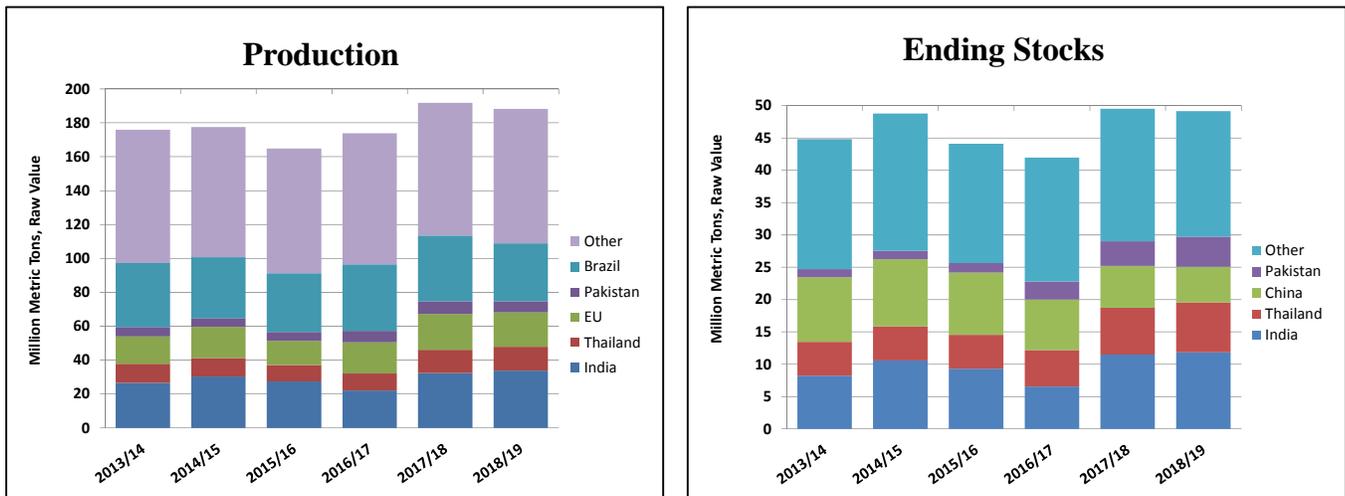




# Sugar: World Markets and Trade

## Elevated Production in 2018/19 Keeps Stocks High, Pressuring Prices



Global stocks for Marketing Year (MY) 2018/19 are forecast to remain above 49 million metric tons (raw value) due to near-record global production, and led by record production in both India and Thailand. In the absence of renewed export subsidies, stocks are projected to grow to burdensome levels in Pakistan.

However, stocks in China are expected to fall as safeguard measures remain in effect, limiting imports from large supplying countries.

Global production is down 4 million tons to 188 million as lower production in Brazil, Pakistan, and the European Union more than offsets record crops in India and Thailand. Exports are down slightly, while consumption is up due to growth in markets such as India and Pakistan.

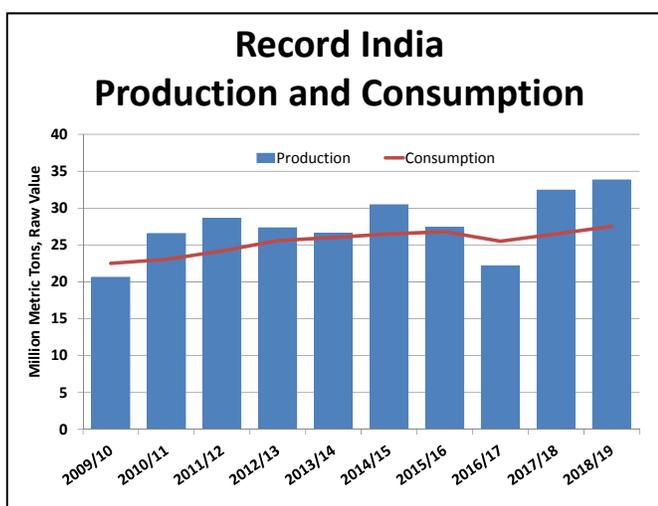
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## 2018/19 Sugar Overview

**U.S** production is forecast down 2.9 percent to 8.1 million tons based on trend yields, area harvested, and the pace of beet plantings through early May. Imports are little changed at 3.1 million tons based on projected quota programs and the calculation of U.S. Needs, as defined in the antidumping and countervailing duties suspension agreements effective December 2014 and amended June 2017. Consumption is forecast up 1.4 percent on population growth and on a continuation of the trend of increased sugar use at the expense of corn sweeteners.

