

56th ISO MECAS Meeting

The world sugar market Status & Perspectives

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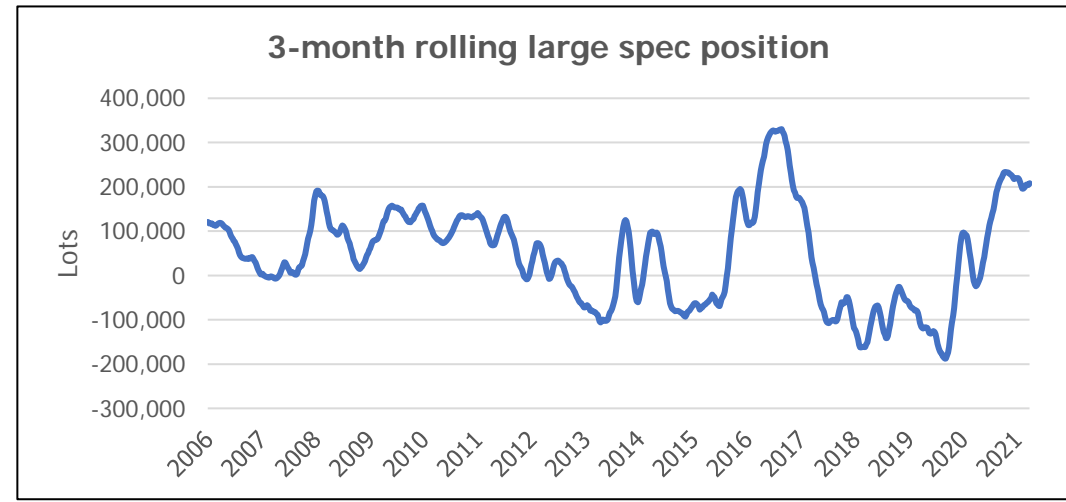
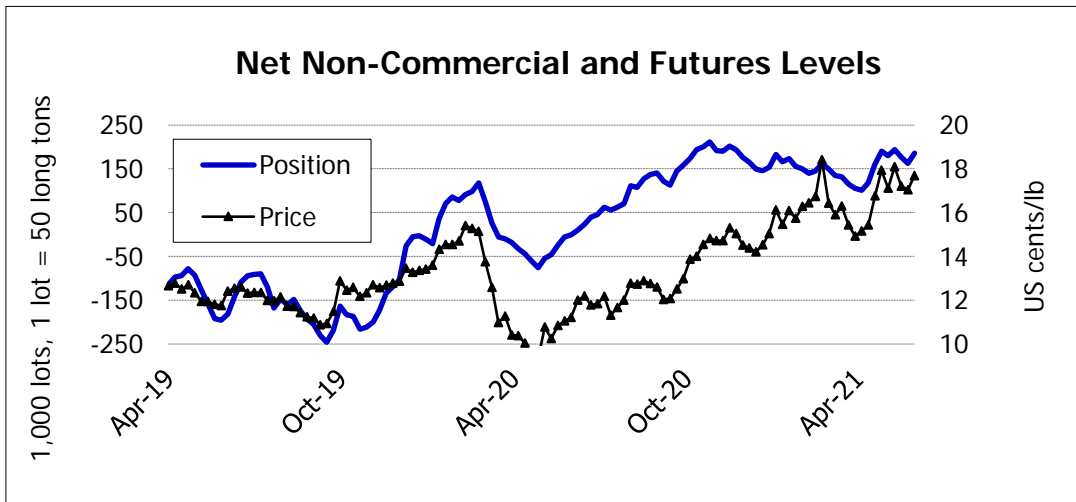
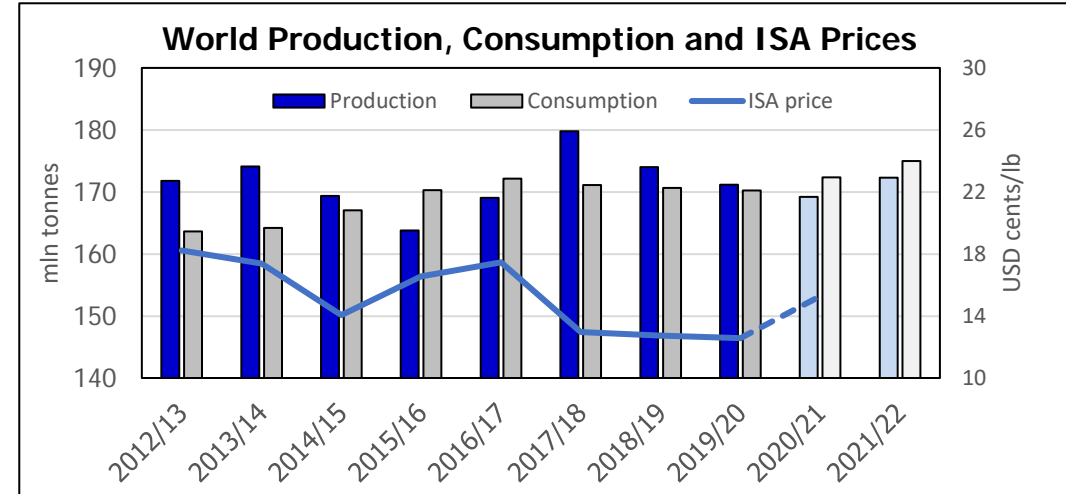
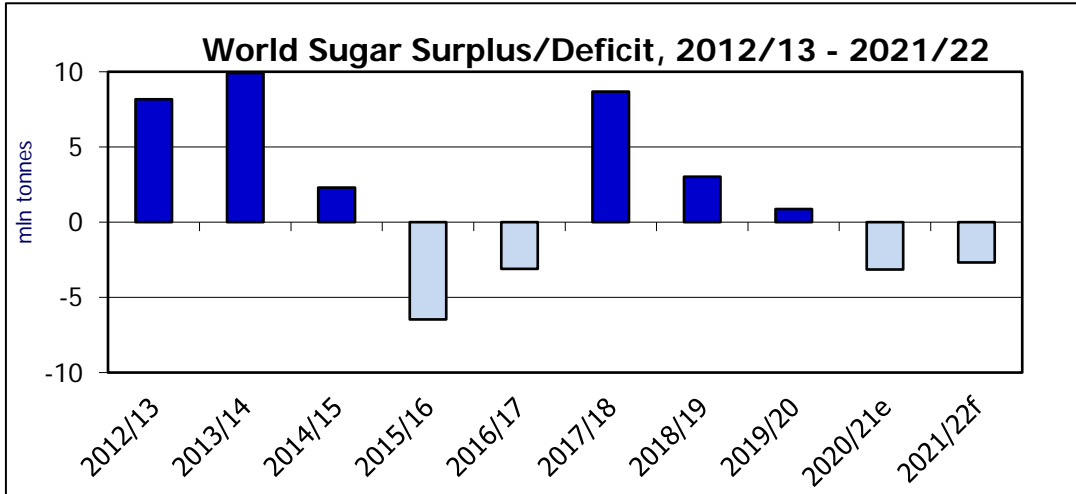


