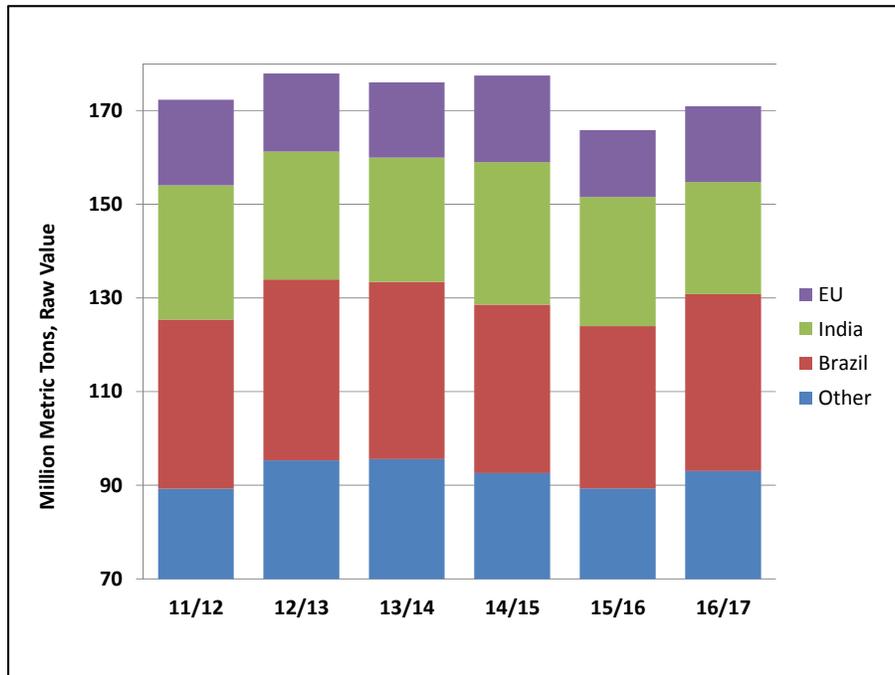




# Sugar: World Markets and Trade

## Global Production Rebounds but Record Consumption And Tight Stocks Undergird Strong Prices



Global production for 2016/17 is up 5 million metric tons (raw value) to 171 million as gains in Brazil and the European Union and most of the top 25 producers more than offset declines in India and Thailand. Global raw sugar monthly average prices, after falling for over a year and bottoming at less than 11 cents per pound in August 2015, have been trending higher to near 23 cents in October 2016. Despite high prices, consumption is forecast at a record 174 million tons, drawing stocks down to the lowest level since 2010/11. The global sugar deficit narrows from 6.7 million tons in 2015/16 to a forecast 2.6 million.

Despite production gains in 2016/17, low stock levels portend another year of rebuilding supplies amid strong prices.

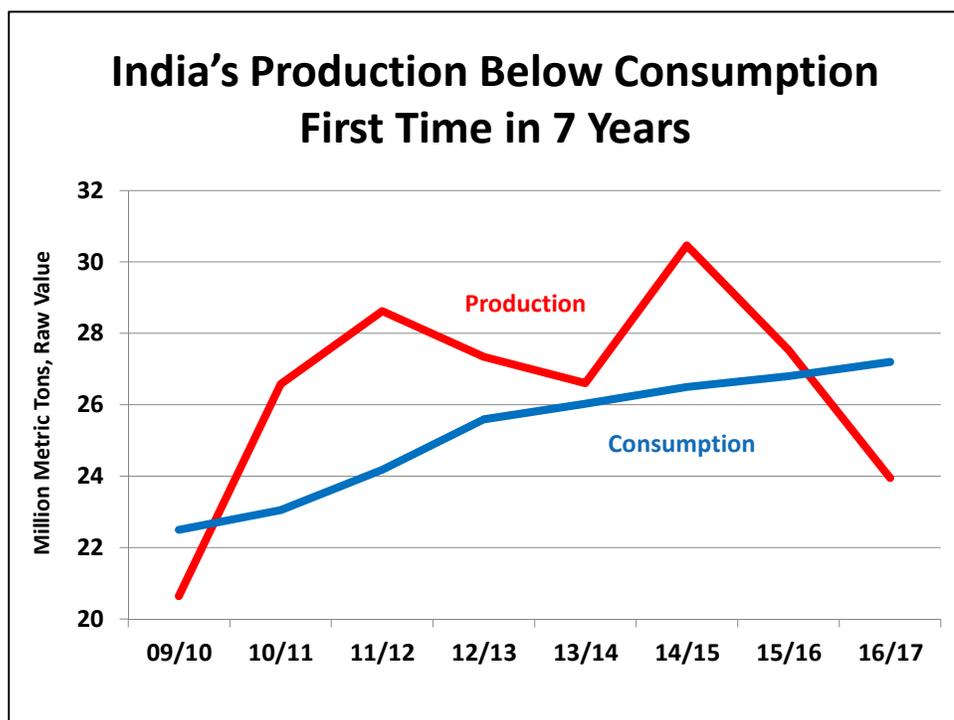
To receive the circular via email, register at  
<https://public.govdelivery.com/accounts/USDAFAS/subscriber/new>.

