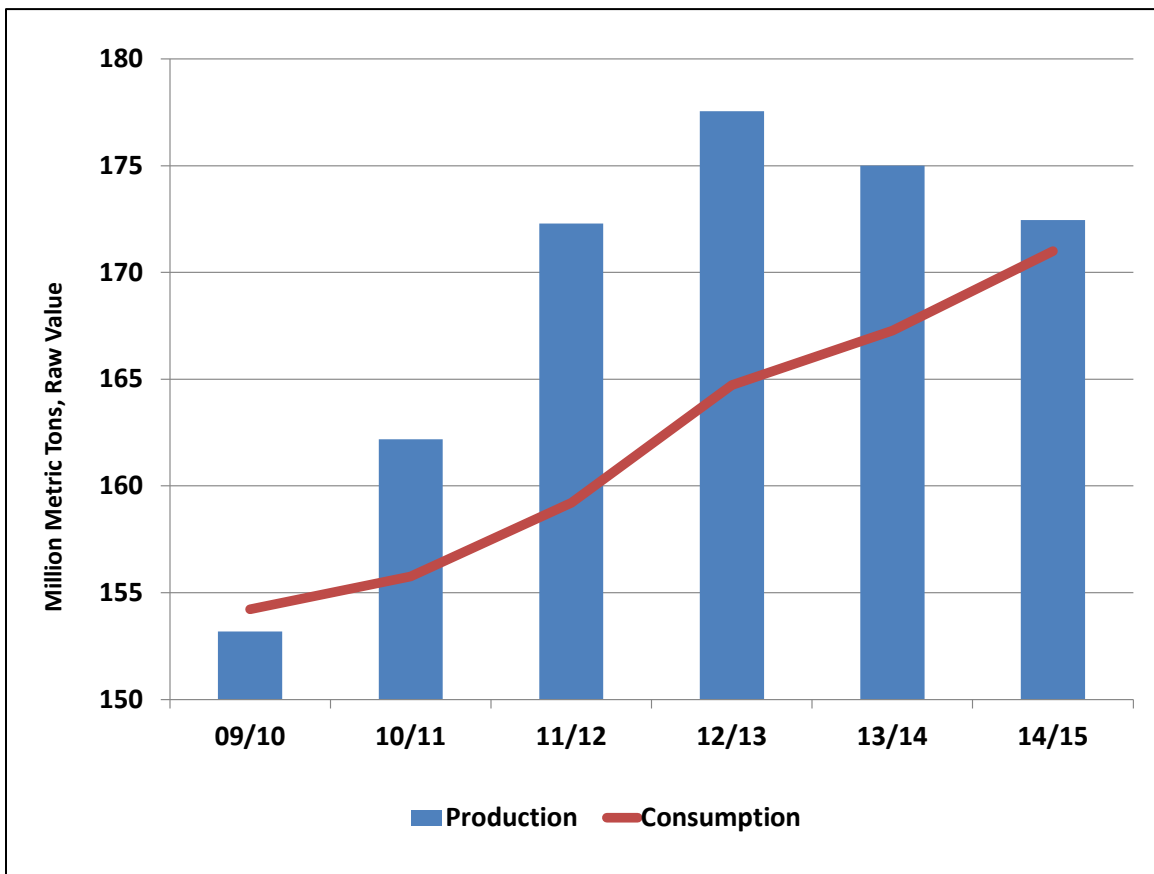




Sugar: World Markets and Trade

Global Sugar Consumption Expands While Production Decelerates



Global sugar production for 2014/15 is estimated down 2.6 million metric tons (raw value) at 172.5 million on reductions in Brazil, Thailand, and China. Global imports are expected to remain flat while consumption is projected to reach a record 171.0 million tons as ending stocks shrink slightly.

