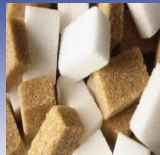




The European Association of Sugar Traders

Meeting of the Economic Board of the Sugar Market Observatory

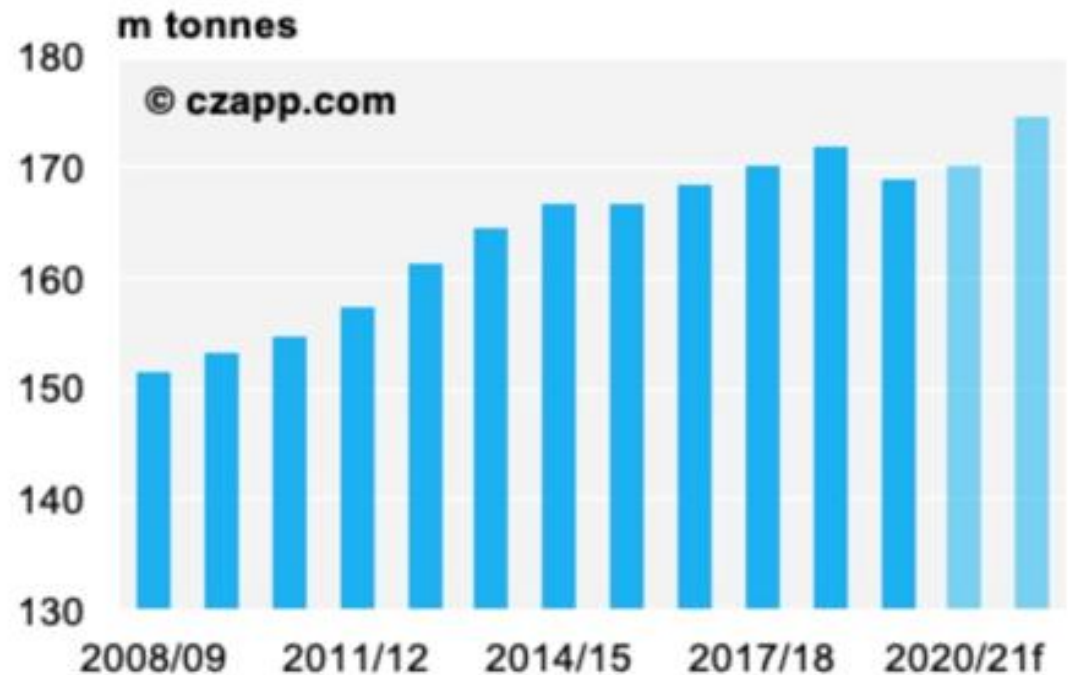
2 JUNE 2021



WORLD SUGAR
CONSUMPTION
ESTIMATED TO
INCREASE BY 1% - 2%
IN 2021/22 AND
FOLLOWING YEARS

ESTIMATED
CONSUMPTION
2021/22
175 – 177 MMT

Global Sugar Consumption



WORLD MARKET QUOTATIONS

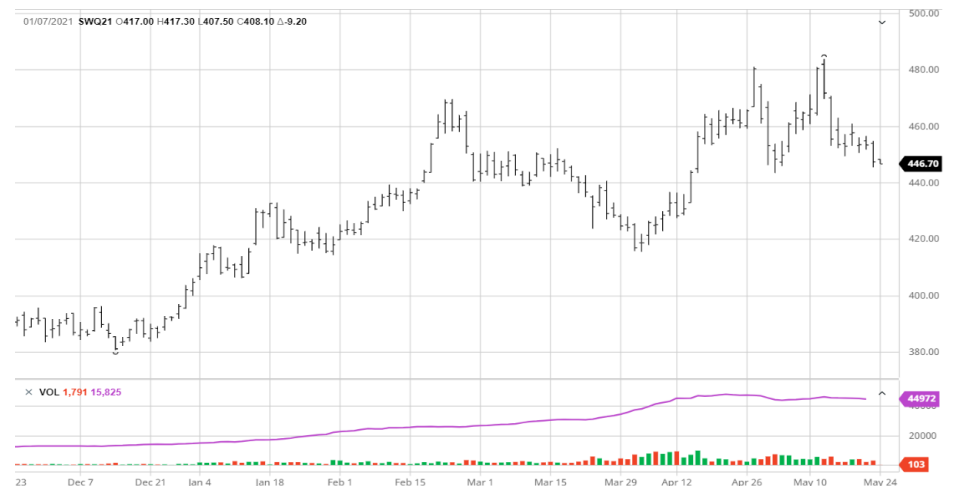
