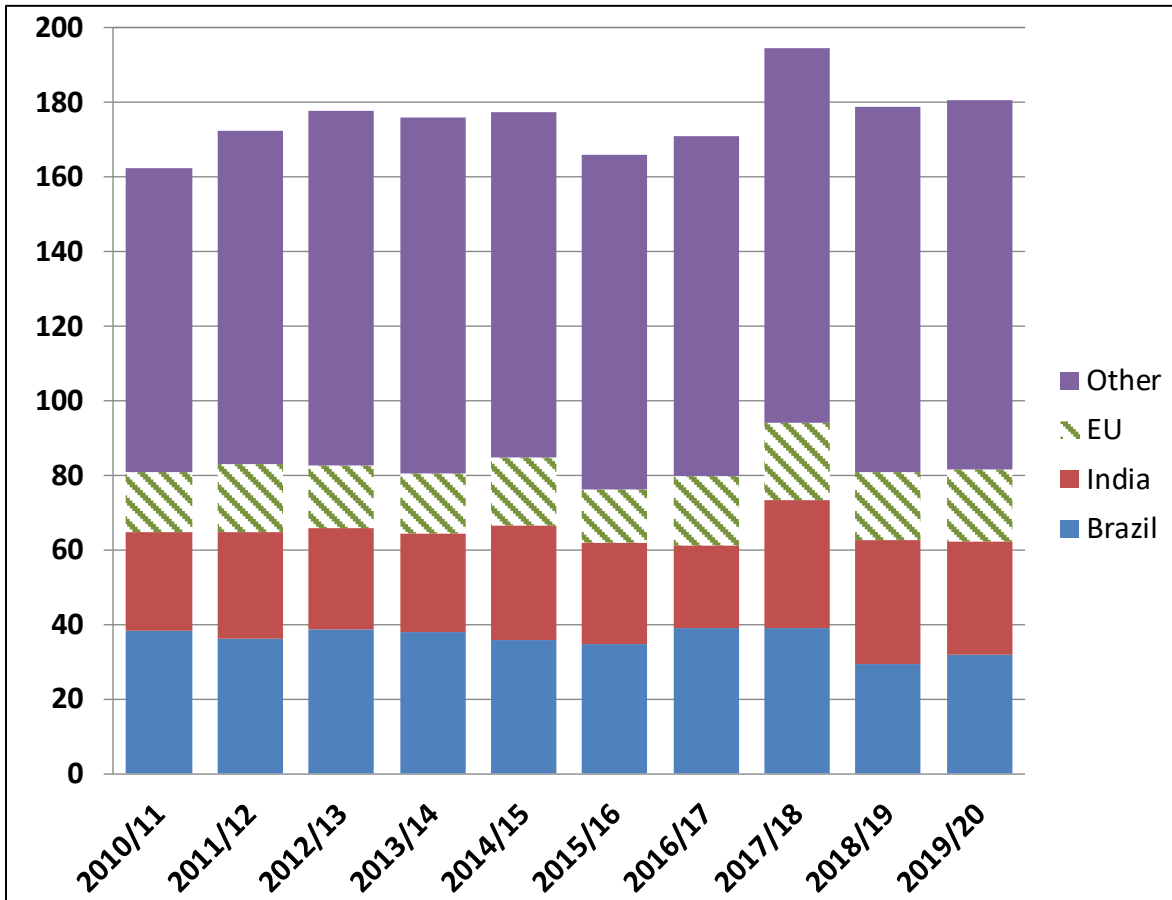




# Sugar: World Markets and Trade

## Global Sugar Production Up Slightly in 2019/20: Gains in Brazil and European Union Offset Declines in India



Global production for Marketing Year (MY) 2019/20 is forecast up 2 million tons to 181 million (raw value) as higher production in Brazil and the EU more than offset an 8-percent decline in India. Consumption (up for over 25 consecutive years) is expected to rise due to growth in markets such as Egypt, India, Indonesia, and Pakistan. With high demand, exports are forecast up and global stocks are forecast 8 percent lower on reductions in India, China, Pakistan, and Thailand.