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2014/15 Sugar Overview

United States production is estimated unchanged from last year at 7.7 million tons. Stocks are expected to fall over 20 percent as consumption holds steady and imports decline to 3.1 million tons. On October 27, 2014, the Department of Commerce announced its affirmative determination in the anti-dumping investigation of sugar imported from Mexico. Commerce set dumping margins on sugar from Mexican sugar processors ranging from 39.54 percent to 47.26 percent. These preliminary duties come after the agency imposed preliminary countervailing duties in August ranging from 2.99 to 17.01 percent on sugar derived from sugarbeets and sugarcane. As a result of the determination, U.S. Customs and Border Control will require cash deposits on sugar products covered under the investigation.

Also on October 27, the department announced a draft agreement with the Government of Mexico to suspend the anti-dumping and countervailing duty investigations. The terms of the agreement include:

- Required export licenses for sugar to enter the United States from Mexico.
- Minimum reference prices of 23.57 cents per pound for refined sugar and 20.75 cents per pound for all other sugar.
- Export limits, based on a formula to determine expected U.S. needs for imported sugar. The estimates provided in specific WASDE reports would provide the data to calculate the quantities to determine Mexican market access.
- Limits on the amount of refined sugar that can enter the United States under the suspension agreement.
- Limits on the timing of shipments—specifically, the amount of sugar that could be shipped prior to December 31 and March 31 of the marketing year.

Interested parties were asked to provide comments on the draft agreement until November 18, 2014. The investigations would be suspended upon a final agreement. If an agreement is not reached, the anti-dumping and countervailing duty investigations would continue and the preliminary duties would remain in place. The Mexican supply and use forecasts provided in the November WASDE do not reflect market conditions that would take place under the draft agreement, as those terms were not finalized and signed at the report's release.

Brazil's production is estimated to ease 2.0 million tons to 35.8 million as drought conditions lower yield and a lower percentage of the sugarcane (estimated 45 percent) is diverted to sugar, compared to last year on better profitability for ethanol production. Consumption is expected to increase slightly reflecting population growth and expansion in the food processing sector. Exports are projected down 2.2 million tons to 24.0 million on lower exportable supplies.

Thailand's production is forecast to decline 1.1 million tons to 10.2 million as drought conditions lower yield. Exports are forecast to jump to a record 8.5 million tons as stocks are drawn down to meet high Asian demand, particularly from Indonesia and Cambodia. Consumption continues to trend higher, driven by rising industrial use.

India's production is estimated to increase over 600,000 tons to 27.3 million due to increased yields. With high demand, imports are expected to expand as consumption rises to a record 27 million tons. India is the largest consumer and second largest producer of sugar and imports vary greatly from year to year. Exports are estimated to fall to 1.5 million tons.

Production in the **European Union** is estimated at 16.3 million tons, up nearly 300,000 on both increased sugar beet area and

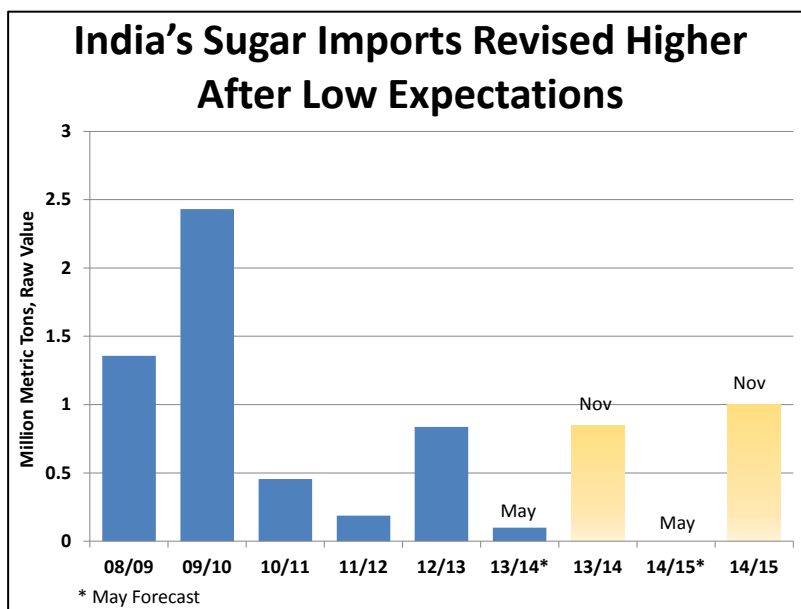
yield. As consumption continues to trend higher, imports are projected to grow 200,000 tons to 3.5 million tons. Exports remain at 1.5 million tons, limited by the sugar export ceiling in the World Trade Organization.

