

FAO's preliminary forecast for the 2022/23 (October/September) season pegs world sugar production at 179.6 million tonnes, up 4.5 million tonnes, or 2.6 percent, from the 2021/22 outturn. The increase is largely attributed to expectations of a significant recovery in Brazil's production, the world's largest sugar producer and exporter, and larger crops in China and Thailand that more than offset likely reductions in the European Union and Pakistan. While production prospects in India, the world's second largest sugar producer, are favourable, sugar output is anticipated to fall short of record level of 2021/22, as additional volumes of sugarcane are foreseen to be diverted for ethanol production.

Global sugar consumption is seen increasing for a third successive season in 2022/23, up 1 million tonnes, or 0.6 percent, from the previous season. Overall, the year-on-year growth in consumption is expected to mostly originate in Africa, driven by population growth and urbanization, and Asia, reflecting robust demand from the food processing industry. However, the growth pace of global sugar consumption will likely be muted and lower than the long-term trend, amid the projected significant deceleration in global economic growth in 2022/2023. The slower increase in consumption, compared to production, is expected to push the sugar market into a global surplus of 4.9 million tonnes in 2022/23.

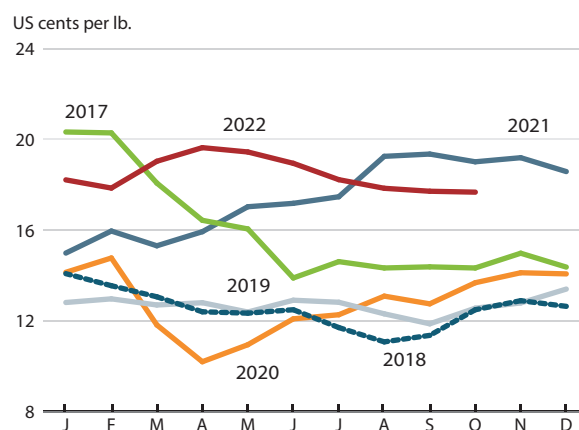
The forecast for the world sugar trade in 2022/23 stands at 61.2 million tonnes, which corresponds to a 1.8-percent increase over the estimated volume for 2021/22. Foreseen higher exports from Brazil and Thailand will likely outweigh expected lower shipments from India, which are forecast to be down from their record level in 2021/22. On the import side, it is anticipated that strong purchases will be made by traditional importers, in particular China, the largest international sugar buyer, and Indonesia. Imports by the European Union are set to increase from last year, based on prospects of a reduced domestic sugar output.

After reaching a five-year high in April 2022, international sugar prices generally decreased in the following months. The price declines were mainly the result of a slowdown in the global economic activity coupled with overall greater world availabilities. Further downward pressure on sugar prices was exerted by lower ethanol prices, which prompted a larger use of sugarcane to produce sugar in Brazil, and the weakening of the Brazilian real against the United States dollar, which prompted greater exports.

Contact:

ElMamoun Amrouk
Fabio Palmeri

INTERNATIONAL SUGAR PRICES



Source: Prices refer to the Sugar No. 11 contract traded at the New York Intercontinental Exchange (ICE)

WORLD SUGAR MARKET AT A GLANCE

	2020/21	2021/22 estim.	2022/23 f'cast	Change: 2022/23 over 2021/22
	<i>million tonnes</i>			%
WORLD BALANCE				
Production	169.1	175.1	179.6	2.6
Trade*	60.4	60.1	61.2	1.8
Total utilization	170.1	173.7	174.7	0.6
Ending stocks	102.4	103.7	108.5	4.6
SUPPLY AND DEMAND INDICATORS				
Per caput food consumption:				
World (kg/yr)	21.7	22.0	21.9	-0.2
LIFDC (kg/yr)	12.8	12.8	12.7	-1.2
World stocks-to-use ratio (%)	60.2	59.7	62.1	4.0
ISA DAILY PRICE AVERAGE (US cents/lb)				
	2020	2021	2022 Jan-Oct.	% Change Jan/Oct 2022 over Jan/Oct 2021
	12.9	17.7	18.5	6.2

* Trade refers to exports based on a common October/September marketing season.

Source: FAO