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## 2019/20 Sugar Overview

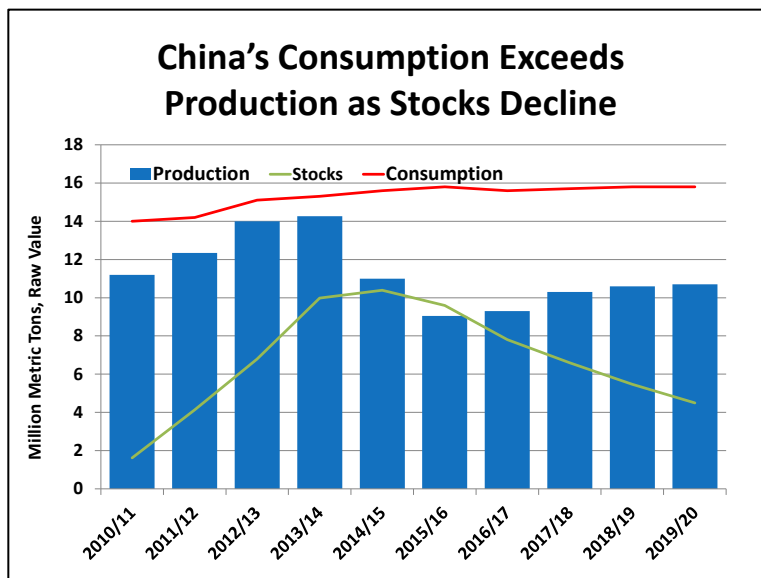
**U.S.** production is forecast up 2 percent to 8.3 million tons due to expected reduced early-season harvested area that pushes a large proportion of crop-year production into the 2019/20 marketing year. Imports are 13 percent higher at 2.9 million tons based on projected quota programs and the calculation of U.S. Needs as defined in the amended Suspension Agreement. Record consumption is forecast up slightly on population growth while stocks are down 1 percent.

**Brazil's** production is forecast to rebound 2.5 million tons to 32.0 million as dry weather in December and January was offset by steady rainfall in February and March and improved the sugarcane harvest. Approximately 38 percent of the sugarcane crop is expected to be processed for sugar versus 62 percent for ethanol, a modest recovery for sugar from the record low levels in the previous crop. Consumption, exports, and stocks are all up with the higher production.

**India's** production is expected to decline 8.4 percent to 30.3 million tons due to lower area and yields. Consumption is forecast at a record due to a growing economy. Exports are forecast at 3.5 million tons with total exports expected to include 1.0 million tons of sugar re-exported under the Advance Authorization scheme and the remaining 2.5 million as commercial sales. Stocks are down 4 percent but are more than double minimum stock requirements of around 3 month's consumption.

Production in the **European Union** is forecast 1.3 million tons higher to 19.4 million on a return to average yields compared with last year's drought-hampered crop. Consumption is projected to be slightly lower as EU domestic sugar consumption has been stagnating for the last few years. Consumer preference for lower sugar-containing diets has encouraged food processors to reformulate products. With higher supplies, exports are projected to be up 20 percent to 2.4 million tons while stocks grow slightly. Imports are forecast unchanged at 1.5 million tons.

**China's** production is forecast to grow for the fourth straight year, up 100,000 tons to 10.7 million, primarily due to expanded sugarbeet area in Inner Mongolia. Although consumption is flat, it is estimated that consumption of starch-based sweeteners have displaced 3-4 million tons of sugar in recent years. Imports are unchanged, and stocks are expected to fall for a fifth consecutive year because of the gap between domestic consumption and production.



**Mexico's** production is forecast down 2 percent to 6.5 million tons, reflecting a return to yields and recovery rates in line with normal weather conditions. Consumption is projected up slightly based on sweetener consumption per-capita being at the same level as in MY 2018/19. Exports,

forecast 29 percent lower, are projected at the expected level of U.S. Needs, as defined in the amended Suspension Agreement, plus exports to other markets. Stocks are unchanged.

**Pakistan's** production is forecast down 300,000 tons to 5.2 million as delays in sugarcane payments and reduced expectations surrounding support prices are prompting some farmers to switch to other crops such as cotton. Consumption is slightly higher than last year's estimate, and exports are forecast down sharply to 500,000 tons. Stocks are expected to decrease to a 7-year low mainly due to decreased production.