## 2016/17 Sugar Overview

**United States** production is forecast up 300,000 tons from last year to a record 8.5 million on higher yields. Imports are expected to decline 600,000 tons to 2.4 million with consumption relatively unchanged. Stocks are projected to dip 8.0 percent to 1.7 million tons.

**Brazil's** production is forecast to rise 3.1 million tons to 37.8 million on favorable weather and a higher percentage of sugarcane (forecast at 45 percent compared to 43 percent the year before) being diverted toward sugar production instead of ethanol. Exports are projected up 2.8 million tons to 27.1 million on greater exportable supplies and higher demand from markets such as India and Indonesia. Consumption is down slightly on lower consumer purchases of processed foods.

**India's** production is forecast to drop 3.6 million tons to 23.9 million due to lower area and yield. India is the world's largest consumer with consumption forecast to rise marginally to a record 27.2 million tons. Production is forecast up in Uttar Pradesh, while that from Maharashtra and Karnataka is lower than expected. Exports and stocks are forecast down sharply.



**Thailand's** production is forecast down 470,000 tons to 9.3 million as severe drought conditions during the growing stage are expected to lower yields. However, exports are up slightly as stocks are drawn down to meet demand. Consumption is up slightly on growing household and industrial uses.

Production in the **European Union** is forecast to rebound 1.9 million tons to 16.2 million on higher sugar beet area. Consumption is projected flat at 18.8 million and imports are down. Exports are unchanged at 1.5 million tons, limited by the World Trade Organization sugar export ceiling.

**China's** production is forecast up 700,000 tons to 9.5 million on higher area and yields. Consumption is forecast flat. Imports are flat year over year but have been trending higher. Stocks are forecast down sharply to the lowest level since 2010/11.

**Mexico's** production is forecast slightly higher at 6.7 million tons while exports are expected up 8.9 percent to 1.4 million tons due to exports to non-U.S. markets. The U.S.-Mexico Suspension Agreement establishes minimum, or floor, prices to guard against undercutting or suppression of U.S. prices. These minimum prices are \$0.26 per pound for refined sugar and \$0.2225 per pound for all other sugar. Stocks are expected up amid flat consumption.

**Australia's** sugar production is projected up 200,000 tons to 5.1 million. Exports, up nearly 30 percent in 4 years, are forecast higher at 4.0 million tons on high demand from markets such as Japan and South Korea and on higher exportable supplies.

**Russia's** production is expected to climb 400,000 tons to 5.6 million on both higher area and yield. Consumption is expected to continue to rise due to expansion in production of home-made alcohol. Imports are forecast down slightly.

**Pakistan's** production is forecast up 460,000 tons to a record 5.7 million reflecting growth in area. Sugar is favored by farmers who value the government-established procurement price for sugarcane in the face of lower prices for other crops. Consumption is forecast up slightly, but stocks are expected to soar.

***Selected 2015/16 Revisions from May 2016 Forecast:***

- World production revised 900,000 tons higher to 165.8 million.
  - o China is up 400,000 tons to 8.8 million on increased area.
  - o EU is increased 280,000 tons.
- World imports are revised 1.2 million tons lower to 53.3 million.
  - o China down 700,000 tons to 6.0 million on higher production and trade data update.
  - o Iran is lowered 600,000 tons to 790,000 on higher production and trade data update.
- World Exports are lowered 1.3 million tons to 53.6 million tons.
  - o Thailand drops 1.0 million tons on a revised forecast.

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 post reports submitted since September 2016 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 2017.

