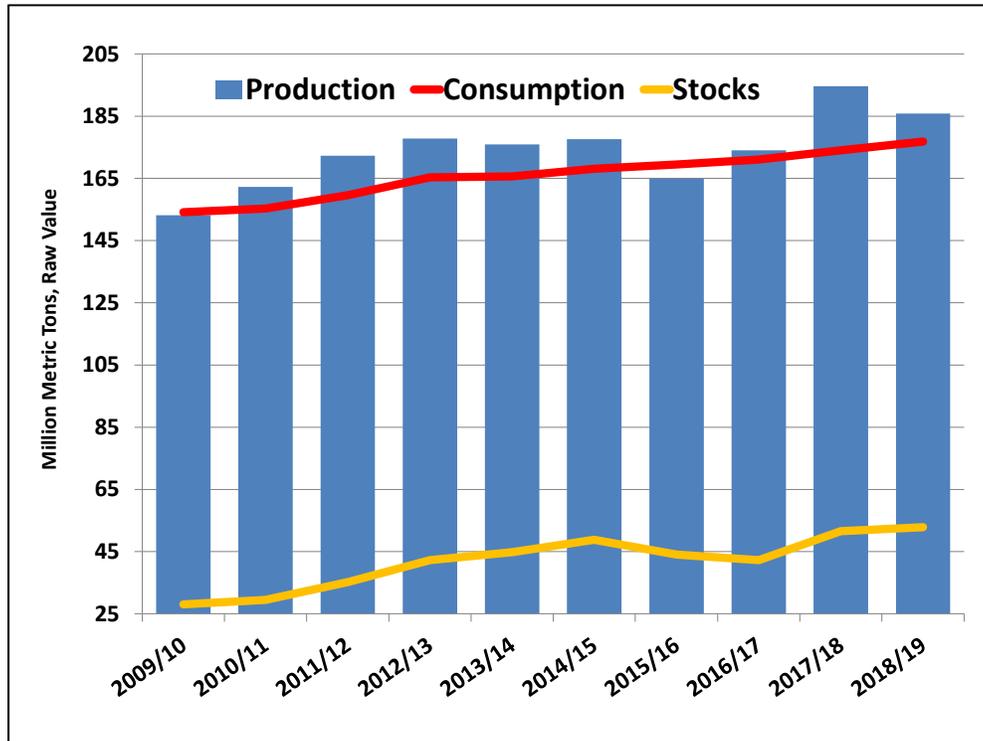




# Sugar: World Markets and Trade

## Record Stocks and Consumption Despite Lower Production



Global production for Marketing Year (MY) 2018/19 is forecast down 9 million tons to 186 million primarily due to the 8-million-ton drop in Brazil caused by unfavorable weather and more sugarcane being diverted towards ethanol production. Exports are down, driven by the lower supplies in Brazil. Record consumption is expected due to growth in markets such as India and Indonesia.

Global stocks are forecast to rise to a new high of 53 million metric tons (raw value) as massive stock building in India more than offsets lower stocks in China and the European Union.

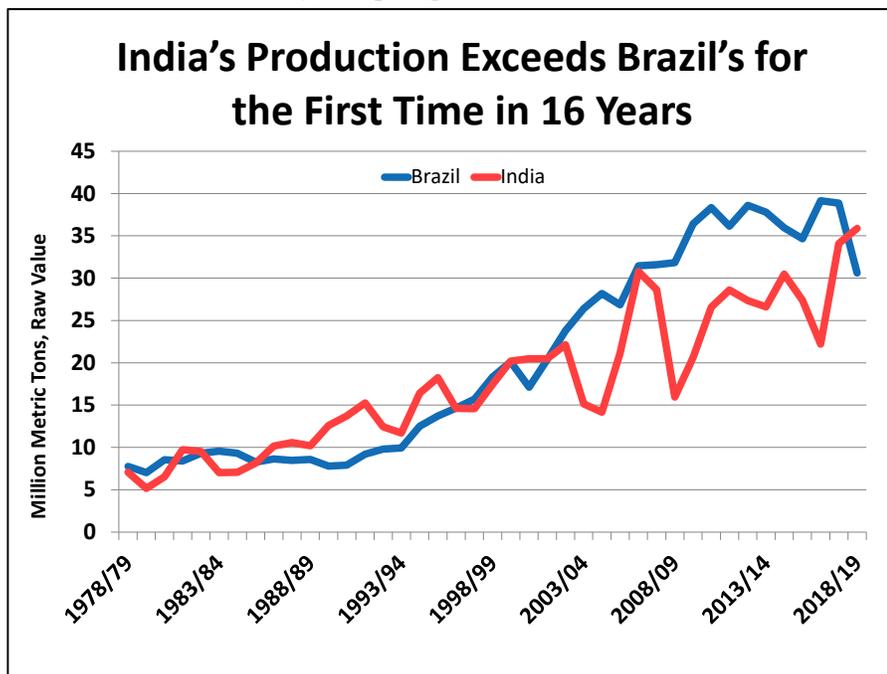
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## 2018/19 Sugar Overview