**Thailand's** production is forecast 290,000 tons lower to 13.9 million on slightly lower area. Consumption is up slightly due to demand for direct sugar consumption and food-processing which is expected to more than offset the reduced sugar demand from non-alcoholic beverages (due to the excise tax on certain sugar-containing beverages that was implemented in 2017 and is set to increase in 2019). With high supplies, exports are forecast at a record 11.9 million tons, also lowering stocks.

**Australia's** production is forecast unchanged at 4.9 million tons with anticipated stable area, although Australia's sugar industry has lately been vulnerable to severe weather events such as cyclones, drought, and flooding. For example, in February 2019, an intense monsoon resulted in heavy rainfall and flooding across north Queensland, with approximately 2 years of rain falling in 2 weeks. Although the monsoon adversely affected some coastal sugarcane farms, the overall impact on the industry is not expected to be significant. Consumption and exports are unchanged at 1.2 and 3.7 million tons, respectively. China, Indonesia, Japan, Korea, Malaysia, Taiwan, the United States, and New Zealand are Australia's major export markets.

**Guatemala's** production is forecast up 2 percent to a record 3.1 million tons on favorable weather and a new local variety anticipated to bring higher yields. Consumption, exports, and stocks are all expected to be up with the increase in production.

***Selected MY 2018/19 Revisions from November 2018 Forecast:***

- Global production is down 6.7 million tons to 178.9 million.
  - o India is cut 2.8 million tons to 33.1 million on lower yields.
  - o EU is down 1.4 million tons to 18.2 million as drought took a toll on sugarbeet production.
  - o Brazil is lowered 1.1 million tons to 29.5 million with more cane utilized for ethanol production versus sugar.
  - o Mexico is raised 186,000 tons because of good sugarcane yields.
- Global imports are little changed overall at 51.1 million tons.
  - o India is boosted from zero to 1.2 million tons due to a Duty-Free Import Authorization scheme and higher imports from Brazil.
  - o United Arab Emirates is down 450,000 tons to 2.2 million on lower imports from Brazil.
  - o Japan is down 200,000 tons to 1.1 million on lower imports from Australia.

- Global exports are down 1.4 million tons to 56.4 million.
  - o EU is lowered 1.0 million tons to 2.0 million in line with reduced production.
  - o India is down 600,000 tons to 3.4 million.
  - o Mexico is up nearly 1.0 million tons to 2.1 million due to higher shipments to markets outside the United States.
  
- Global ending stocks are lowered 1.9 million tons to 50.9 million.
  - o Brazil is down 1.0 million tons to 220,000 due to lower production.
  - o Pakistan is lowered 785,000 tons to 2.1 million on less production.
  - o Indonesia is raised 700,000 tons to 2.2 million on higher imports from Thailand and Australia.

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The *Sugar: World Markets and Trade* circular is based on reports from FAS Overseas Posts since March 2019 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 2019. 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, and Vietnam

