

# Sugar: World Markets and Trade

## Sugar Production and Trade Rebound in Mexico

Sugar production for Mexico is forecast at 6.3 million metric tons (tons) (raw value) as rain has alleviated much of the lingering drought effects experienced in the previous 2 growing seasons. Planted area is forecast at 823,000 hectares, a slight 2 percent increase from the previous year mainly due to ideal growing conditions;

harvested area is forecast at 791,000 hectares and national yields are forecast at 68 tons of cane per hectare.

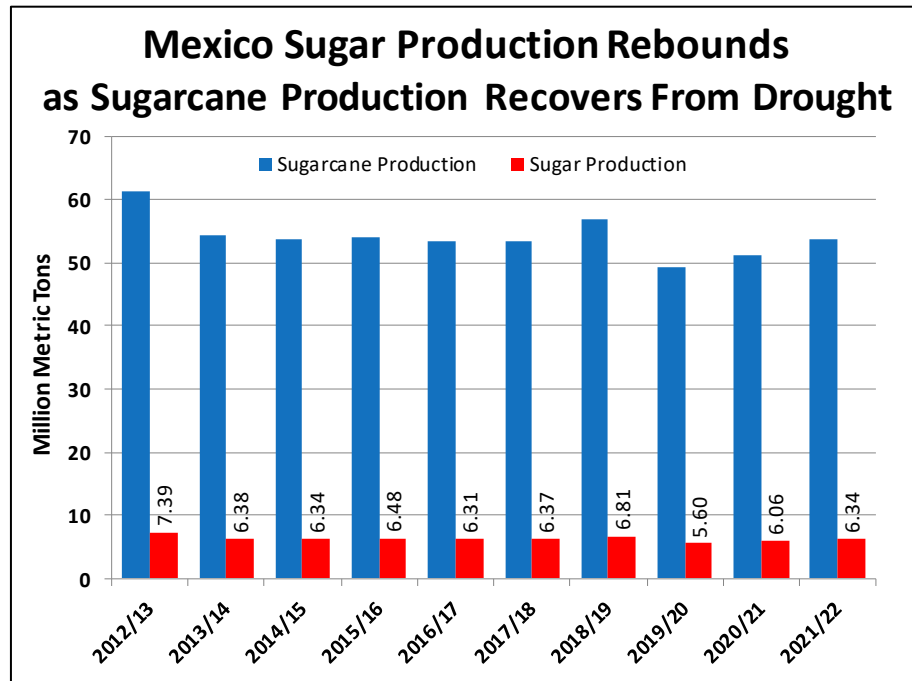
Veracruz, Jalisco, San Luis Potosí, and Chiapas are the leading sugarcane producing states, and account for nearly three-quarters of total sugar production.

Sugarcane production in Mexico is growing due to its high profitability and ease of production.