Agenda

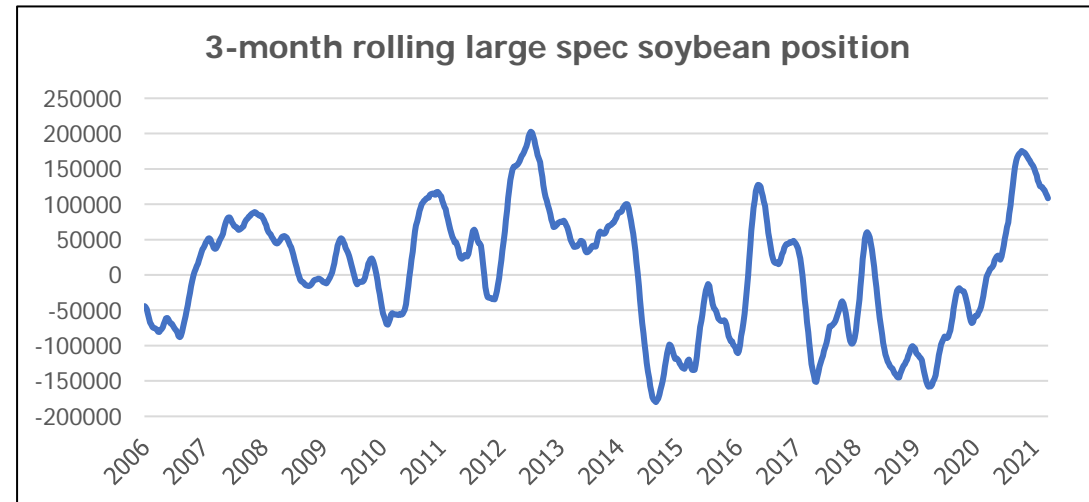
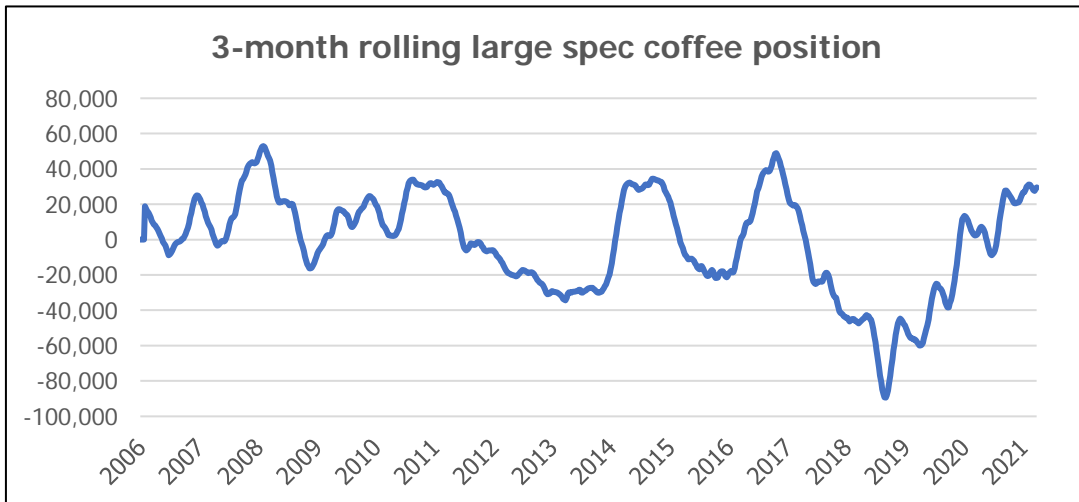
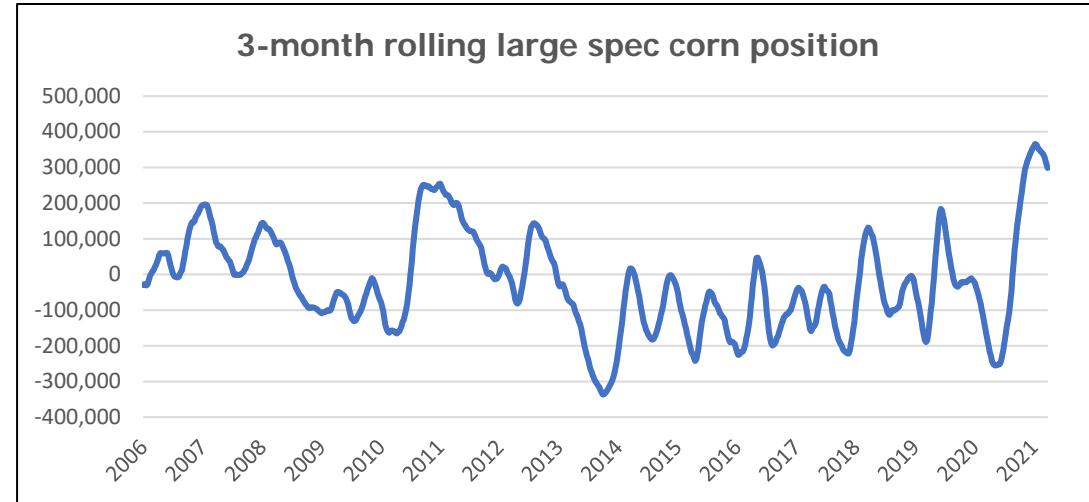