**Brazil's** production is forecast down 4.7 million tons to 34.2 million on the expectation that more sugarcane will be diverted towards ethanol production due to weak prices resulting from burdensome global supplies. Exports are projected to drop similarly to 23.6 million tons, lowering Brazil's market share of exports to 38 percent. This would be the lowest market share in 14 years. Stocks and consumption are both relatively unchanged.

**India's** production is forecast to rise 1.4 million tons to a record 33.8 million due to higher area and yields. Consumption is also forecast at a record due to a growing population and strong demand from food processors. Exports are forecast to triple to 6.0 million tons since it is expected that sugar mills will reduce record surplus. Stocks continue a steady upward trend and are now forecast at 5 months' consumption.



Production in the **European Union** is forecast to fall 850,000 tons to 20.3 million on a return to average yields compared with last year's record. As a result of lower supplies, exports are projected to fall 700,000 tons to 3.0 million. With unchanged (but low) imports and flat consumption, stocks will tighten to the lowest in 3 years.

**China's** production is forecast up for the third straight year, to 10.8 million tons, primarily due to expanded sugar beet area. Imports are forecast lower as safeguard measures remain in effect, limiting imports from large supplying countries. Since these measures went into effect, imports have shifted dramatically away from Brazil and towards a larger number of smaller suppliers. Sugar smuggling continues to represent a large portion of overall imports due to the large gap between domestic and international sugar prices. Consumption is unchanged at 15.7 million tons as growth has been limited by increasing health concerns and competition from sugar and sweetener replacements.

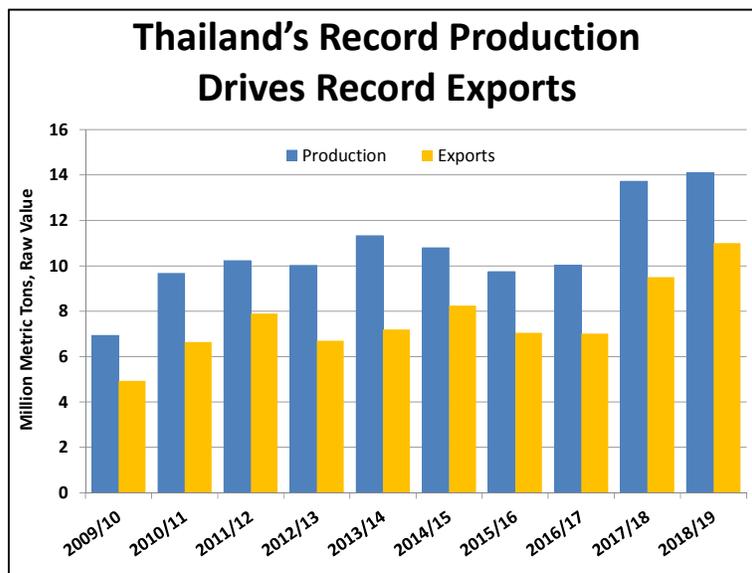
**Mexico's** production remains essentially unchanged for a seventh year at 6.4 million tons. However, exports are projected higher to meet U.S. Needs plus non-U.S. exports of 10,000 tons. Consumption is expected to rise, with the result that stocks are drawn.

**Pakistan's** production is forecast down 900,000 tons to 6.5 million as delays in cane payments and reduced expectations surrounding support prices are prompting some farmers to switch to

other crops such as cotton. Consumption continues to grow steadily, largely as a result of population growth and a slowly expanding food processing sector. Exports are forecast at zero and stocks are projected to balloon to 4.7 million metric tons, as no export subsidies for 2018/19 have been announced.

**Thailand's** production is forecast to expand 370,000 tons to a record 14.1 million on slightly higher area. With high supplies, exports and stocks are forecast at a record 11.0 and 7.7 million tons, respectively. Consumption is down slightly due to lower industrial demand in response to a new sugar excise tax on beverages.