China's production is projected at 13.3 million tons, down nearly 1.0 million on lower yield. Rising consumption, which outpaces production, and lower imports are expected to draw down stocks.

Mexico's production is estimated slightly higher at 6.5 million tons. Exports are projected down nearly 50 percent to 1.8 million tons on consumption and stock growth of 5 and 10 percent, respectively.

Australia's sugar production is estimated to increase 200,000 tons to 4.6 million based on a combination of higher sugar yields and an increase in area. Australian sugar exports are estimated over 5 percent higher at 3.5 million tons on higher exportable supplies as consumption remains relatively flat.

Russia's production is expected down 200,000 tons to 4.2 million as an increase in area is offset by reduced yield. Consumption is estimated to increase as imports swell to fill the gap of lower production.



Selected 2013/14 Revisions from May Forecast:

- Global production is down slightly (694,000 tons) to 175.0 million.
 - o India is revised down 440,000 tons to 26.6 million as more cane was used for non-centrifugal sugar.
 - o Mexico is lowered 349,000 tons to 6.4 million due to adverse wet weather.

- Global imports are raised 1.4 million tons to 51.8 million.
 - o India expanded 750,000 tons to 850,000 tons as imports rose to meet domestic demand.
 - o China is revised up 430,000 tons to 4.3 million on growing demand.

FAS Reports from Overseas Offices

The *Sugar: World Markets and Trade* circular is based on post reports submitted since September 2014 and on available secondary information. The individual country reports can be obtained on FAS Online at: <http://gain.fas.usda.gov/Pages/Default.aspx>.

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>.

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 will be in May 2015.

To receive the circular via email, go to:

<https://public.govdelivery.com/accounts/USDAFAS/subscriber/new>.

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World Centrifugal Sugar
1,000 Metric Tons, Raw Value

	2010/11	2011/12	2012/13	2013/14	May 2014/15	Nov 2014/15
Production						
Brazil	38,350	36,150	38,600	37,800	36,800	35,800
India	26,574	28,620	27,337	26,605	27,900	27,250
European Union	15,939	18,320	16,655	16,010	16,300	16,300
China	11,199	12,341	14,001	14,263	13,700	13,300
Thailand	9,663	10,235	10,024	11,333	11,000	10,200
United States	7,104	7,700	8,148	7,672	7,706	7,677
Mexico	5,495	5,351	7,393	6,383	6,890	6,508
Pakistan	3,920	4,520	5,000	5,215	4,860	4,700
Australia	3,700	3,683	4,250	4,400	4,400	4,600
Russia	2,996	5,545	5,000	4,400	4,400	4,200
Guatemala	2,048	2,499	2,778	2,852	2,850	2,850
Indonesia	1,770	1,830	2,300	2,300	2,500	2,500
Philippines	2,520	2,400	2,400	2,450	2,500	2,500
Turkey	2,274	2,262	2,130	2,300	2,300	2,400
Colombia	2,280	2,270	1,950	2,300	2,300	2,300
South Africa	1,985	1,897	2,020	2,435	2,500	2,200
Argentina	2,030	2,150	2,300	1,780	2,000	2,050
Egypt	1,830	1,980	2,000	2,013	2,050	2,050
Cuba	1,150	1,400	1,525	1,600	1,500	1,650
Ukraine	1,540	2,300	2,400	1,300	1,600	1,600
Other	17,822	18,844	19,346	19,599	19,533	19,823
Total	162,189	172,297	177,557	175,010	175,589	172,458
Human Dom. Consumption						
India	23,050	24,180	25,000	26,000	27,000	27,000
European Union	18,040	18,200	18,250	18,300	18,500	18,500
China	14,000	14,200	15,100	16,500	17,400	17,400
Brazil	12,000	11,500	11,200	11,260	11,355	11,500
United States	10,171	10,106	10,421	10,697	10,614	10,758
Indonesia	5,000	5,050	5,400	5,700	5,900	5,900
Russia	5,523	5,700	5,700	5,600	5,500	5,800
Pakistan	4,250	4,300	4,400	4,450	4,500	4,500
Mexico	4,187	4,384	4,544	4,344	4,564	4,452
Iran	2,454	2,333	2,793	2,897	2,400	2,940
Other	57,088	59,255	61,917	61,529	62,795	62,246
Total	155,763	159,208	164,725	167,277	170,528	170,996
Ending Stocks						
China	1,621	4,140	6,793	8,832	8,049	8,487
India	6,299	7,163	9,373	8,018	9,813	7,768
Thailand	2,983	2,810	3,616	4,849	4,906	3,849
European Union	1,974	3,303	3,836	3,396	3,831	3,196
Indonesia	602	409	879	1,564	1,614	1,964
United States	1,250	1,795	1,958	1,629	997	1,347
Mexico	806	1,024	1,548	881	1,004	979
Philippines	934	932	942	932	927	927
Pakistan	1,470	1,350	859	936	1,104	846
Iran	650	640	700	750	500	750
Other	10,692	11,563	12,001	11,833	11,696	12,102
Total	29,281	35,129	42,505	43,620	44,441	42,215