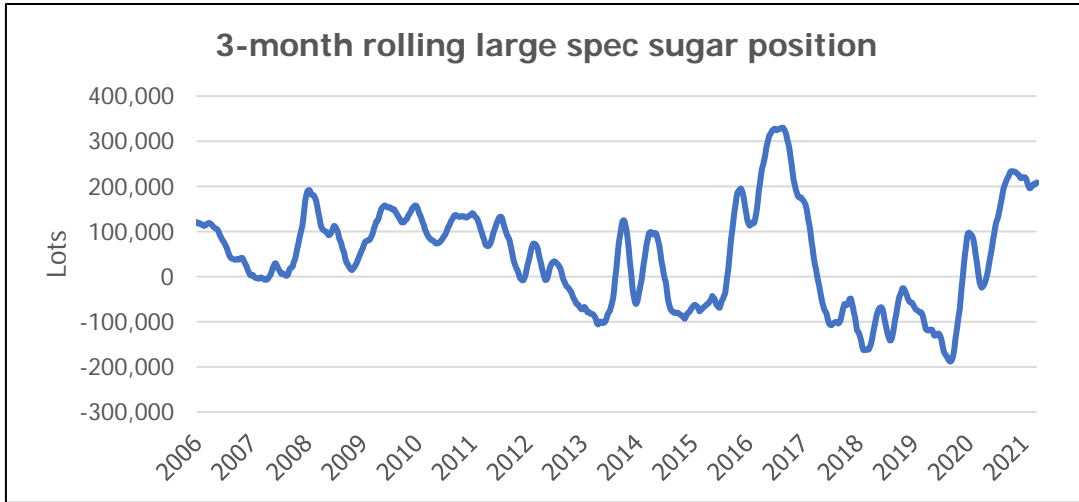
- 1 Big Picture*
- 2 Balance*
- 3 Sugar Trade / Price*
- 4 Conclusion / Q&A*