**Russia's** production is forecast down 100,000 tons to 6.4 million on lower yields. Exports are forecast up sharply to 690,000 tons growing trade to nearby markets such as Azerbaijan, Kazakhstan, and Uzbekistan. Consequently, consumption and stocks are both forecast down.



**Australia's** production is forecast up 2 percent to 4.8 million tons due to favorable weather. Harvested area is expected to be stable, but expansion of the sugar industry is inhibited by low world prices and the lack of suitable land close to sugar mills. Increasingly, farmers in Queensland are exploring other crops such as horticulture, thus, increasing future competition for land. Exports are unchanged at 3.7 million tons.

**Guatemala's** production is forecast down 3 percent to 2.7 million as lower international sugar prices have prompted some to switch to growing bananas. Exports, consumption, and stocks are all relatively flat.

***Selected 2017/18 Revisions from November 2017 Forecast:***

- Global production is up 6.8 million tons to 191.8 million.
  - o India is raised sharply by 4.7 million tons to 32.4 million on higher yields.
  - o Thailand is boosted 2.5 million tons to 13.7 million on greater area and higher yields.
  - o Brazil is lowered 1.3 million tons to 38.9 million with more cane utilized for ethanol production.
- Global imports are relatively flat at 53.7 million tons.
  - o UAE is boosted 340,000 tons to 2.9 million on higher imports from Brazil.
  - o Kenya is raised 320,000 tons to 700,000 on greater trade from Brazil.
  - o Taiwan is up 250,000 tons to 960,000 on higher imports from Thailand.
  - o India is lowered 500,000 tons to 1.0 million on sharply higher production.
  - o European Union is cut 600,000 tons to 1.4 million on higher production.

- Global exports are up 1.2 million tons to 63.1 million.
  - o European Union is up 1.2 million tons to 3.7 million due to higher production.
  - o Thailand is raised 900,000 tons to 9.5 million on a larger sugarcane crop.
  - o Brazil is lowered 1.4 million tons to 28.2 million on lower exportable supplies.
  
- Global ending stocks are up sharply 8.7 million tons to 49.5 million.
  - o India is up 3.5 million tons to 11.5 million due to a sharp turnaround in production.
  - o Thailand is raised 2.1 million tons to 9.5 million due to record production.
  - o Pakistan is boosted 1.1 million tons to 3.8 million as supplies expand.

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The *Sugar: World Markets and Trade* circular is based on reports from FAS Overseas Posts since April 2018 and on available secondary information. The individual country reports can be obtained on FAS Online at: <http://gain.fas.usda.gov/Pages/Default.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 is scheduled for November 2018. 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