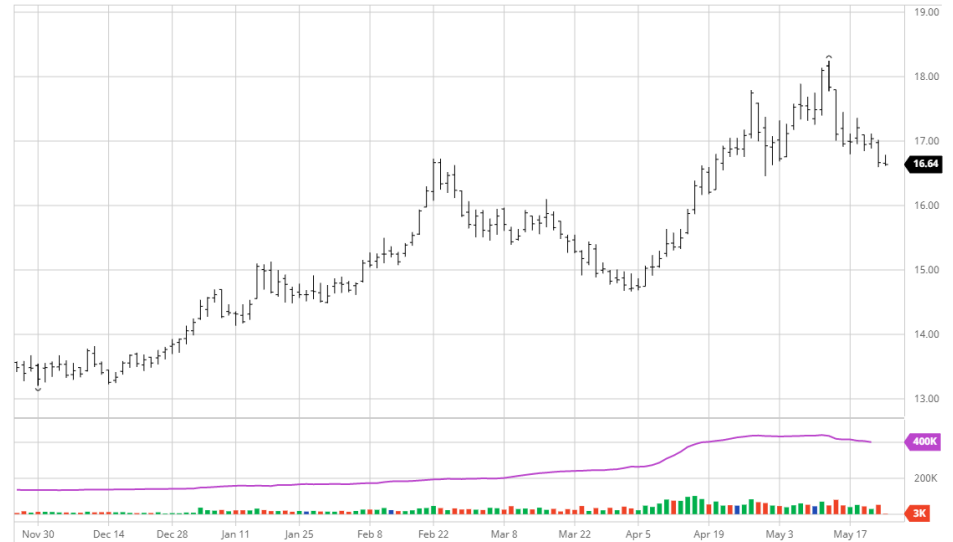
@24.05

**JULY'21 CONTRACT NY #11: 16.61 C/LB
(ABT.300 EURO/TO)**

**AUG'21 CONTRACT LDN#5: 444.6 USD/TO
(ABT.365 EURO/TON)**

MARKET DRIVERS:

- RAINS ARRIVED IN BRAZIL
- PANDEMIC RECOVERY IN VIEW AS VACCINATION PROGRESSES
- STRONG DEMAND FROM ASIA
- INCREASE OF ETHANOL DEMAND/PRICES IN BRAZIL/INDIA
- HIGHER OUTPUT OF INDIA
- LOWER SUBSIDIES FOR INDIA'S EXPORTS
- THAILAND RECOVERY IN VIEW