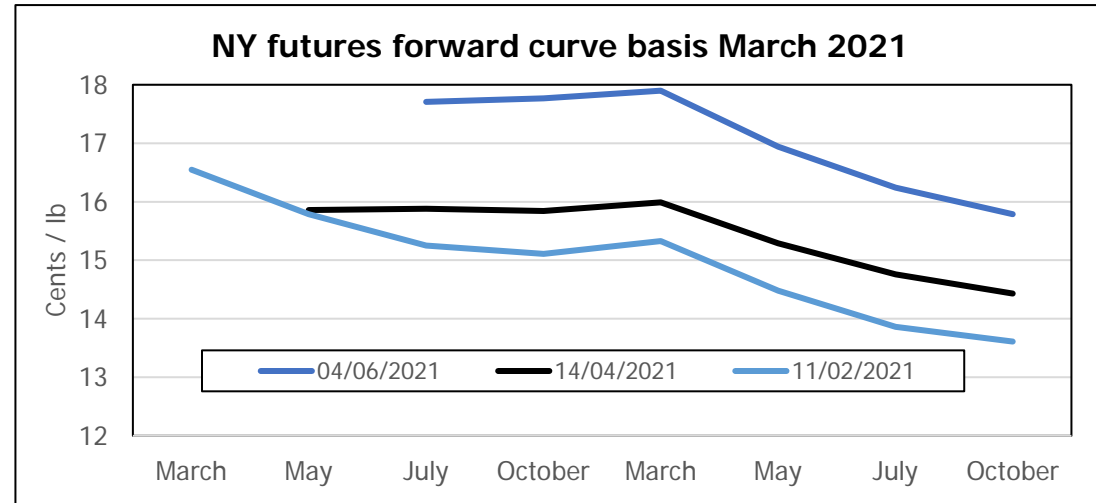
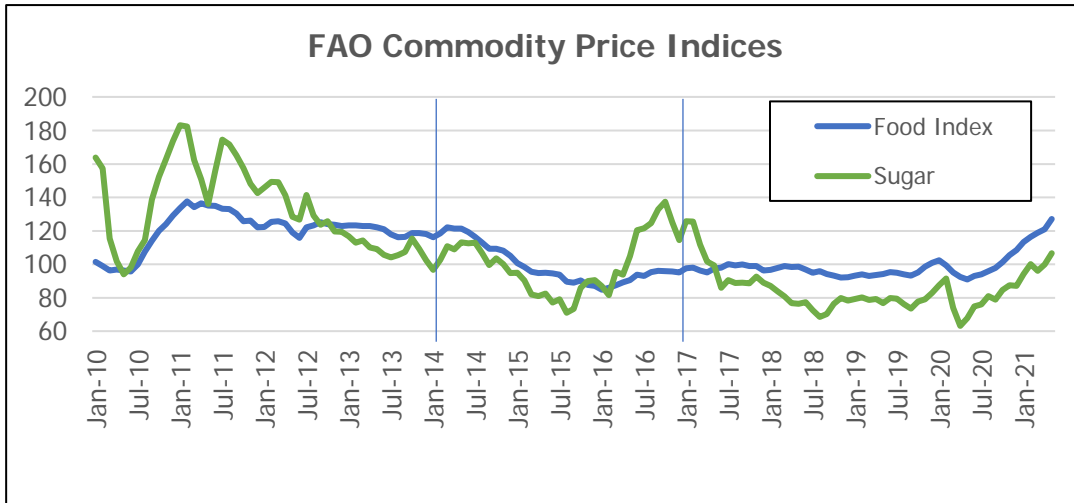
The World of Sugar