**India's** production is forecast to rise 1.8 million tons to a record 35.9 million due to higher area and yields (in spite of pest and weather concerns), eclipsing Brazil's for the first time in over 15 years. Consumption is also forecast at a record, 27.5 million tons, due to a growing population and strong demand from food processors. Exports are forecast to more than double to 4.0 million as sugar mills seek to reduce stocks which are expected to soar to a record 18.1 million tons.

**Brazil's** production is estimated to be down 8.3 million tons to 30.1 million due to lower sugarcane yields and more sugarcane being diverted towards ethanol production as record global sugar supplies have led to weak prices. Exports are projected to drop similarly to 19.6 million tons, lowering Brazil's market share of exports to 34 percent (down from a 5-year average of 45 percent). Stocks and consumption are both relatively unchanged.

**Thailand's** production is forecast to decline 900,000 tons to 13.8 million on lower sugarcane yields and sugar extraction rates due to lower-than-expected precipitation. Consumption is down slightly due to lower industrial demand in response to a new sugar excise tax on beverages. With high supplies from record production last year, exports are forecast at a record 11.5 million tons, bringing stocks down to 6.9 million.



Production in the **European Union** is forecast to fall 1.4 million tons to 19.5 million on a return to average yields compared with last year's record. Because of lower supplies, exports are projected to fall 600,000 tons to 3.0 million. With unchanged imports and consumption, stocks will tighten.

**U.S.** production is forecast down 3 percent to 8.2 million tons. Imports at 2.5 million tons are down 14.5 percent based on projected quota programs and the calculation of U.S. Needs, as defined in the antidumping and countervailing duties suspension agreements. Consumption is forecast relatively flat but stocks will decline.

**China's** production is forecast up for the third straight year, this time to 10.8 million tons, due to favorable weather and expanded area. Imports are forecast lower for the third year in a row, especially following the safeguard measures amended in July 2018 that make additional duties apply to all suppliers. Previously, certain supplying countries had been exempted from these duties. Consumption is up on a continually rising urban population growth.

**Mexico's** production remains essentially unchanged for a seventh year at 6.4 million tons. Exports are projected down slightly with lower expected exports to the United States partially offset by an increase in non-U.S. exports of 326,000 tons. Consumption and stocks are expected to rise.

**Pakistan's** production is forecast to be down 900,000 tons to 6.5 million due to reduced area as farmers shifted to other crops such as cotton and corn because of better prices and faster return on their investment. Consumption continues to grow modestly with a developing food processing sector and growing population. Exports and stocks are projected to decline due to the lower production while final levels will depend on government policies. Currently, Pakistan's export policies include an unsubsidized 1.0-million-ton export quota compared with 2.0 million tons exported and freight subsidies of up to \$97 per ton in 2017/18.

**Russia's** production is forecast down 400,000 tons to 6.1 million on lower yields. Consumption, exports, and stocks are each forecast down with the lower production. Formerly a major sugar importer, Russia has been a net exporter since 2016/17.

**Australia's** production is forecast up 4 percent to 5.0 million tons on higher yields due to favorable weather. Consumption is unchanged while exports are expected to be up due to the higher production. As one of the top five exporters, Australia's major markets include China, Japan, Indonesia, Malaysia, New Zealand, South Korea, Taiwan, and the United States.

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

- Global production is up 2.8 million tons to 194.6 million.
  - o India is raised 1.7 million tons to 34.1 million on higher yields.
  - o Thailand is boosted 980,000 tons to 14.7 million on greater area and higher yields.

- Global exports are up 793,000 tons to 63.9 million.
  - o Thailand is raised 1.0 million tons to 10.5 million on a larger sugarcane crop.
  - o Pakistan is up 800,000 tons to 1.8 million on an increased export quota.
  - o India is revised down 200,000 tons to 1.8 million.
  
- Global ending stocks are up 2.0 million tons to 51.5 million.
  - o India is up 2.2 million tons to 13.7 million on record production.
  - o Pakistan is lowered 700,000 tons to 3.1 million on higher exports.