**December-November** – Philippines and Thailand

## World Centrifugal Sugar: Production and Consumption

1,000 Metric Tons, Raw Value

	2014/15	2015/16	2016/17	2017/18	2018/19	May 2019/20
<b>Production</b>						
Brazil	35,950	34,650	39,150	38,870	29,500	32,000
India	30,460	27,385	22,200	34,309	33,070	30,305
European Union	18,449	14,283	18,314	20,823	18,175	19,425
Thailand	10,793	9,743	10,033	14,710	14,190	13,900
China	11,000	9,050	9,300	10,300	10,600	10,700
United States	7,853	8,155	8,137	8,430	8,116	8,269
Mexico	6,344	6,484	6,314	6,371	6,572	6,466
Russia	4,350	5,200	6,200	6,560	5,920	6,200
Pakistan	5,164	5,265	6,825	7,225	5,540	5,240
Australia	4,700	4,900	5,100	4,800	4,900	4,900
Guatemala	2,975	2,823	2,719	2,865	3,049	3,110
Turkey	2,055	2,000	2,500	2,500	2,700	2,750
Egypt	2,067	2,125	2,270	2,320	2,405	2,740
Colombia	2,350	2,250	2,300	2,500	2,400	2,400
South Africa	2,192	1,684	1,607	2,064	2,257	2,329
Philippines	2,150	2,135	2,500	2,200	2,100	2,200
Indonesia	2,100	2,025	2,050	2,100	2,200	2,100
Iran	1,450	1,640	1,770	2,150	2,000	2,100
Cuba	1,850	1,625	1,800	1,100	1,600	1,750
Argentina	2,150	2,060	2,050	1,870	1,665	1,680
Ukraine	1,728	1,638	2,156	2,180	1,848	1,646
Peru	1,480	1,206	1,238	1,080	1,255	1,400
Vietnam	1,510	1,330	1,520	1,540	1,300	1,400
Japan	795	850	720	840	780	800
Eswatini	687	695	587	650	730	800
Other	14,980	13,667	14,670	14,139	14,054	14,124
<b>Total</b>	<b>177,582</b>	<b>164,868</b>	<b>174,030</b>	<b>194,496</b>	<b>178,926</b>	<b>180,734</b>
<b>Human Dom. Consumption</b>						
India	26,500	26,800	25,500	26,500	27,500	28,500
European Union	18,700	18,700	18,750	18,600	18,550	18,500
China	15,600	15,800	15,600	15,700	15,800	15,800
United States	10,785	10,779	10,979	10,930	11,000	11,045
Brazil	11,400	10,500	10,550	10,600	10,600	10,650
Indonesia	5,400	5,600	6,186	6,348	6,610	6,800
Russia	5,700	5,867	5,942	6,113	6,035	6,085
Pakistan	4,600	4,800	5,100	5,300	5,400	5,600
Mexico	4,638	4,703	4,769	4,512	4,490	4,554
Egypt	2,900	2,930	2,950	3,050	3,100	3,250
Turkey	2,254	2,248	2,739	2,728	2,800	2,880
Thailand	2,532	2,670	2,680	2,580	2,550	2,580
Bangladesh	2,060	2,308	2,232	2,646	2,455	2,495
Philippines	2,155	2,140	2,219	2,250	2,250	2,300
Iran	1,974	2,391	2,619	2,414	2,231	2,286
Malaysia	1,765	1,731	1,696	1,833	1,955	2,005
Japan	2,130	2,122	1,995	2,068	1,929	1,969
United Arab Emirates	1,936	1,672	1,599	2,226	1,835	1,865
Colombia	1,521	1,846	1,900	1,763	1,800	1,850
Algeria	1,364	1,429	1,549	1,719	1,746	1,749
Korea, South	1,452	1,446	1,424	1,519	1,650	1,725
South Africa	1,952	1,957	1,960	1,961	1,770	1,700
Saudi Arabia	1,360	1,526	1,599	1,478	1,599	1,629
Nigeria	1,295	1,290	1,545	1,610	1,610	1,620
Vietnam	1,699	1,776	1,822	1,765	1,541	1,600
Other	34,365	34,435	34,912	35,371	35,146	35,412
<b>Total</b>	<b>168,037</b>	<b>169,466</b>	<b>170,816</b>	<b>173,584</b>	<b>173,952</b>	<b>176,449</b>