The World of Speculators



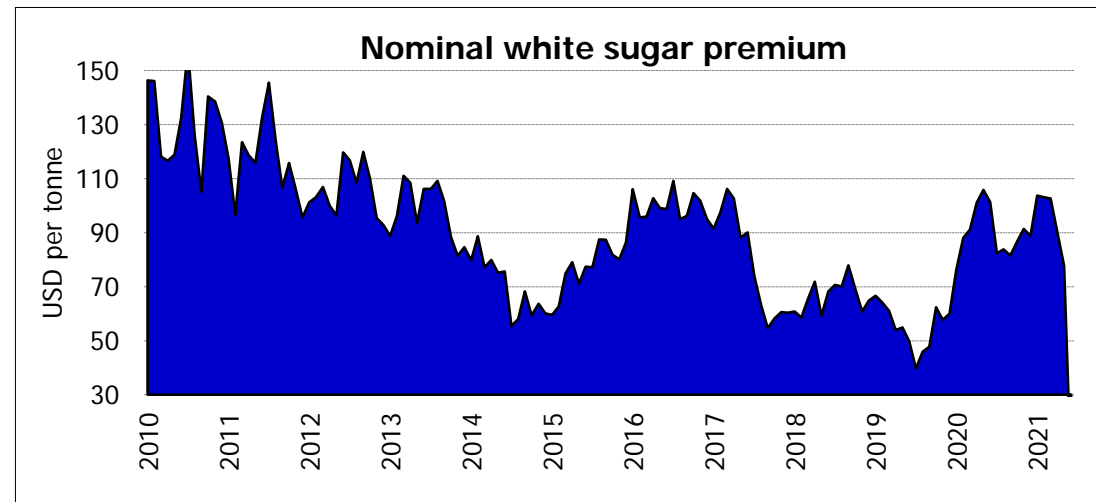
Prices



Food index at 10 year high, sugar at 4 year high

Backwardated structure now in deferred positions

White premium weakened sharply, reducing import demand by refiners, but widening London spreads are helping