World Centrifugal Sugar: Imports and Exports

1,000 Metric Tons, Raw Value

	2010/11	2011/12	2012/13	2013/14	May 2014/15	Nov 2014/15
Exports						
Brazil	25,800	24,650	27,650	26,200	25,250	24,000
Thailand	6,642	7,898	6,693	7,500	8,300	8,500
Australia	2,750	2,800	3,100	3,290	3,300	3,500
Guatemala	1,544	1,619	1,911	1,950	1,950	1,950
Mexico	1,558	985	2,091	2,644	2,158	1,779
European Union	1,113	2,343	1,662	1,450	1,500	1,500
India	3,903	3,764	964	2,810	1,500	1,500
Cuba	577	830	794	850	850	850
Colombia	830	876	542	800	600	800
South Africa	400	271	356	868	1,000	800
Other	8,740	8,983	9,530	9,075	8,833	8,518
Total	53,857	55,019	55,293	57,437	55,241	53,697
Imports						
China	2,143	4,430	3,802	4,330	3,300	3,800
Indonesia	3,082	3,027	3,570	4,085	3,750	3,800
European Union	3,755	3,552	3,790	3,300	3,750	3,500
United States	3,391	3,294	2,925	3,362	2,806	3,149
United Arab Emirates	1,969	2,154	2,583	2,143	2,250	2,350
Korea, South	1,688	1,668	1,806	1,909	1,950	1,945
Malaysia	1,813	1,720	1,966	1,897	2,000	1,925
Bangladesh	1,537	1,700	1,547	2,070	1,850	1,900
Algeria	1,193	1,594	2,014	1,854	1,850	1,850
Iran	1,292	1,079	1,553	1,629	1,550	1,600
Russia	2,510	510	735	1,250	1,100	1,500
Nigeria	1,495	1,399	1,450	1,470	1,470	1,470
Japan	1,331	1,230	1,330	1,415	1,390	1,415
Saudi Arabia	1,173	1,454	1,360	1,266	1,250	1,350
Canada	1,135	1,103	1,156	1,053	1,160	1,300
Egypt	1,120	1,480	1,050	1,208	1,220	1,220
India	455	188	837	850	0	1,000
Morocco	887	932	935	800	850	850
Venezuela	850	800	840	850	850	850
Yemen	672	754	563	769	725	775
Other	15,848	14,332	15,179	14,327	14,966	14,214
Total	49,339	48,400	50,991	51,837	50,037	51,763