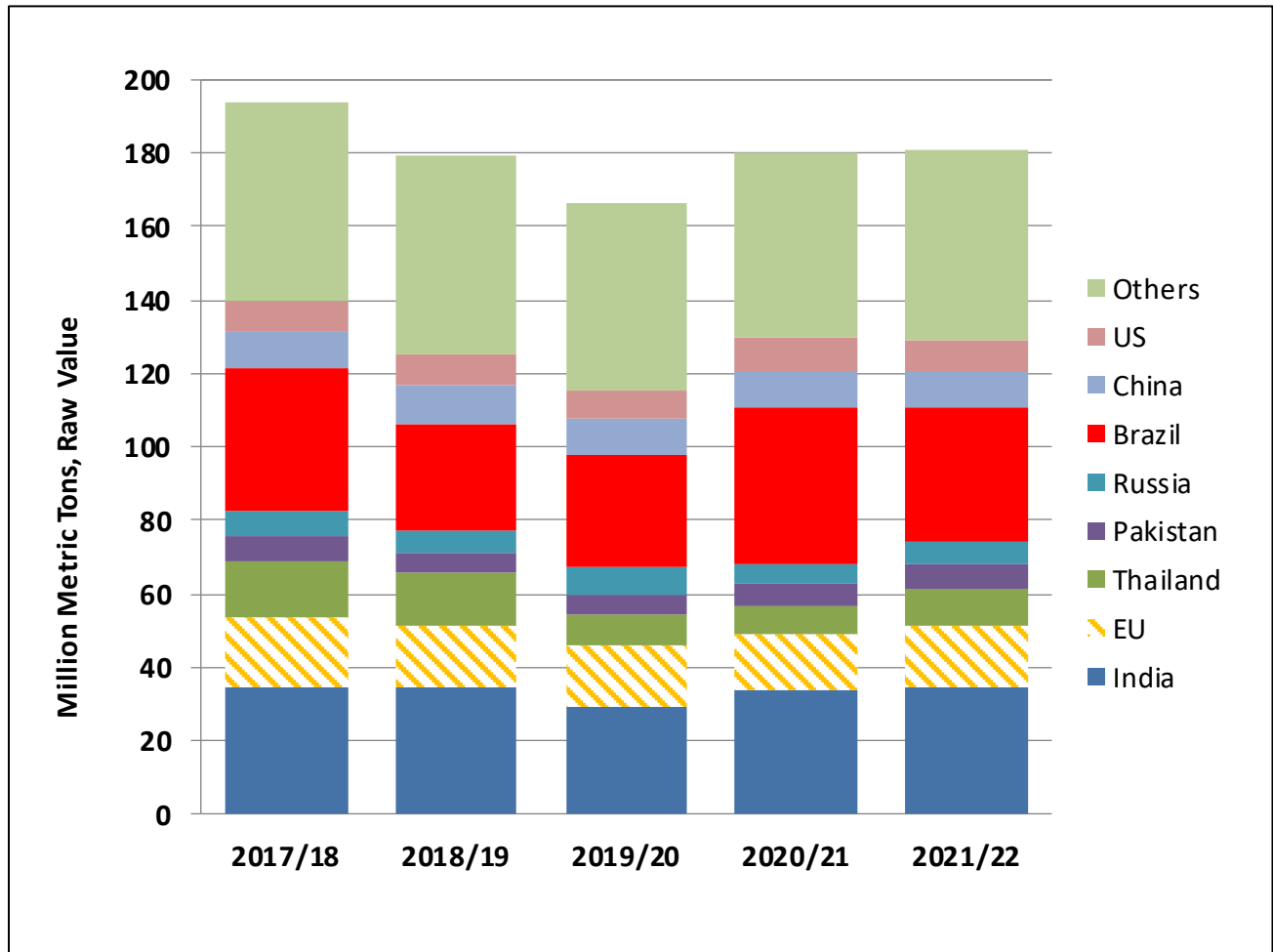
Producers are organized into unions, and domestic

policies - such as the guaranteed reference price - provide stability and additional profitability to the sector. The reference price is negotiated every year and is based on production and export volumes as well as domestic and international prices. As a result, prices for Mexico's sugar are among the highest in the world.

Sugar exports are forecast at 1.9 million tons, 53 percent higher than the previous year on greater production, although the composition of exports will depend heavily on U.S. sugar requirements as determined throughout the marketing year. Since 2014, sugar trade between the United States and Mexico has been managed under the U.S. - Mexico Sugar Suspension Agreements. The agreements suspended antidumping (AD) and countervailing duty (CVD) investigations of U.S. imports of sugar from Mexico and are reviewed and renewed as determined by the U.S. Department of Commerce every 5 years. The CVD agreement contains provisions to prevent an oversupply of sugar in the U.S. market by limiting shipments and the types of sugar exported from Mexico to the United States. The AD agreement establishes minimum reference prices for both refined and raw sugar exported by Mexico to the United States.