Consumption and Production

Consumption growth revised lower
 COVID case numbers in India and Brazil
 Consumption at holiday destinations

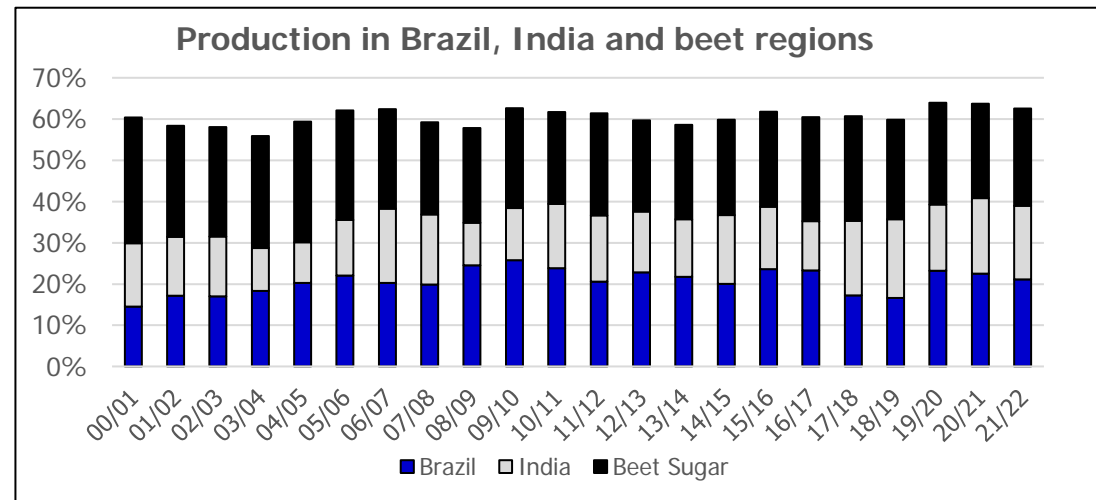
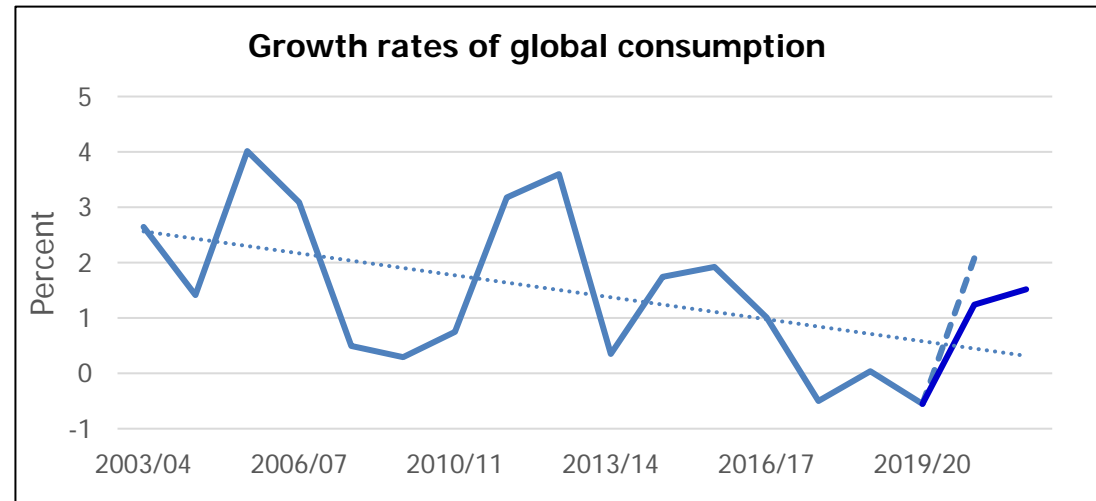
Estimate in 2021/22 should return 3-year period to trend line