BRAZIL

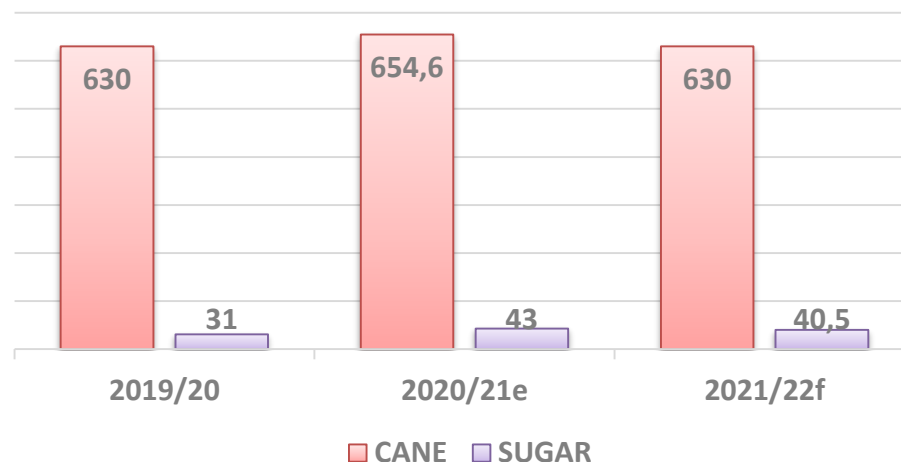
2020/21 ENDED WITH HISTORIC PRODUCTION AND EXPORTS

- CANE: 655 – 657 MILLION TONS
- SUGAR: 43 MILLION TONS
- EXPORTS: 32-33 MILLION TONS

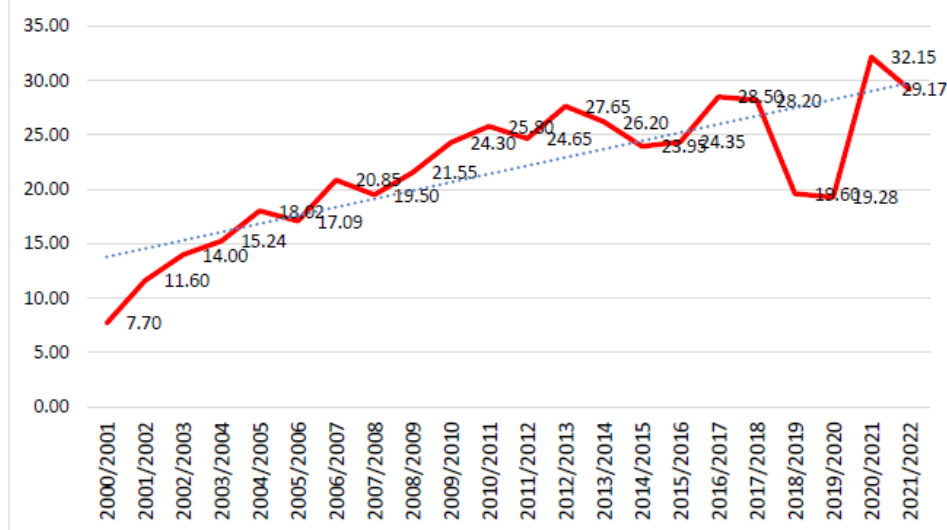
2021/22 FORECAST (PENDING TO SEVERAL FACTORS):

- CANE: ABT. 630 MMT
- SUGAR PRODUCTION : ABT. 40 MMT
- EXPORTS: 25 - 27 MMT

PRODUCTION (MILLION TONS)



Brazil Sugar Exports (million metric tons)



Source: USDA/ATO/São Paulo



INDIA

2020/21 CROP EST.: 31 MMT (+13%)

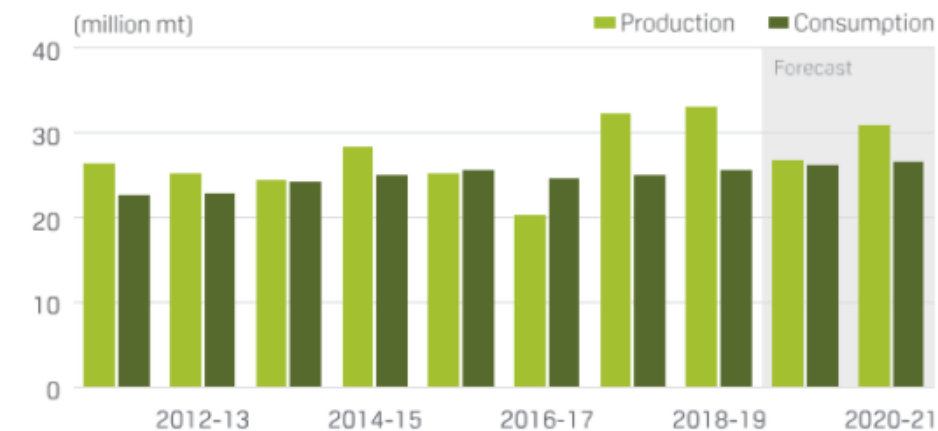
SUGAR EXPORTS MAY REACH 6.5 MMT

SUGAR SHARE PRICES FALL ON BACK OF EXPORT SUBSIDY CUT

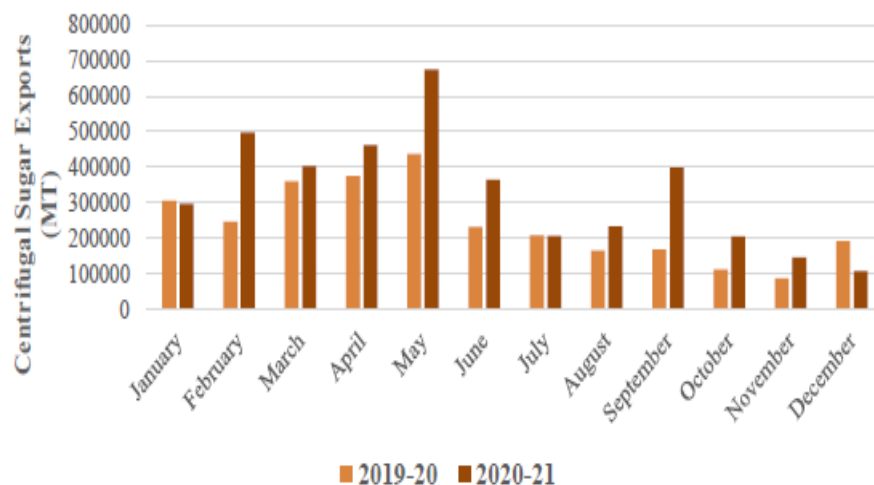
2021/22 FORECAST (OCT./SEPT):

