

# SUGAR

FAO's forecast for world sugar production in 2021/22 (October/September) is pegged at 174.6 million tonnes, up 5.1 million tonnes (3 percent) from the reduced level of 2020/21. The anticipated rebound, after three years of decline, reflects expectations of production increases in India, Thailand and the European Union, and will likely more than offset significant declines in Brazil and China.

Global sugar consumption is set to recover for a second successive season in 2021/22, but its growth is anticipated to be slower than previous expectations. The downward revision mainly reflects a significant slowdown in global economic growth forecast for 2022. India, the world's largest sugar consumer, and African countries are expected to drive the foreseen global increase in sugar consumption. In China, the world's second largest sugar consumer, consumption is forecast to grow, albeit to a lesser extent than earlier foreseen. The anticipated expansion in global sugar intake is not seen sufficient to surpass total production, leading to an estimated output surplus of 1.8 million tonnes.

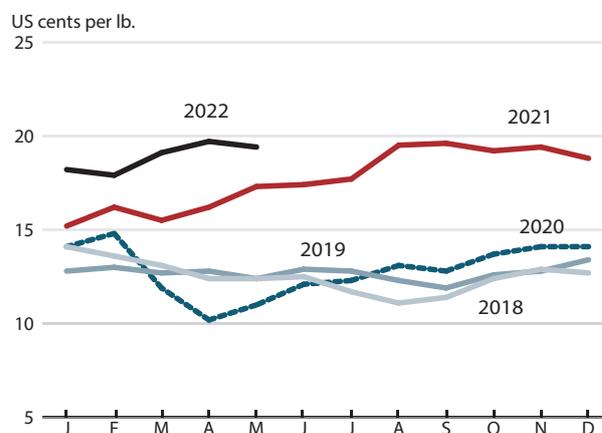
World sugar trade in 2021/22 is forecast at 59.0 million tonnes, slightly down from the estimated volume for 2020/21. Despite expectations of record exports from India and a recovery in shipments from Thailand, lower exports from Brazil are anticipated to curb world sugar trade. On the import side, high import costs, coupled with a slowdown in consumption, are likely to negatively affect import demand from Asia, particularly China, the world's largest sugar importer.

International sugar prices have generally decreased since October 2021, although they have remained at relatively elevated levels. Price declines were mainly triggered by favourable production prospects in major exporting countries, notably India and Thailand. Concerns over the impact of the COVID-19 pandemic on the global demand for sugar, following the resumption of containment measures in many countries, also weighed on prices in late 2021. However, the strengthening of the Brazilian real against the United States dollar and concerns over a higher diversion of sugarcane to ethanol in Brazil, supported by higher international crude oil prices, prevented a more substantial decline in prices.

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## INTERNATIONAL SUGAR PRICES\*



\* as measured by the International Sugar Agreement (ISA)

## WORLD SUGAR MARKET AT A GLANCE

	2019/20	2020/21 <i>estim.</i>	2021/22 <i>f'cast</i>	Change: 2021/22 over 2020/21
	<i>million tonnes</i>			%
<b>WORLD BALANCE</b>				
Production	171.0	169.5	174.6	3.01
Trade*	62.2	60.1	59.0	-1.75
Total utilization	164.9	170.5	172.8	1.33
Ending stocks	104.5	103.6	105.3	1.69
<b>SUPPLY AND DEMAND INDICATORS</b>				
<b>Per caput food consumption:</b>				
World (kg/yr)	21.4	21.9	22.0	0.27
LIFDC (kg/yr)	12.2	13.0	13.1	0.38
<b>World stocks-to-use ratio (%)</b>	<b>63.4</b>	<b>60.8</b>	<b>61.0</b>	<b>0.35</b>
<b>ISA DAILY PRICE AVERAGE (US cents/lb)</b>				
	2020	2021	2022 <i>Jan-May</i>	Change: Jan-May 2022 over Jan-May 2021 %
	12.85	17.67	18.84	17.21

\* Trade figures refer to exports