Stock accumulation remains a global feature

Production decline for last 3 years, while
 Brazil/India share climbs to 40%

Beet sugar production falls to just over 20%

Higher sugar allocation in Brazil obscures a flat-to-declining sugarcane production trend



Stocks and Flexibility

Stock-to-use ratio ended 2019/20 at a record level

2020/21 figure is now impacted by lower consumption

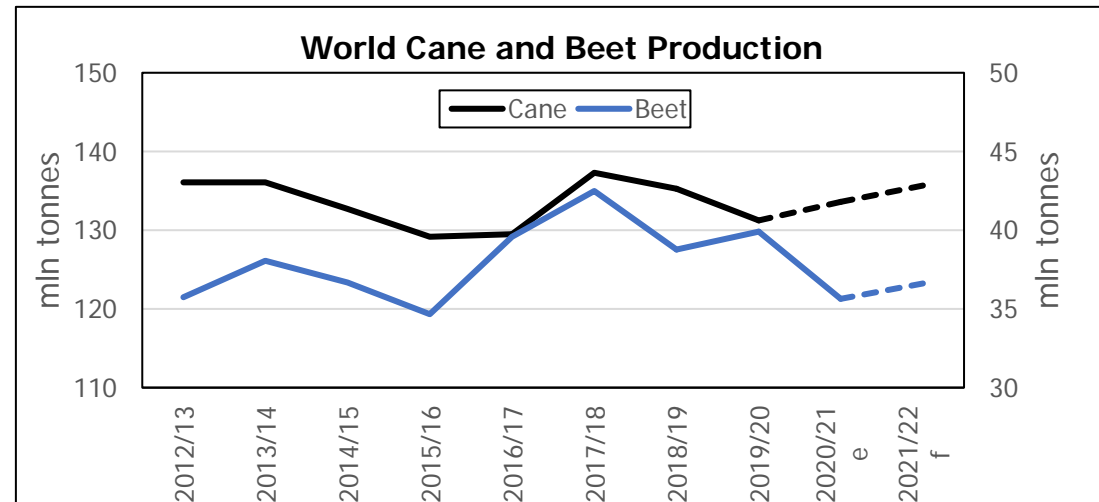
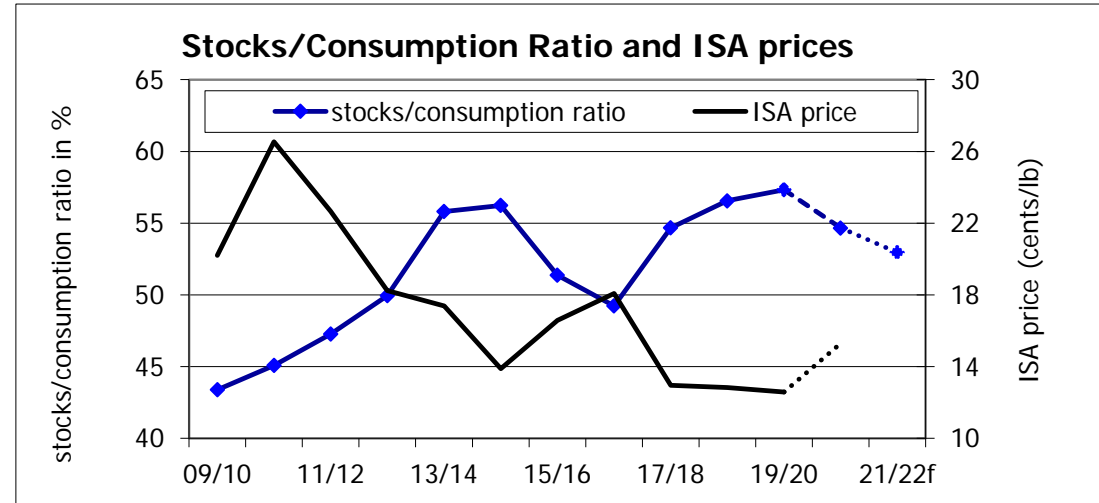
Level should be neutral for prices