- **PRODUCTION: 34.7 ÷ 35 MMT**
- **CONSUMPTION: 28.5 – 29 MMT**
- **DIVERSIFICATION: ETHANOL**

INDIA: SUGAR PRODUCTION AND CONSUMPTION



Source: S&P Global Platts





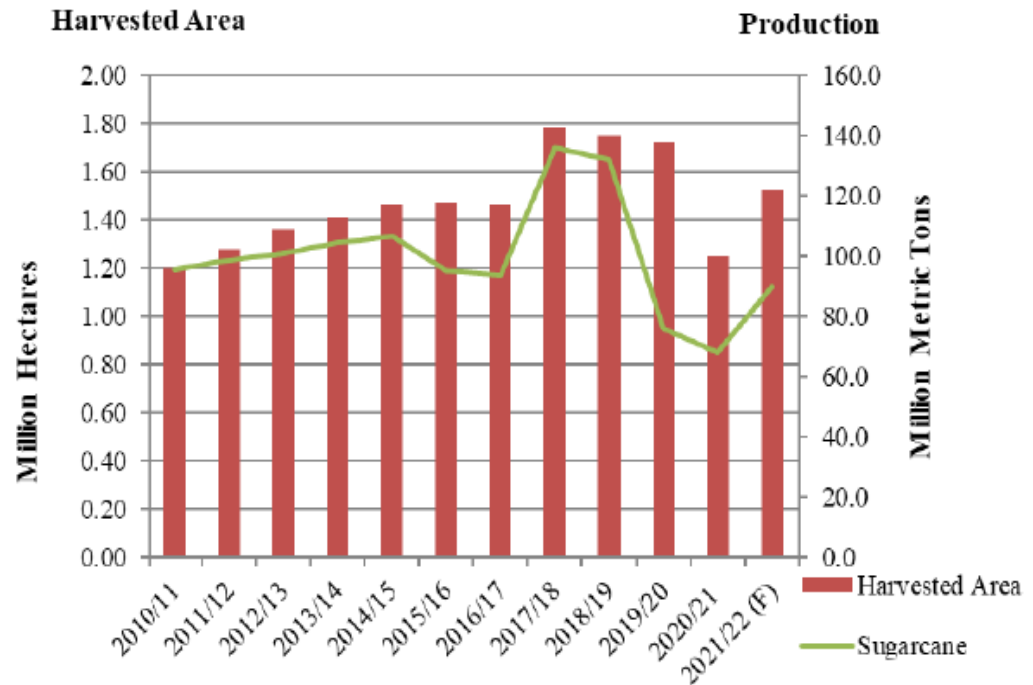
THAILAND

SUGAR PRODUCTION

2020/21: 7.5 MMT

2021/22 FORECAST:

- **PRODUCTION: 10.6 MMT**
- **CONSUMPTION: 2.5 MMT**
- **EXPORTS: 10 MMT**



CHINA

- SUGAR IMPORTS INCREASED BY 168% IN Q1 2021 VS.Q1 2020
- EST. PRODUCTION 2021/22: 10.6 MMT
- EXPECTED SUAGR IMPORTS: 5 MMT IN 2021/22

AUSTRALIA:

- EXPECTED SUGAR PRODUCTION 2021/22: 4.4 MMT (FROM 4.33 MMT IN 2020/21)
- EXPORTS 2021/22: 3.4 MMT (RS) + .13 MMT (WS)

UKRAINE:

- ACREAGE INCREASED FOR 2021/22 TO 226,000 HA
- WS OUTPUT EXPECTED: 1.4 MMT (+23% Y.O.Y.)

WORLD MARKET DRIVERS

- ✓ CONTAINMENT OF COVID19
- ✓ POST-PANDEMIC RECOVERY
- ✓ INDIA'S PANDEMIC EFFECTS ON LOGISTICS
- ✓ INVESTORS LONG SALES ON COMODITIES
- ✓ BRENT QUOTATIONS
- ✓ ETHANOL DEMAND IN BRAZIL/EXPORT
- ✓ BOTTLENECKS ON ROUTES TO MARKET
- ✓ WEATHER IN BRAZIL/EU
- ✓ ASIA'S DEMAND
- ✓ ASYMETRIC RECOVERY
- ✓ THIRD OR FOURTH COVID'S WAVES
- ✓ QUARANTINE IN SUGAR PRODUCING AREAS
- ✓ REVIVAL OF THAILAND'S OUTPUT
- ✓ SUGAR CONSUMPTION IN INDIA
- ✓ WEAK REAL/STRONG USD



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