## Global 2021/22 Sugar Production is Estimated Flat

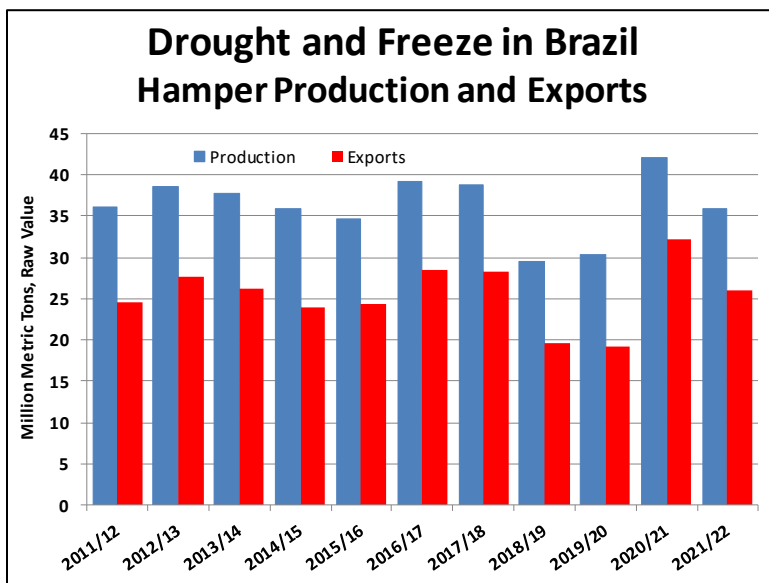


Global production for Marketing Year (MY) 2021/22 is estimated flat at 181 million tons, with the drop in Brazil expected to be offset by gains in the European Union, India, Russia, and Thailand. Consumption is expected to rise due to growth in markets including China, India, and Russia. Stocks are lowered due to a drop in China, Indonesia, and Thailand. Exports are expected to be flat as the steep rise in Thailand trade is offset by lower shipments from Brazil.

## 2021/22 Sugar Overview

**U.S.** production is forecast up slightly to a record 8.4 million tons as beet sugar is projected to be a record high. Consumption is forecast up slightly to near record levels. Imports are down 5 percent based on projected quota programs and the calculation of U.S. Needs as defined in the U.S. - Mexico Suspension Agreements. Ending stocks are up slightly as higher production and beginning stocks offset lower imports.

**Brazil** production is estimated to fall 6.1 million tons to 36.0 million in part as a result of dry conditions and frosts. Due to Brazil's importance as a producer and exporter, this reduction is expected to have a major influence on world sugar supply and prices. As overall sugar prices remain firm and relatively more attractive than ethanol prices, approximately 46 percent of the sugarcane crop is expected to be processed for sugar and 54 percent for ethanol, similar to the previous season. Consumption is expected to be down slightly with stocks unchanged. Exports are estimated to drop sharply on lower available supplies.