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, French West Indies, Guatemala, Guyana, Honduras, India, Iran, Jamaica, Japan, 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

	2012/13	2013/14	2014/15	2015/16	May 2016/17	Nov 2016/17
<b>Production</b>						
Brazil	38,600	37,800	35,950	34,650	37,070	37,780
India	27,337	26,605	30,460	27,530	25,500	23,945
European Union	16,655	16,020	18,449	14,280	16,500	16,200
China	14,001	14,263	11,000	8,830	8,230	9,530
Thailand	10,024	11,333	10,793	9,743	10,100	9,270
United States	8,148	7,676	7,853	8,155	7,902	8,465
Mexico	7,393	6,382	6,344	6,484	6,466	6,678
Pakistan	5,000	5,630	5,164	5,265	5,365	5,725
Russia	5,000	4,400	4,350	5,200	5,320	5,600
Australia	4,250	4,380	4,700	4,900	5,000	5,100
Guatemala	2,778	2,862	2,975	2,975	3,050	3,050
Turkey	2,130	2,300	2,055	2,000	2,500	2,500
Colombia	1,950	2,300	2,350	2,250	2,320	2,320
Philippines	2,400	2,500	2,150	2,100	2,200	2,250
Indonesia	2,300	2,300	2,100	2,025	2,200	2,200
Egypt	2,000	2,013	2,067	2,125	2,185	2,185
Argentina	2,300	1,780	2,150	2,060	2,100	2,100
Cuba	1,600	1,650	1,850	1,625	1,800	1,950
Ukraine	2,400	1,196	1,728	1,550	1,680	1,680
South Africa	2,020	2,435	2,192	1,684	1,660	1,665
Iran	1,300	1,225	1,450	1,625	1,350	1,650
Vietnam	1,650	1,725	1,545	1,650	1,650	1,650
Peru	1,080	1,150	1,480	1,350	1,500	1,500
Sudan	760	700	700	850	700	850
Japan	760	750	800	800	800	800
Other	14,082	14,651	14,824	14,124	14,183	14,298
<b>Total</b>	<b>177,918</b>	<b>176,026</b>	<b>177,479</b>	<b>165,830</b>	<b>169,331</b>	<b>170,941</b>
<b>Human Dom. Consumption</b>						
India	25,588	26,023	26,500	26,800	27,200	27,200
European Union	18,250	18,500	18,700	18,800	18,800	18,800
China	15,100	16,445	17,558	17,500	17,800	17,500
United States	10,421	10,722	10,785	10,800	10,959	10,886
Brazil	11,200	11,260	11,400	10,900	10,800	10,800
Russia	5,700	5,400	5,700	5,880	5,880	6,100
Indonesia	5,400	5,450	5,400	5,935	5,700	5,650
Pakistan	4,400	4,500	4,600	4,700	4,800	4,800
Mexico	4,544	4,184	4,638	4,689	4,661	4,721
Egypt	2,840	2,870	2,900	2,930	2,950	2,950
Thailand	2,525	2,495	2,532	2,600	2,650	2,650
Iran	2,793	2,822	1,979	2,341	2,675	2,420
Bangladesh	1,637	2,173	2,060	2,328	2,479	2,299
Philippines	2,150	2,250	2,155	2,200	2,200	2,250
Turkey	2,300	2,300	2,254	2,200	2,200	2,250
Vietnam	1,806	1,888	1,819	2,073	1,999	2,119
Japan	1,996	2,099	2,134	2,078	2,065	2,085
United Arab Emirates	1,864	1,444	1,936	2,005	2,035	2,035
South Africa	1,850	1,890	1,952	1,957	1,957	1,957
Argentina	1,820	1,839	1,840	1,750	1,780	1,780
Colombia	1,950	1,510	1,521	1,805	1,714	1,764
Malaysia	1,629	1,592	1,765	1,722	1,700	1,705
Peru	1,249	1,244	1,582	1,504	1,600	1,600
Sudan	1,555	1,216	1,692	1,580	1,805	1,545
Korea, South	1,268	1,421	1,452	1,417	1,580	1,530
Other	34,011	33,480	33,360	34,019	33,648	34,177
<b>Total</b>	<b>165,846</b>	<b>167,017</b>	<b>170,214</b>	<b>172,513</b>	<b>173,637</b>	<b>173,573</b>