**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, Vietnam

**December-November** – Philippines, Thailand

## World Centrifugal Sugar: Production and Consumption

1,000 Metric Tons, Raw Value

	2013/14	2014/15	2015/16	2016/17	2017/18	May 2018/19
<b>Production</b>						
Brazil	37,800	35,950	34,650	39,150	38,870	34,200
India	26,605	30,460	27,385	22,200	32,445	33,830
European Union	16,020	18,449	14,283	18,313	21,150	20,300
Thailand	11,333	10,793	9,743	10,033	13,730	14,100
China	14,263	11,000	9,050	9,300	10,250	10,800
United States	7,676	7,853	8,155	8,136	8,393	8,148
Pakistan	5,630	5,164	5,265	6,825	7,425	6,525
Russia	4,400	4,350	5,200	6,200	6,500	6,400
Mexico	6,382	6,344	6,484	6,314	6,328	6,386
Australia	4,380	4,700	4,900	5,100	4,700	4,800
Guatemala	2,862	2,975	2,823	2,719	2,788	2,700
Turkey	2,300	2,055	2,000	2,500	2,500	2,600
Egypt	2,013	2,067	2,125	2,270	2,320	2,435
Colombia	2,300	2,350	2,250	2,300	2,500	2,400
Ukraine	1,196	1,728	1,638	2,156	2,326	2,315
Philippines	2,500	2,150	2,135	2,500	2,300	2,300
Indonesia	2,300	2,100	2,025	2,050	2,100	2,200
South Africa	2,435	2,192	1,684	1,607	2,064	2,200
Argentina	1,780	2,150	2,060	2,050	1,810	1,820
Iran	1,225	1,450	1,640	1,770	1,800	1,820
Vietnam	1,725	1,510	1,330	1,520	1,540	1,540
Peru	1,150	1,480	1,206	1,238	1,190	1,350
Cuba	1,650	1,850	1,625	1,850	1,300	1,320
Japan	750	795	850	720	860	850
Nicaragua	745	695	662	733	787	800
Other	14,551	14,972	13,720	14,426	13,837	14,112
<b>Total</b>	<b>175,971</b>	<b>177,582</b>	<b>164,888</b>	<b>173,980</b>	<b>191,813</b>	<b>188,251</b>
<b>Human Dom. Consumption</b>						
India	26,023	26,500	26,800	25,500	26,500	27,500
European Union	18,500	18,700	18,700	18,700	18,800	18,800
China	15,300	15,600	15,800	15,600	15,700	15,700
United States	10,722	10,785	10,779	10,979	11,181	11,340
Brazil	11,260	11,400	10,500	10,550	10,600	10,670
Indonesia	5,450	5,400	5,600	6,323	6,500	6,700
Russia	5,400	5,700	5,880	6,000	6,165	6,050
Pakistan	4,500	4,600	4,800	5,100	5,400	5,700
Mexico	4,184	4,638	4,703	4,769	4,597	4,835
Egypt	2,870	2,900	2,930	2,950	3,050	3,100
Bangladesh	2,173	2,060	2,308	2,232	2,695	2,980
Iran	2,822	1,974	2,387	2,636	2,600	2,645
Turkey	2,300	2,254	2,250	2,500	2,500	2,600
Thailand	2,495	2,532	2,670	2,680	2,630	2,580
United Arab Emirates	1,444	1,936	1,672	1,599	2,355	2,470
Philippines	2,250	2,155	2,140	2,200	2,250	2,250
Japan	2,099	2,130	2,123	1,996	2,135	2,155
Colombia	1,510	1,521	1,846	1,900	1,940	1,980
South Africa	1,890	1,952	1,957	1,960	1,961	1,970
Malaysia	1,592	1,765	1,731	1,696	1,835	1,900
Algeria	1,378	1,364	1,429	1,549	1,735	1,830
Vietnam	1,888	1,699	1,776	1,838	1,813	1,805
Saudi Arabia	1,196	1,360	1,526	1,599	1,684	1,714
Argentina	1,839	1,840	1,750	1,641	1,645	1,660
Peru	1,244	1,582	1,566	1,500	1,580	1,645
Other	33,420	33,715	33,935	34,776	34,274	35,014
<b>Total</b>	<b>165,749</b>	<b>168,062</b>	<b>169,558</b>	<b>170,773</b>	<b>174,125</b>	<b>177,593</b>