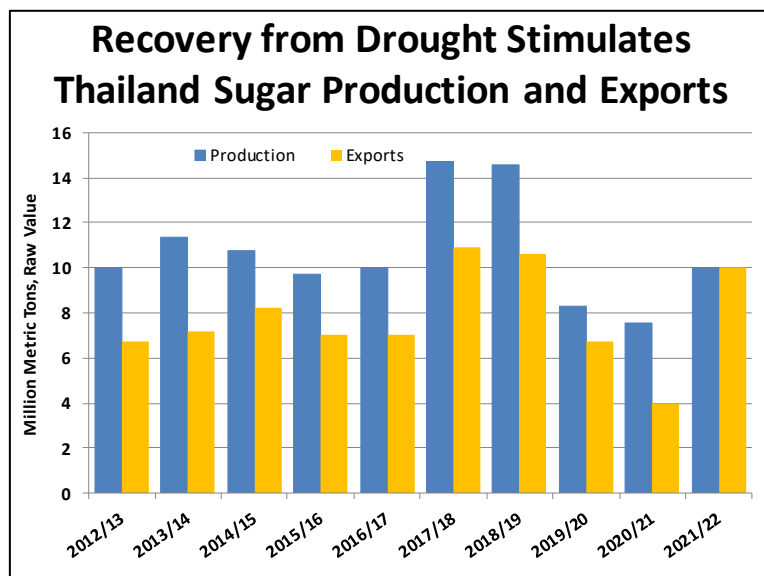


**India** production is estimated up 3 percent to 34.7 million tons on higher area. Consumption is forecast at a record 28.5 million tons and exports are estimated at a near record 7 million tons due to higher-than-average world prices and high supplies. Exports are expected high even without subsidies that have encouraged exports. Stocks are expected to be up slightly at levels that represent approximately 7 months of consumption.

**European Union** production is estimated up 1.2 million tons to 16.6 million as sugarbeets – mainly in France, Germany, and Poland – suffered less from beet yellows virus disease than they did in 2020. Sugarbeet seeds in 2021 were allowed to be coated with a neonicotinoid such as clothianidin, imidacloprid, or thiamethoxam to help protect from beet yellow virus. Consumption is up slightly but is expected to remain below pre-COVID-19 levels. Imports are forecast to recover to 2.0 million tons after dropping to 1.5 million the year before because of high world prices. Stocks are forecast up with the higher production and imports.

**China** production is forecast down 300,000 tons to 10.3 million on lower sugarbeet production due to reduced area. Consumption is forecast up 2 percent as economic development fuels changing consumption patterns such as eating out more. Imports are down as stocks are expected to be down to meet the needs of higher consumption.

**Thailand** production is forecast to rebound nearly one-third to 10.0 million tons on greater area harvested, higher sugarcane yields, and favorable weather. The Thai Meteorological Department reported that the average precipitation was 5 - 7 percent above average during the sugarcane tillering and elongation growth stage in major growing areas. Consumption is expected up on higher demand for direct sugar consumption and food services. Exports are forecast to more than double due to the recovery in production while stocks are expected to be down from the 2020/21 record on higher exports.



**Pakistan** production is forecast up 11 percent to 6.7 million tons due to higher area and yields. Consumption is forecast up modestly on a growing population and an expanding domestic food processing sector. Exports and stocks are expected to be higher with the increase in supplies.

**Australia** production is estimated up 65,000 tons to 4.4 million due to higher yields. Consumption is unchanged while exports are up driven by strong world sugar prices. Indonesia, Japan, and South Korea are expected to remain Australia's top three export markets.

**Turkey** production is estimated down 300,000 tons to 2.8 million tons which is in line with production quotas set by the government. Consumption is up slightly while exports are forecast down and imports up with the lower production.

**Philippines** production is estimated slightly lower to 2.1 million tons due to expected lower sugar recovery. With lower production expected, the Sugar Regulatory Administration (SRA) allocated 100 percent of the production to the domestic markets as specified in Sugar Order No.1 on August 31, 2021. Because of the SRA allocation, exports (including those to the United States under the raw sugar tariff rate quota are expected to drop to zero. Consumption is estimated up 1 percent.

**South Africa** production is estimated down 7 percent to 2.0 million tons due to reductions in cane volume and quality delivered to the mills along with lower mill efficiencies. Consumption is up based on population growth and improved domestic demand. Exports and stocks are expected to plummet with the lower available supplies.

**Dominican Republic** production is forecast up slightly to 620,000 tons due to favorable weather conditions. Consumption is up slightly due to the expected recovery in tourism and brighter prospects for small and medium-sized processing companies that are currently limiting operations due to the COVID-19 pandemic. Exports are forecast down to 190,000 tons with the United States expected to be the only major export market. Stocks are expected to be up due to higher production and lower exports.

**Selected MY 2020/21 Revisions from May 2021 Forecast:**

- Global production is down fractionally to 180.1 million.
  - o EU is raised 682,000 tons to 15.4 million as the impact of the beet yellow virus was less than expected.
  - o Turkey is up 300,000 tons to 3.1 million due to higher yields.
  