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

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

**December-November** – Philippines, Thailand

**World Centrifugal Sugar: Production and Consumption**

**1,000 Metric Tons, Raw Value**

	2014/15	2015/16	2016/17	2017/18	May 2018/19	Nov 2018/19
<b>Production</b>						
India	30,460	27,385	22,200	34,110	33,830	35,870
Brazil	35,950	34,650	39,150	38,870	34,200	30,600
European Union	18,449	14,283	18,314	20,896	20,300	19,525
Thailand	10,793	9,743	10,033	14,710	14,100	13,800
China	11,000	9,050	9,300	10,300	10,800	10,800
United States	7,853	8,155	8,137	8,430	8,148	8,178
Pakistan	5,164	5,265	6,825	7,425	6,525	6,525
Mexico	6,344	6,484	6,314	6,371	6,386	6,386
Russia	4,350	5,200	6,200	6,500	6,400	6,100
Australia	4,700	4,900	5,100	4,800	4,800	5,000
Guatemala	2,975	2,823	2,719	2,788	2,700	2,700
Turkey	2,055	2,000	2,500	2,500	2,600	2,600
Egypt	2,067	2,125	2,270	2,320	2,435	2,435
Colombia	2,350	2,250	2,300	2,500	2,400	2,400
Ukraine	1,728	1,638	2,156	2,326	2,315	2,315
Philippines	2,150	2,135	2,500	2,100	2,300	2,225
Indonesia	2,100	2,025	2,050	2,100	2,200	2,200
South Africa	2,192	1,684	1,607	2,064	2,200	2,150
Iran	1,450	1,640	1,770	2,150	1,820	2,000
Argentina	2,150	2,060	2,050	1,810	1,820	1,820
Cuba	1,850	1,625	1,800	1,100	1,320	1,600
Vietnam	1,510	1,330	1,520	1,540	1,540	1,500
Peru	1,480	1,206	1,238	1,190	1,350	1,350
Japan	795	850	720	840	850	840
Nicaragua	695	662	733	787	800	800
Other	14,972	13,700	14,524	14,047	14,112	14,167
<b>Total</b>	<b>177,582</b>	<b>164,868</b>	<b>174,030</b>	<b>194,574</b>	<b>188,251</b>	<b>185,886</b>
<b>Human Dom. Consumption</b>						
India	26,500	26,800	25,500	26,500	27,500	27,500
European Union	18,700	18,700	18,750	18,800	18,800	18,800
China	15,600	15,800	15,600	15,700	15,700	15,800
United States	10,785	10,779	10,979	10,930	11,340	11,045
Brazil	11,400	10,500	10,550	10,600	10,670	10,670
Indonesia	5,400	5,600	6,323	6,378	6,700	6,670
Russia	5,700	5,867	5,942	6,077	6,050	5,945
Pakistan	4,600	4,800	5,100	5,300	5,700	5,500
Mexico	4,638	4,703	4,769	4,512	4,835	4,678
Egypt	2,900	2,930	2,950	3,050	3,100	3,100
Turkey	2,254	2,250	2,743	2,755	2,600	2,855
Bangladesh	2,060	2,308	2,232	2,584	2,980	2,645
Thailand	2,532	2,670	2,680	2,630	2,580	2,580
Philippines	2,155	2,140	2,200	2,250	2,250	2,250
Iran	1,974	2,392	2,621	2,449	2,645	2,221
United Arab Emirates	1,936	1,672	1,599	2,226	2,470	2,190
Japan	2,130	2,123	1,996	2,069	2,155	2,160
Colombia	1,521	1,846	1,900	1,940	1,980	1,980
South Africa	1,952	1,957	1,960	1,961	1,970	1,970
Malaysia	1,765	1,731	1,696	1,833	1,900	1,930
Vietnam	1,699	1,776	1,822	1,784	1,805	1,755
Argentina	1,840	1,750	1,640	1,648	1,660	1,660
Peru	1,582	1,566	1,442	1,581	1,645	1,645
Saudi Arabia	1,360	1,526	1,599	1,478	1,714	1,639
Algeria	1,364	1,429	1,549	1,720	1,830	1,625
Other	33,715	33,869	34,866	35,247	35,014	36,021
<b>Total</b>	<b>168,062</b>	<b>169,484</b>	<b>171,008</b>	<b>174,002</b>	<b>177,593</b>	<b>176,834</b>