## World Centrifugal Sugar: Imports and Exports

1,000 Metric Tons, Raw Value

	2013/14	2014/15	2015/16	2016/17	2017/18	May 2018/19
<b>Exports</b>						
Brazil	26,200	23,950	24,350	28,500	28,200	23,600
Thailand	7,200	8,252	7,055	7,016	9,500	11,000
India	2,806	2,580	3,800	2,125	2,000	6,000
Australia	3,242	3,561	3,700	4,000	3,700	3,700
European Union	1,552	1,582	1,548	1,513	3,700	3,000
Guatemala	2,100	2,340	2,029	1,978	1,894	1,888
Mexico	2,661	1,545	1,280	1,287	1,264	1,503
Ukraine	8	127	180	813	1,000	980
South Africa	868	772	305	217	750	900
Swaziland	412	641	665	587	525	710
Colombia	900	835	584	695	700	700
Russia	30	10	10	420	550	690
Cuba	937	895	1,031	1,094	570	580
Algeria	478	480	395	502	520	530
Nicaragua	375	398	398	454	481	500
United Arab Emirates	739	350	208	304	460	490
Mauritius	416	457	463	474	470	475
El Salvador	404	481	371	473	468	473
Morocco	8	136	303	484	450	450
Belarus	465	374	379	454	405	405
Korea, South	361	305	339	343	335	340
Nigeria	200	200	200	300	300	300
Turkey	63	14	18	240	260	260
Costa Rica	161	209	236	230	215	240
Philippines	200	75	168	300	220	220
Other	5,145	4,444	3,940	3,916	4,146	2,868
<b>Total</b>	<b>57,931</b>	<b>55,013</b>	<b>53,955</b>	<b>58,719</b>	<b>63,083</b>	<b>62,802</b>
<b>Imports</b>						
Indonesia	3,570	2,950	3,724	4,918	4,450	4,250
China	4,275	5,058	6,116	4,600	4,200	4,000
United States	3,395	3,223	3,031	2,942	3,105	3,052
United Arab Emirates	2,108	2,366	1,830	1,893	2,940	2,990
Bangladesh	2,085	1,982	2,283	2,097	2,670	2,920
Algeria	1,854	1,844	1,834	2,061	2,270	2,365
Malaysia	1,897	2,063	2,009	1,893	2,015	2,070
Nigeria	1,470	1,465	1,470	1,820	1,870	1,870
Korea, South	1,909	1,882	1,900	1,757	1,810	1,840
Saudi Arabia	1,312	1,431	1,595	1,624	1,730	1,740
European Union	3,262	2,918	3,055	2,599	1,400	1,400
Japan	1,360	1,360	1,275	1,232	1,286	1,306
Iraq	432	173	768	1,001	1,260	1,290
Canada	1,007	1,184	1,229	1,139	1,202	1,250
Morocco	765	860	1,018	1,103	1,163	1,182
Venezuela	840	870	1,066	600	1,030	1,000
Taiwan	577	543	636	595	960	960
Yemen	749	691	599	677	860	875
Iran	1,629	266	822	959	801	851
Egypt	1,208	1,330	880	830	990	830
Sudan	638	1,326	831	575	650	750
South Africa	599	506	470	744	700	715
Cambodia	671	458	627	737	661	661
Somalia	287	420	700	609	610	625
Sri Lanka	542	620	621	611	610	620
Other	13,009	12,459	14,331	14,554	12,459	11,105
<b>Total</b>	<b>51,450</b>	<b>50,248</b>	<b>54,720</b>	<b>54,170</b>	<b>53,702</b>	<b>52,517</b>

## World Centrifugal Sugar: Ending Stocks

1,000 Metric Tons, Raw Value

	2013/14	2014/15	2015/16	2016/17	2017/18	May 2018/19
<b>Ending Stocks</b>						
India	8,227	10,607	9,294	6,570	11,515	11,845
Thailand	5,254	5,263	5,281	5,618	7,218	7,738
China	9,977	10,390	9,591	7,811	6,461	5,461
Pakistan	1,270	1,270	1,470	2,805	3,840	4,675
European Union	3,066	4,151	1,241	1,940	1,990	1,890
Indonesia	1,299	949	1,098	1,743	1,793	1,543
United States	1,642	1,647	1,863	1,702	1,724	1,398
Mexico	881	860	1,099	1,062	1,318	1,042
Philippines	1,032	997	1,054	1,104	1,034	964
Brazil	350	950	750	850	920	850
Bangladesh	394	400	440	430	535	600
Japan	560	584	585	540	550	550
Iran	700	400	450	535	520	530
South Africa	460	424	304	464	501	529
United Arab Emirates	300	380	330	320	445	475
Malaysia	350	400	400	390	400	400
Russia	370	100	150	360	460	400
Korea, South	390	390	380	370	380	385
Ecuador	363	398	395	395	388	368
Vietnam	214	300	355	370	360	360
Saudi Arabia	275	300	310	320	340	340
Sudan	250	345	280	240	260	280
Colombia	150	205	215	162	277	272
Canada	225	250	260	245	250	270
Morocco	230	250	260	250	260	265
Other	6,589	6,561	6,239	5,382	5,785	5,725
<b>Total</b>	<b>44,818</b>	<b>48,771</b>	<b>44,094</b>	<b>41,978</b>	<b>49,524</b>	<b>49,155</b>