## World Centrifugal Sugar: Imports and Exports

1,000 Metric Tons, Raw Value

	2012/13	2013/14	2014/15	2015/16	May 2016/17	Nov 2016/17
<b>Exports</b>						
Brazil	27,650	26,200	23,950	24,350	26,100	27,120
Thailand	6,693	7,200	8,252	7,800	9,000	8,000
Australia	3,100	3,242	3,561	3,700	3,900	4,000
Guatemala	1,911	2,100	2,340	2,255	2,310	2,310
European Union	1,662	1,552	1,582	1,500	1,500	1,500
India	1,261	2,806	2,580	3,000	1,000	1,500
Mexico	2,091	2,661	1,545	1,280	1,606	1,405
Cuba	775	937	895	950	1,000	1,200
Colombia	542	900	835	600	700	600
Argentina	258	234	113	230	550	550
Swaziland	353	412	641	663	500	500
Mauritius	384	416	426	424	455	435
United Arab Emirates	569	739	350	435	435	435
Nicaragua	375	375	398	398	425	425
Algeria	522	478	480	380	475	400
El Salvador	480	404	481	380	385	385
Belarus	517	465	371	376	380	380
Korea, South	383	361	305	339	340	350
Malaysia	317	315	258	287	225	295
South Africa	356	868	772	305	320	270
Morocco	0	8	39	234	30	250
Mozambique	261	233	237	240	240	240
Sudan	92	187	202	205	210	210
Egypt	400	350	263	200	200	200
Nigeria	200	200	200	200	200	200
Other	4,482	4,238	3,704	2,941	3,146	2,744
<b>Total</b>	<b>55,634</b>	<b>57,881</b>	<b>54,780</b>	<b>53,672</b>	<b>55,632</b>	<b>55,904</b>
<b>Imports</b>						
China	3,802	4,275	5,058	6,000	7,900	6,000
Indonesia	3,570	3,570	2,950	3,605	3,400	3,350
European Union	3,790	3,262	2,918	3,000	3,500	3,250
United Arab Emirates	2,583	2,108	2,366	2,460	2,480	2,480
United States	2,925	3,395	3,223	3,031	3,156	2,441
Bangladesh	1,547	2,085	1,982	2,284	2,350	2,210
Malaysia	1,966	1,897	2,063	2,009	1,915	1,990
Korea, South	1,806	1,909	1,882	1,871	1,940	1,910
Algeria	2,014	1,854	1,844	1,850	1,850	1,850
Nigeria	1,450	1,470	1,465	1,470	1,430	1,430
India	1,722	1,078	1,000	1,352	1,000	1,400
Saudi Arabia	1,394	1,312	1,424	1,448	1,335	1,400
Japan	1,244	1,360	1,359	1,275	1,265	1,285
Canada	1,156	1,031	1,163	1,200	1,210	1,190
Morocco	985	762	857	1,010	890	1,050
Sudan	997	638	1,319	900	1,320	900
Venezuela	840	840	870	850	850	850
Egypt	1,050	1,208	1,330	880	830	830
Iran	1,553	1,629	264	791	1,450	800
Russia	735	1,020	1,100	750	750	700
Somalia	267	287	409	648	510	660
Cambodia	376	671	458	627	475	650
Taiwan	603	577	543	636	600	640
Sri Lanka	598	542	620	621	635	630
Yemen	563	749	680	602	680	600
Other	12,330	11,979	11,098	12,201	11,895	11,580
<b>Total</b>	<b>51,866</b>	<b>51,508</b>	<b>50,245</b>	<b>53,371</b>	<b>55,616</b>	<b>52,076</b>

## World Centrifugal Sugar: Ending Stocks

1,000 Metric Tons, Raw Value

	2012/13	2013/14	2014/15	2015/16	May 2016/17	Nov 2016/17
<b>Ending Stocks</b>						
India	9,373	8,227	10,607	9,689	8,007	6,334
Thailand	3,616	5,254	5,263	4,606	2,053	3,226
China	6,793	8,832	7,287	4,572	3,157	2,557
Pakistan	859	1,270	1,270	1,570	1,975	2,505
United States	1,958	1,642	1,647	1,864	1,503	1,721
Mexico	1,548	881	860	1,099	1,379	1,312
Philippines	942	1,032	997	957	897	907
Japan	550	560	584	580	580	580
Indonesia	879	1,299	949	644	544	544
Iran	700	700	400	450	590	450
Bangladesh	365	394	400	420	420	420
Korea, South	388	390	390	380	410	410
United Arab Emirates	375	300	380	400	410	410
Ecuador	328	363	398	397	390	390
Malaysia	350	350	400	400	390	390
Sudan	340	275	400	365	425	360
Russia	395	370	100	150	350	320
Saudi Arabia	275	275	300	310	280	310
European Union	3,836	3,066	4,151	1,131	968	281
Costa Rica	262	298	312	297	280	280
Colombia	120	150	205	180	266	266
Turkey	157	103	0	35	275	260
Canada	260	240	250	255	255	255
Morocco	240	230	250	250	250	250
Vietnam	200	214	215	250	230	250
Other	7,231	7,050	7,678	6,708	6,544	5,807
<b>Total</b>	<b>42,340</b>	<b>43,765</b>	<b>45,693</b>	<b>37,959</b>	<b>32,828</b>	<b>30,795</b>