- Global imports are up 1.2 million tons to 55.2 million.
  - o China is boosted 950,000 tons to 5.8 million on updated customs data.
  - o The United Arab Emirates is raised 415,000 tons to 1.8 million on higher imports from Brazil and India.
  - o The United Kingdom is lowered 375,000 tons to 550,000 on smaller trade from Brazil and India.
  - o European Union was lowered 500,000 tons to 1.5 million with reduced shipments from the United Kingdom.
  
- Global exports are down 1.6 million tons to 62.7 million.
  - o India is up 1.2 million tons to 7.2 million on high exports to Iran and Sudan.
  - o The United Arab Emirates is raised 453,000 tons to 1.38 million on higher trade to China, Iran, and Pakistan.
  - o Mexico is lowered 354,000 tons to 1.2 million on lower than expected shipments.
  - o Thailand is down sharply by 3.3 million tons to 7.0 million as shipment were delayed due to container shortages.
  
- Global ending stocks are up 2.9 million tons to 48.8 million.
  - o Thailand is raised 3.4 million tons to 8.8 million on a drop in exports.
  - o India drops 1.2 million tons to 14.2 million on higher exports.

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The *Sugar: World Markets and Trade* circular is based on reports from FAS Overseas Posts since September 2021 and on available secondary information. The individual country reports can be obtained on FAS Online at: <https://gain.fas.usda.gov/#/search>.

**European Union definition:** includes 27 countries in the customs union (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, and Sweden).

Effective January 1, 2021, the separation of the United Kingdom (UK) from the European Union (EU) was complete, including trade between both entities. Starting in January 2022 with the release of 2021/22 data, PSD's for sugar reflect EU27 (shown in the PSD system as "European Union") and UK separately. Historical data for both EU27 and the UK is provided for 5 years (2016/17 through 2020/21).

### **Future Releases and Contact Information**

Please visit <https://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 2022. 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: <https://apps.fas.usda.gov/psdonline/app/index.html#/app/home>.

### **Additional Resources**

Please refer to the USDA-FAS Sugar website at: <https://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**

