reservoir levels are expected to boost yields and to incentivize growers to harvest additional acreage. Consumption is forecast at a record due to a growing economy. Exports are forecast unchanged at 5.0 million tons. Stocks are up more than double minimum stock requirements of around 3 month's consumption.

Production in the **European Union** is forecast 2.5 percent higher to 17.7 million tons despite a 2-percent decrease in area. Consumption is unchanged while exports are projected to be up with higher supplies and stocks falling with lower beginning stocks. Imports are forecast unchanged at 1.5 million tons.

Thailand's production is forecast to recover 4.7 million tons to 12.9 million on favorable cane yields and sugar extraction rates. Consumption is expected to continue increasing due to demand for direct sugar consumption and food-processing. With favorable supplies and global demand, exports are forecast at a record 11.0 million tons and stocks are expected to be the lowest level in 8 years.



China's production is forecast to recover from the previous year's drought, up 500,000 tons to 10.7 million, primarily due to a rebound in cane sugar production in southern China. Consumption is unchanged, imports are up slightly, and stocks are expected to fall for a sixth consecutive year as government policies continue to discourage stockholding.

U.S. production is forecast up 889,000 tons to 8.2 million, due to greater sugarbeet harvested area and higher sugarcane yields and recovery in Louisiana. Imports are 7 percent lower at 3.1 million tons based on projected quota programs and the calculation of U.S. Needs as defined in the amended Suspension Agreements. Consumption is forecast unchanged while stocks are up 15 percent due to increased available production.

Mexico's production is forecast to recover 19 percent to 6.5 million tons on a return to normal weather and growing conditions. Consumption is projected up only slightly as it faces many challenges, ranging from a weak economy affecting consumer purchasing power to new front-of-the-pack labeling for products that exceed critical thresholds of certain nutrients (e.g. fats, sugars, sodium, etc., that may lead to adverse health conditions). Exports, forecast 717,000 tons higher, are projected at the expected level of U.S. Needs, as defined in the amended Suspension Agreements, plus exports to other markets. Stocks are expected to be unchanged.

Pakistan's production is forecast up 6 percent to 5.9 million tons due to expected higher area. Consumption is expected to be up with the higher production and exports are forecast down to 400,000 tons. Stocks are expected to be the lowest in 5 years on lower beginning stocks.

Australia's production is forecast up 5 percent to 4.5 million tons due to favorable weather. Exports are up on greater supplies, and consumption is unchanged while exports are up with the rise in production. China, Indonesia, Japan, Korea, and New Zealand are Australia's top five export markets and account for most of any growth in exports.

Guatemala's production is forecast flat at 2.8 million tons on unchanged sugar cane area. Consumption is up slightly and continues to be around 30 percent of production. Exports are up as Canada, the United States, and Chile continue to be the three key markets and account for most growth in trade. Stocks are forecast down as a result of higher consumption and exports.

Indonesia's production is forecast down 8 percent to 2.1 million tons due to lower yields. Consumption is expected to be up slightly as imports rise to meet strong demand and drives Indonesia to return as the world's largest importer.

Selected MY 2019/20 Revisions from November 2019 Forecast:

- Global production is down 7.9 million tons to 166.2 million.
 - o Thailand is slashed 5.2 million tons to 8.3 million on lower yields due to drought.
 - o Iran is down sharply by 750,000 tons to 1.3 million as drought took a toll on production.
 - o Russia is raised 1.0 million tons to 7.8 million because of good sugarbeet yields.

- Global imports are little changed overall at 50.7 million tons.
 - o The United States is boosted 518,000 tons to 3.4 million as late planting and an early freeze lowered production.
 - o Kazakhstan is raised 305,000 tons to 440,000 on higher imports from Russia and Belarus.
 - o The European Union is up 300,000 tons to 2.3 million as a result of lower production.
 - o Venezuela was lowered 850,000 tons to 150,000 on revised Post data.

- Global exports are down 1.0 million tons to 54.1 million.
 - o Mexico is down 699,000 to 994,000 as drought took a toll on production.
 - o Algeria is lowered 505,000 tons to 166,000 with lower exports to Jordan and the EU.
 - o Brazil is up 680,000 to 19.3 million as higher production boosted available supplies.

- Global ending stocks are lowered 5.1 million tons to 44.5 million.
 - o Thailand tumbles 6.5 million tons to 3.5 million on a drop in production and lower beginning stocks.
 - o India is up 1.1 million tons to 16.0 million as a result of higher beginning stocks.
 - o Russia is raised 815,000 tons to 1.4 million on higher production.

For further information, please contact Reed Blauer at (202) 720-0898 or Reed.Blauer@fas.usda.gov

The *Sugar: World Markets and Trade* circular is based on reports from FAS Overseas Posts since March 2020 and on available secondary information. The individual country reports can be obtained on FAS Online at: <http://gain.fas.usda.gov/Pages/Default.aspx>.