## World Centrifugal Sugar: Imports and Exports

1,000 Metric Tons, Raw Value

	2014/15	2015/16	2016/17	2017/18	May 2018/19	Nov 2018/19
<b>Exports</b>						
Brazil	23,950	24,350	28,500	28,200	23,600	19,600
Thailand	8,252	7,055	7,016	10,500	11,000	11,500
India	2,580	3,800	2,125	1,800	6,000	4,000
Australia	3,561	3,700	4,000	3,800	3,700	3,900
European Union	1,582	1,548	1,509	3,600	3,000	3,000
Guatemala	2,340	2,029	1,978	1,894	1,888	1,888
Pakistan	580	275	400	1,800	0	1,300
South Africa	772	305	218	770	900	1,190
Mexico	1,545	1,280	1,287	1,146	1,503	1,090
Ukraine	127	180	813	900	980	880
Eswatini	641	665	587	525	710	710
Colombia	835	584	695	700	700	700
Algeria	480	395	502	609	530	650
Cuba	895	1,031	1,094	570	580	580
Nicaragua	398	398	454	481	500	500
Russia	10	23	407	583	690	495
El Salvador	481	371	473	468	473	473
United Arab Emirates	350	208	304	458	490	470
Morocco	136	303	484	380	450	400
Belarus	374	377	456	451	405	357
Mauritius	457	463	474	390	475	350
Korea, South	305	339	343	325	340	325
Nigeria	200	200	300	300	300	300
Costa Rica	209	236	230	215	240	240
Dominican Republic	186	186	185	185	200	200
Other	3,767	3,658	3,791	2,826	3,148	2,782
<b>Total</b>	<b>55,013</b>	<b>53,959</b>	<b>58,625</b>	<b>63,876</b>	<b>62,802</b>	<b>57,880</b>
<b>Imports</b>						
Indonesia	2,950	3,724	4,918	4,298	4,250	4,250
China	5,058	6,116	4,600	4,200	4,000	4,000
United Arab Emirates	2,366	1,830	1,893	2,804	2,990	2,650
United States	3,223	3,031	2,943	2,972	3,052	2,541
Bangladesh	1,982	2,283	2,097	2,574	2,920	2,530
Algeria	1,844	1,834	2,061	2,349	2,365	2,265
Malaysia	2,063	2,009	1,893	2,002	2,070	2,090
Korea, South	1,882	1,900	1,757	1,864	1,840	1,965
Nigeria	1,465	1,470	1,820	1,870	1,870	1,870
Saudi Arabia	1,431	1,595	1,624	1,486	1,740	1,700
European Union	2,918	3,055	2,942	1,500	1,400	1,500
Canada	1,184	1,229	1,139	1,241	1,250	1,340
Japan	1,360	1,275	1,232	1,240	1,306	1,326
Iraq	173	768	1,001	1,340	1,290	1,295
Morocco	860	1,018	1,164	1,132	1,182	1,152
Venezuela	870	1,066	600	1,030	1,000	1,000
Yemen	691	599	677	876	875	900
Taiwan	543	636	595	930	960	895
Egypt	1,330	880	830	990	830	830
Sudan	1,326	840	566	800	750	800
Cambodia	458	627	737	693	661	661
Sri Lanka	620	621	611	620	620	660
South Africa	506	470	744	746	715	600
Somalia	420	700	609	562	625	600
Angola	459	297	402	479	500	510
Other	12,266	14,798	15,063	12,949	11,456	11,048
<b>Total</b>	<b>50,248</b>	<b>54,671</b>	<b>54,518</b>	<b>53,547</b>	<b>52,517</b>	<b>50,978</b>

## World Centrifugal Sugar: Ending Stocks

1,000 Metric Tons, Raw Value

	2014/15	2015/16	2016/17	2017/18	May 2018/19	Nov 2018/19
<b>Ending Stocks</b>						
India	10,607	9,294	6,570	13,729	11,845	18,099
Thailand	5,263	5,281	5,618	7,198	7,738	6,918
China	10,390	9,591	7,811	6,511	5,461	5,411
Pakistan	1,270	1,470	2,805	3,140	4,675	2,875
Mexico	860	1,099	1,062	1,479	1,042	1,710
Indonesia	949	1,098	1,743	1,763	1,543	1,543
European Union	4,151	1,241	2,238	2,234	1,890	1,459
United States	1,647	1,863	1,702	1,808	1,398	1,274
Brazil	950	750	850	920	850	1,250
Philippines	997	1,054	1,054	954	964	1,089
Japan	584	585	540	550	550	555
Bangladesh	400	440	430	520	600	530
Iran	400	450	535	490	530	450
Malaysia	400	400	390	410	400	430
United Arab Emirates	380	330	320	440	475	430
Korea, South	390	380	370	390	385	410
Russia	100	150	360	460	400	400
Ecuador	398	395	395	388	368	368
Vietnam	300	355	365	360	360	355
Saudi Arabia	300	310	320	300	340	330
Sudan	345	280	240	280	280	290
Canada	250	260	245	260	270	280
Colombia	205	215	162	277	272	272
Morocco	250	260	260	260	265	265
Iraq	40	130	185	250	260	255
Other	6,945	6,414	5,664	6,158	5,994	5,602
<b>Total</b>	<b>48,771</b>	<b>44,095</b>	<b>42,234</b>	<b>51,529</b>	<b>49,155</b>	<b>52,850</b>