## World Centrifugal Sugar: Imports and Exports

1,000 Metric Tons, Raw Value

	2014/15	2015/16	2016/17	2017/18	2018/19	May 2019/20
<b>Exports</b>						
Brazil	23,950	24,350	28,500	28,200	19,600	20,850
Thailand	8,252	7,055	7,016	10,907	11,500	11,900
Australia	3,561	3,700	4,000	3,800	3,800	3,800
India	2,580	3,800	2,125	2,236	3,400	3,500
European Union	1,582	1,548	1,509	3,921	2,000	2,400
Guatemala	2,340	2,029	1,978	1,881	1,999	2,019
Mexico	1,545	1,280	1,287	1,146	2,071	1,477
South Africa	772	305	218	770	1,190	1,400
Eswatini	641	665	587	519	680	760
Colombia	835	584	695	732	750	750
Algeria	480	395	502	610	651	671
Cuba	915	1,112	1,166	553	590	610
Pakistan	580	275	400	1,600	1,200	500
Morocco	136	303	484	380	450	470
El Salvador	481	371	473	449	451	465
Belarus	374	377	456	393	450	460
United Arab Emirates	350	208	304	458	430	430
Nicaragua	398	398	454	388	421	420
Mauritius	457	463	474	390	315	330
Korea, South	305	339	343	325	315	320
Russia	10	23	407	621	155	305
Egypt	263	200	300	200	200	300
Nigeria	200	200	300	300	300	300
Ukraine	127	180	813	602	501	251
Costa Rica	209	236	230	215	224	230
Other	3,690	3,648	3,660	2,902	2,799	2,809
<b>Total</b>	<b>55,033</b>	<b>54,044</b>	<b>58,681</b>	<b>64,498</b>	<b>56,442</b>	<b>57,727</b>
<b>Imports</b>						
Indonesia	2,950	3,724	4,781	4,298	4,860	4,500
China	5,058	6,116	4,600	4,350	4,300	4,300
United States	3,223	3,031	2,943	2,972	2,590	2,920
Algeria	1,844	1,834	2,061	2,349	2,397	2,420
Bangladesh	1,982	2,283	2,097	2,654	2,330	2,380
United Arab Emirates	2,366	1,830	1,893	2,804	2,200	2,300
Malaysia	2,063	2,009	1,893	2,002	2,090	2,125
Korea, South	1,882	1,900	1,757	1,864	1,990	2,060
Nigeria	1,465	1,470	1,820	1,870	1,870	1,890
Saudi Arabia	1,431	1,595	1,624	1,486	1,630	1,650
European Union	2,918	3,055	2,942	1,383	1,500	1,500
Iraq	173	768	1,001	1,340	1,340	1,365
Canada	1,184	1,229	1,139	1,244	1,235	1,240
Japan	1,360	1,275	1,232	1,240	1,126	1,176
Morocco	860	1,019	1,163	1,128	1,138	1,142
Taiwan	543	636	595	1,015	1,000	1,020
India	1,000	1,902	2,701	2,071	1,200	1,000
Venezuela	870	1,066	600	1,030	1,000	1,000
Egypt	1,330	880	830	990	860	830
Sudan	1,326	840	566	827	755	755
Yemen	691	599	677	876	725	750
Cambodia	458	627	737	693	621	641
South Africa	506	470	744	746	520	600
Somalia	420	700	609	562	570	580
Sri Lanka	620	621	611	620	560	565
Other	11,725	13,274	12,736	12,274	10,660	10,608
<b>Total</b>	<b>50,248</b>	<b>54,753</b>	<b>54,352</b>	<b>54,688</b>	<b>51,067</b>	<b>51,317</b>

## World Centrifugal Sugar: Ending Stocks

1,000 Metric Tons, Raw Value

	2014/15	2015/16	2016/17	2017/18	2018/19	May 2019/20
<b>Ending Stocks</b>						
India	10,607	9,294	6,570	14,214	17,584	16,889
Thailand	5,263	5,281	5,618	6,841	6,981	6,401
China	10,390	9,591	7,811	6,591	5,471	4,501
Indonesia	949	1,098	1,743	1,793	2,243	2,043
United States	1,647	1,863	1,702	1,822	1,365	1,346
Pakistan	1,270	1,470	2,805	3,140	2,090	1,240
Philippines	997	1,054	1,054	1,342	1,272	1,232
European Union	4,151	1,241	2,238	1,923	1,048	1,073
Mexico	860	1,099	1,062	1,479	1,055	1,055
Brazil	950	750	850	920	220	720
Japan	584	585	540	550	525	530
Bangladesh	400	440	430	525	500	500
Iran	400	450	535	490	450	465
Russia	100	150	360	440	440	440
Korea, South	390	380	370	390	415	430
Malaysia	400	400	390	410	430	430
Ecuador	398	395	395	388	420	390
United Arab Emirates	380	330	320	440	375	380
Saudi Arabia	300	310	320	300	320	325
Vietnam	300	355	365	355	310	320
Guatemala	201	219	154	210	267	315
Kenya	135	151	151	411	361	291
Sudan	345	280	240	285	285	285
Iraq	40	130	185	250	260	270
Canada	250	260	245	260	260	260
Other	7,049	6,519	5,751	6,476	5,954	5,705
<b>Total</b>	<b>48,756</b>	<b>44,095</b>	<b>42,204</b>	<b>52,245</b>	<b>50,901</b>	<b>47,836</b>