European Union definition: includes all 28 countries in the customs union, including the UK (Austria, Belgium/Luxembourg, Bulgaria, Croatia, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Malta, Netherlands, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Sweden, United Kingdom).

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 is scheduled for November 2020. To receive the circular via email, go to: <https://public.govdelivery.com/accounts/USDAFAS/subscriber/new>.

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>.

Sugar Marketing Years -

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

April-March – Brazil

July-June – Australia

September-August - Philippines

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

December-November – Thailand

World Centrifugal Sugar: Production and Consumption

1,000 Metric Tons, Raw Value

	2015/16	2016/17	2017/18	2018/19	2019/20	May 2020/21
Production						
Brazil	34,650	39,150	38,870	29,500	29,925	39,480
India	27,385	22,200	34,309	34,300	28,900	33,705
European Union	14,283	18,314	20,938	17,982	17,253	17,680
Thailand	9,743	10,033	14,710	14,581	8,250	12,900
China	9,050	9,300	10,300	10,760	10,200	10,700
United States	8,155	8,137	8,430	8,164	7,280	8,169
Russia	5,200	6,200	6,560	6,080	7,800	6,500
Mexico	6,484	6,314	6,371	6,812	5,433	6,466
Pakistan	5,265	6,825	7,225	5,540	5,565	5,900
Australia	4,900	5,100	4,480	4,725	4,285	4,500
Guatemala	2,823	2,719	2,865	2,966	2,781	2,800
Egypt	2,125	2,270	2,320	2,405	2,740	2,780
Turkey	2,000	2,500	2,500	2,700	2,750	2,750
Colombia	2,250	2,300	2,500	2,400	2,350	2,350
South Africa	1,684	1,607	2,064	2,257	2,295	2,329
Indonesia	2,025	2,050	2,100	2,200	2,230	2,050
Iran	1,640	1,770	2,190	1,575	1,250	2,000
Philippines	2,239	2,500	2,100	2,100	2,000	2,000
Argentina	2,060	2,050	1,870	1,570	1,650	1,780
Ukraine	1,638	2,156	2,180	1,753	1,609	1,559
Peru	1,206	1,238	1,080	1,262	1,440	1,450
Cuba	1,625	1,800	1,100	1,300	1,400	1,400
Vietnam	1,330	1,520	1,540	1,300	1,350	1,300
Japan	850	720	830	780	840	815
El Salvador	649	765	754	788	825	800
Other	13,713	14,512	14,070	13,862	13,777	13,914
Total	164,972	174,050	194,256	179,662	166,178	188,077
Human Dom. Consumption						
India	26,800	25,500	26,500	27,500	27,000	28,500
European Union	18,700	18,750	18,600	18,600	18,600	18,600
China	15,800	15,600	15,700	15,800	15,200	15,200
United States	10,779	10,979	10,930	10,982	11,000	11,000
Brazil	10,500	10,550	10,600	10,600	10,650	10,650
Indonesia	5,600	6,186	6,348	7,055	7,150	7,200
Russia	5,867	5,942	6,113	6,016	6,100	6,200
Pakistan	4,800	5,100	5,300	5,400	5,600	5,800
Mexico	4,703	4,769	4,512	4,317	4,301	4,388
Egypt	2,930	2,950	3,050	3,100	3,250	3,360
Turkey	2,248	2,739	2,728	2,784	2,945	2,975
Iran	2,391	2,619	2,449	2,430	2,081	2,751
Bangladesh	2,308	2,232	2,646	2,544	2,375	2,585
Thailand	2,670	2,680	2,580	2,480	2,400	2,500
Philippines	2,150	2,190	2,250	2,250	2,300	2,350
Algeria	1,522	1,750	1,927	2,121	2,154	2,254
Malaysia	1,731	1,696	1,833	1,991	1,930	2,160
Japan	2,122	1,995	2,058	1,975	2,065	2,105
Colombia	1,846	1,900	1,763	1,855	1,860	1,870
United Arab Emirates	1,652	1,205	1,884	1,451	1,175	1,855
Sudan	1,418	1,290	1,564	1,687	1,707	1,740
Korea, South	1,446	1,424	1,519	1,668	1,624	1,700
South Africa	1,957	1,960	1,961	1,770	1,650	1,670
Nigeria	1,290	1,545	1,610	1,610	1,620	1,610
Vietnam	1,776	1,864	1,754	1,532	1,605	1,590
Other	34,248	35,172	35,087	33,105	33,240	35,182
Total	169,254	170,587	173,266	172,623	171,582	177,795