	<b>2017/18</b>	<b>2018/19</b>	<b>2019/20</b>	<b>2020/21</b>	<b>May 2021/22</b>	<b>Nov 2021/22</b>
<b>Production</b>						
Brazil	38,870	29,500	30,300	42,050	39,920	36,000
India	34,309	34,300	28,900	33,760	34,700	34,700
European Union	19,508	16,750	17,040	15,399	15,800	16,590
China	10,300	10,760	10,400	10,600	10,600	10,300
Thailand	14,710	14,581	8,294	7,587	10,603	10,000
United States	8,430	8,164	7,392	8,373	8,446	8,466
Pakistan	7,225	5,270	5,340	6,020	6,840	6,675
Russia	6,560	6,080	7,800	5,625	6,100	6,550
Mexico	6,371	6,812	5,596	6,058	6,158	6,338
Australia	4,480	4,725	4,285	4,335	4,400	4,400
Egypt	2,320	2,405	2,740	2,780	2,855	2,855
Turkey	2,500	2,700	2,750	3,100	2,800	2,800
Guatemala	2,865	2,966	2,764	2,622	2,700	2,700
Colombia	2,500	2,400	2,350	2,220	2,400	2,400
Indonesia	2,100	2,200	2,250	2,130	2,200	2,200
Philippines	2,100	2,100	2,150	2,143	2,100	2,100
South Africa	2,064	2,257	2,295	2,106	2,174	1,967
Iran	2,190	1,520	1,010	1,535	1,950	1,600
Argentina	1,870	1,570	1,750	1,830	1,550	1,550
Ukraine	2,180	1,753	1,638	1,134	1,399	1,399
Peru	1,080	1,262	1,197	1,265	1,300	1,300
United Kingdom	1,364	1,133	1,191	975	1,000	1,000
Cuba	1,100	1,300	1,200	850	1,100	950
Vietnam	1,540	1,300	850	750	890	900
El Salvador	754	788	827	809	815	815
Other	14,932	14,562	14,160	14,068	14,737	14,527
<b>Total</b>	<b>194,222</b>	<b>179,158</b>	<b>166,469</b>	<b>180,124</b>	<b>185,537</b>	<b>181,082</b>
<b>Human Dom. Consumption</b>						
India	26,500	27,500	27,000	28,000	28,500	28,500
European Union	17,000	17,000	17,000	16,700	16,750	16,900
China	15,700	15,800	15,400	15,500	15,800	15,800
United States	10,930	10,982	11,109	10,985	11,000	11,068
Brazil	10,600	10,600	10,650	10,150	10,200	10,000
Indonesia	6,375	7,055	7,356	7,445	7,500	7,500
Russia	6,112	6,021	6,120	5,474	6,000	6,249
Pakistan	5,300	5,400	5,600	5,750	5,900	5,900
Mexico	4,512	4,317	4,349	4,171	4,192	4,150
Egypt	3,050	3,100	3,250	3,340	3,430	3,430
Turkey	2,728	2,784	2,999	2,925	2,940	2,940
Thailand	2,580	2,480	2,360	2,380	2,500	2,470
Bangladesh	2,659	2,519	2,492	2,426	2,560	2,415
Iran	2,448	2,447	2,015	2,281	2,721	2,381
Philippines	2,250	2,300	2,300	2,275	2,200	2,300
Vietnam	1,747	1,597	1,560	2,164	2,120	2,185
Algeria	1,908	2,093	2,138	1,967	2,085	2,047
Malaysia	1,833	1,991	1,877	1,823	1,890	1,895
Colombia	1,764	1,858	1,862	1,816	1,900	1,872
Japan	2,063	1,980	1,965	1,884	1,919	1,829
Sudan	1,527	1,691	1,838	1,795	1,615	1,825
South Africa	1,961	1,770	1,520	1,670	1,710	1,710
Korea, South	1,519	1,668	1,623	1,614	1,595	1,625
Nigeria	1,610	1,610	1,620	1,610	1,600	1,600
United Kingdom	1,896	1,900	1,700	1,500	1,700	1,600
Other	36,886	34,578	33,040	33,455	34,081	34,354
<b>Total</b>	<b>173,458</b>	<b>173,041</b>	<b>170,743</b>	<b>171,100</b>	<b>174,408</b>	<b>174,545</b>

