

SUGAR

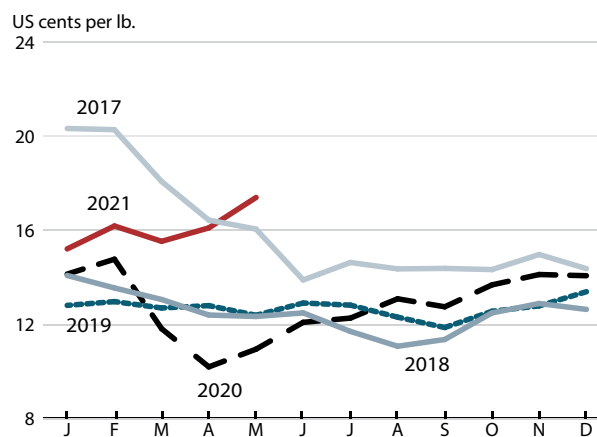
FAO foresees world sugar production to decline for the third consecutive season in 2020/21 (October/September), albeit slightly. The current production forecast of 170.3 million tonnes falls short of the predicted world sugar consumption, resulting in a global shortfall of 1.7 million tonnes. Unfavourable weather conditions have led to lower output in Brazil, the European Union, the Russian Federation and Thailand, which more than offsets an expansion in China, India and the United States of America.

On the demand side, world sugar consumption is foreseen to rebound, mainly reflecting the expected resumption of economic growth in 2021, after the COVID-19-driven global economic contraction in 2020.

The forecast for world sugar trade in 2020/21 (October/September) is pegged at 60.4 million tonnes, slightly down from the 2019/20 estimated volume. The contraction is the result of reduced exportable supplies anticipated in key exporter Thailand, combined with foreseen drops in exports by the Russian Federation and other European countries. India's exports are also anticipated to be slightly down from the record highs of last year. On the import side, lower imports by the United States of America and India are expected to more than compensate for an increase in purchases by China, the world's largest sugar importer. In Indonesia, imports are also anticipated to drop slightly from the previous year, although demand is expected to remain strong, driven by the beverage and food processing industries.

After falling to multiyear lows in April 2020, international prices of sugar generally increased in the past year, reaching in May their highest level since early 2017. The hike in prices was prompted by continued concerns over tighter global supplies in 2020/21, following production declines in key producing countries, and sustained import demand from Asia. The weakening of the US dollar against the currencies of key sugar exporting countries, combined with the rally in crude oil prices has put further upward pressure on sugar prices. However, prospects of large exportable supplies and a recovery in global production have so far prevented larger price surges.

INTERNATIONAL SUGAR PRICES*



* as measured by the International Sugar Agreement (ISA)

WORLD SUGAR MARKET AT A GLANCE

	2019/20	2020/21 estim.	2021/22 f'cast	Change: 2021/22 over 2020/21
	<i>million tonnes</i>			%
WORLD BALANCE				
Production	175.2	171.9	170.3	-0.96
Trade*	57.2	62.3	60.4	-3.08
Total utilization	169.2	168.7	172.0	1.91
Ending stocks	93.8	96.4	94.6	-1.87
SUPPLY AND DEMAND INDICATORS				
Per caput food consumption:				
World (kg/yr)	22.2	21.9	22.1	0.91
LIFDC (kg/yr)	16.2	16.1	16.5	2.48
World stocks-to-use ratio (%)	55.4	57.1	55.0	-3.71
ISA DAILY PRICE AVERAGE (US cents/lb)				
	2019	2020	2021 Jan-May	Change: Jan-May 2021 over Jan-May 2020 %
	12.70	12.84	16.06	29.69

* Trade figures refer to exports

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