World Centrifugal Sugar: Imports and Exports

1,000 Metric Tons, Raw Value

	2015/16	2016/17	2017/18	2018/19	2019/20	May 2020/21
Exports						
Brazil	24,350	28,500	28,200	19,600	19,300	28,850
Thailand	7,055	7,016	10,907	10,612	10,650	11,000
India	3,800	2,125	2,236	4,700	5,000	5,000
Australia	3,700	4,000	3,600	3,735	3,320	3,540
Guatemala	2,029	1,978	1,881	2,125	1,947	1,970
Mexico	1,280	1,287	1,146	2,337	994	1,711
European Union	1,548	1,509	3,920	1,950	1,200	1,500
South Africa	305	218	768	1,041	1,430	1,190
Russia	23	407	621	387	940	1,050
Colombia	584	695	732	800	750	750
Morocco	303	484	380	492	700	700
Eswatini	665	587	519	582	660	650
Cuba	1,112	1,166	571	588	590	590
El Salvador	371	473	449	532	534	530
Nicaragua	398	454	388	534	497	519
Mauritius	463	474	390	347	410	420
Pakistan	275	400	1,600	600	500	400
Argentina	225	618	207	171	220	340
Korea, South	339	343	325	306	310	315
Egypt	200	300	200	200	300	300
Nigeria	200	300	300	300	300	300
Belarus	377	456	393	387	250	250
Costa Rica	236	230	215	209	222	230
United Arab Emirates	228	778	785	206	210	210
China	165	80	194	200	180	200
Other	3,634	4,135	3,406	3,071	2,707	2,712
Total	53,865	59,013	64,333	56,012	54,121	65,227
Imports						
Indonesia	3,724	4,781	4,298	5,362	4,035	4,650
China	6,116	4,600	4,350	4,100	4,100	4,200
United States	3,031	2,943	2,972	2,785	3,384	3,135
Bangladesh	2,283	2,097	2,654	2,429	2,230	2,530
Algeria	1,921	2,135	2,261	2,328	2,330	2,450
Malaysia	2,009	1,893	2,002	2,139	2,040	2,300
United Arab Emirates	1,830	1,893	2,804	1,572	1,330	2,200
European Union	3,055	2,942	1,341	1,988	2,300	2,100
Korea, South	1,900	1,757	1,864	1,999	1,924	2,025
Nigeria	1,470	1,820	1,870	1,870	1,890	1,880
Canada	1,229	1,139	1,239	1,269	1,335	1,435
Morocco	1,019	1,163	1,128	1,100	1,306	1,405
Saudi Arabia	1,530	1,476	1,401	1,322	1,220	1,370
Japan	1,275	1,232	1,240	1,187	1,232	1,297
Iraq	768	1,004	1,341	1,144	1,145	1,255
India	1,902	2,701	2,071	1,300	1,500	1,200
Sudan	828	647	1,079	1,042	1,052	1,080
Iran	822	962	237	932	851	951
Taiwan	636	595	1,015	897	625	930
Egypt	880	830	990	860	830	880
Yemen	599	677	876	663	630	880
Cambodia	627	737	715	582	720	750
Somalia	700	614	563	732	605	750
Chile	504	497	489	449	631	710
Sri Lanka	621	611	620	593	605	670
Other	13,356	12,661	12,724	10,886	10,862	11,770
Total	54,635	54,407	54,144	51,530	50,712	54,803

World Centrifugal Sugar: Ending Stocks

1,000 Metric Tons, Raw Value

	2015/16	2016/17	2017/18	2018/19	2019/20	May 2020/21
Ending Stocks						
India	9,294	6,570	14,214	17,614	16,014	17,419
China	9,591	7,811	6,567	5,427	4,347	3,847
Thailand	5,281	5,618	6,841	8,330	3,530	2,930
Pakistan	1,470	2,805	3,140	2,690	2,165	1,875
United States	1,863	1,702	1,822	1,618	1,155	1,332
Philippines	1,168	1,167	1,067	1,147	1,127	1,087
Mexico	1,099	1,062	1,479	1,239	1,010	1,010
Indonesia	1,098	1,743	1,793	2,300	1,415	915
European Union	1,241	2,238	1,997	1,417	1,170	850
Russia	150	360	440	450	1,400	790
Japan	585	540	550	540	545	550
Iran	450	535	495	490	420	530
Bangladesh	440	430	525	510	475	500
Algeria	305	350	385	425	435	455
Malaysia	400	390	410	435	430	450
Korea, South	380	370	390	415	405	415
United Arab Emirates	330	240	375	290	235	370
Sudan	280	255	315	340	350	350
Ecuador	395	395	388	389	351	326
Vietnam	355	375	350	305	320	315
Canada	260	245	260	265	270	300
Morocco	260	260	265	250	255	280
Saudi Arabia	300	300	280	270	245	270
Iraq	130	185	250	240	240	250
Costa Rica	281	269	265	278	262	245
Other	7,066	6,338	7,365	6,310	5,862	5,890
Total	44,472	42,553	52,228	53,984	44,433	43,551