## World Centrifugal Sugar: Imports and Exports

1,000 Metric Tons, Raw Value

	2017/18	2018/19	2019/20	2020/21	May 2021/22	Nov 2021/22
<b>Exports</b>						
Brazil	28,200	19,600	19,280	32,150	29,170	26,000
Thailand	10,907	10,612	6,695	4,000	10,445	10,000
India	2,236	4,700	5,800	7,200	6,000	7,000
Australia	3,600	3,735	3,600	3,400	3,535	3,635
Mexico	1,146	2,337	1,285	1,235	1,615	1,884
Guatemala	1,881	2,125	1,858	1,729	1,823	1,823
European Union	4,349	2,411	1,459	1,250	1,000	1,300
Colombia	732	801	778	720	770	790
Morocco	380	497	664	690	700	700
South Africa	768	1,041	1,451	1,007	995	690
Eswatini	519	582	778	634	645	645
El Salvador	449	532	508	540	530	530
Nicaragua	388	534	497	509	510	510
Pakistan	1,600	1,100	75	50	800	500
Belarus	393	387	442	400	460	400
Cuba	557	576	690	300	450	400
Russia	612	382	1,542	385	400	395
Mauritius	390	347	396	369	380	390
Saudi Arabia	360	353	429	370	425	390
Nigeria	300	300	300	300	350	350
Algeria	323	190	321	332	320	340
Korea, South	325	306	313	320	350	310
Egypt	200	200	300	300	300	300
Malaysia	149	123	109	329	275	250
Argentina	207	172	202	243	220	220
Other	4,824	3,828	3,376	3,926	3,491	3,365
<b>Total</b>	<b>65,795</b>	<b>57,771</b>	<b>53,148</b>	<b>62,688</b>	<b>65,959</b>	<b>63,117</b>
<b>Imports</b>						
China	4,350	4,086	3,808	5,850	5,000	5,000
Indonesia	4,325	5,362	4,758	5,200	4,800	4,800
United States	2,972	2,785	3,778	2,898	2,407	2,762
Algeria	2,261	2,328	2,469	2,259	2,405	2,402
Bangladesh	2,654	2,429	2,397	2,351	2,510	2,360
Malaysia	2,002	2,139	1,966	2,142	2,175	2,160
European Union	1,612	2,374	2,235	1,500	2,000	2,000
Korea, South	1,864	1,999	1,926	1,934	1,955	1,935
Nigeria	1,870	1,870	1,890	1,880	1,930	1,930
United Arab Emirates	2,797	1,571	751	1,785	1,420	1,600
Saudi Arabia	1,440	1,342	1,420	1,488	1,560	1,560
Canada	1,238	1,268	1,248	1,378	1,330	1,360
Sudan	1,037	1,121	1,363	1,300	1,110	1,330
Vietnam	240	303	745	1,564	1,300	1,330
Morocco	1,130	1,100	1,328	1,323	1,330	1,328
Iraq	1,400	1,180	1,195	1,107	1,080	1,100
Japan	1,240	1,187	1,142	1,051	1,106	1,006
India	2,071	1,300	900	1,000	1,000	1,000
Yemen	876	664	770	941	975	970
Somalia	565	732	877	821	830	850
Egypt	990	860	830	830	830	830
Iran	203	932	920	801	801	801
Sri Lanka	620	593	626	834	795	775
United Kingdom	1,038	1,003	680	550	900	660
Taiwan	1,015	897	718	562	640	605
Other	14,200	12,333	12,214	11,817	11,443	11,772
<b>Total</b>	<b>56,010</b>	<b>53,758</b>	<b>52,954</b>	<b>55,166</b>	<b>53,632</b>	<b>54,226</b>



## World Centrifugal Sugar: Ending Stocks

1,000 Metric Tons, Raw Value

	2017/18	2018/19	2019/20	2020/21	May 2021/22	Nov 2021/22
<b>Ending Stocks</b>						
India	14,214	17,614	14,614	14,174	16,574	14,374
Thailand	6,841	8,330	7,569	8,776	3,040	6,306
China	6,567	5,408	4,027	4,847	4,029	4,192
Pakistan	3,140	1,920	1,625	2,245	2,405	2,570
United States	1,822	1,618	1,468	1,568	1,363	1,601
European Union	1,547	1,260	2,076	1,025	1,160	1,415
Indonesia	1,793	2,300	1,952	1,787	1,287	1,287
Philippines	1,067	1,234	1,289	1,196	1,184	1,096
Mexico	1,479	1,239	910	1,116	965	972
Russia	440	450	740	665	273	760
Bangladesh	525	510	500	480	515	480
Iran	480	485	400	455	550	475
Japan	510	495	495	475	480	460
Kenya	411	441	506	551	451	451
Vietnam	350	320	315	430	430	440
Algeria	380	425	435	395	420	410
Korea, South	390	415	405	405	400	405
Malaysia	370	395	375	365	380	380
Sudan	310	340	365	360	320	365
Ecuador	388	389	351	330	361	361
Brazil	920	220	590	340	890	340
Canada	260	265	250	280	275	280
United Arab Emirates	370	280	150	220	235	270
Morocco	265	250	260	260	265	260
Saudi Arabia	220	200	200	220	225	230
Other	6,849	6,408	6,195	5,791	5,499	5,477
<b>Total</b>	<b>51,908</b>	<b>53,211</b>	<b>48,062</b>	<b>48,756</b>	<b>43,976</b>	<b>45,657</b>