Outlook for 2021/22

Flexibility in cane

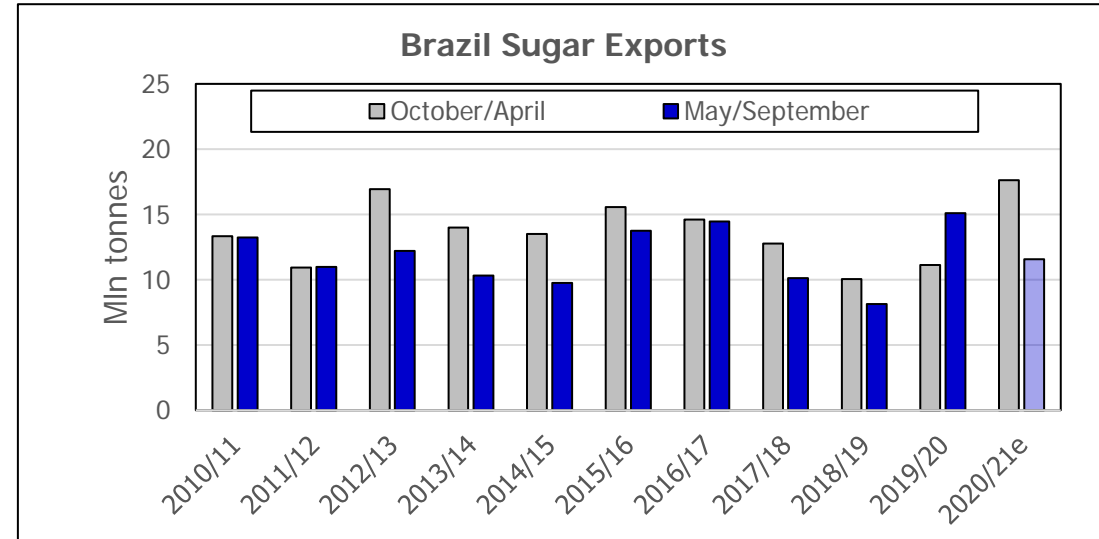
Changes in beet

Who wants what where and when?



Exports vs Imports

Origin	Volume ('000 tonnes)
Brazil	29,720
India	7,000
Thailand	4,681
Australia	3,287
Guatemala	1,685
Mexico	1,501
South Africa	1,100
	48,974
Others	5,752



High dependence on Brazil

Oct/Apr exports reached record 17.6 mln tonnes, some 6.5 mln tonnes ahead of 2019/20

Outlook for imports vary with objectives

Importers		Re-exports > 25%	
Destination	Volume ('000 tonnes)	Destination	Volume ('000 tonnes)
China	5,590	Algeria	2,000
Indonesia	5,259	Saudi Arabia	1,707
USA	2,632	UAE	1,380
Bangladesh	2,437		5,087
Malaysia	2,100		
Rep of Korea	1,963	EU	1,650
Nigeria	1,770	India	1,253
Sudan	1,647		
Iran	1,590		
Japan	1,319		
Canada	1,161		
Iraq	1,144		
	28,612		

Conclusion

- Global deficit in 2020/21 narrows
 - Consumption revised lower
 - Production encountering disappointments
 - Brazil outlook in a currency/price and cane availability balance
- For 2021/22 balance
 - End date of the pandemic
 - Better harvests in a range of countries
 - Uncertainty over southern hemisphere outlook
- Trade dominated by desire for stock holding and domestic competition
- Price outlook is neutral given statistical stock levels
- Investor participation and “commodity super-cycle” might end soon in arables



ISO Summer Series

Thank you

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