

ECONOMIC BOARD OF THE SUGAR MARKET OBSERVATORY

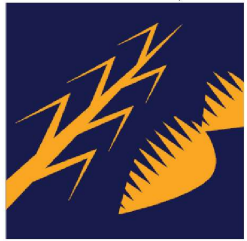
Brussels, Thursday 15/11/2018



WORLD SUGAR MARKET – MEDIUM TERM PERSPECTIVES

International Sugar Organization





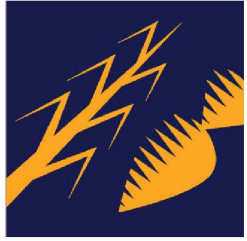
ISO

21st Century Tectonic Shifts in the World Sugar Economy

inter alia

- since 2001 world production has grown by 50 mln tonnes or 40%
- the volume of world sugar trade has grown by 20 mln tonnes or 50%
- the introduction of flexible-fuel vehicles in Brazil and new paradigm of cane use
- the EU sugar regime reforms in 2006 and 2017
- a creation of the common sweeteners market in NAFTA
- robust growth of sugar output in Thailand and Russia
- an impressive growth of imports by China
- mushrooming destination refineries
- growing importance of VHP sugar in the international trade
- a widening anti-sugar campaign in many countries all over the world





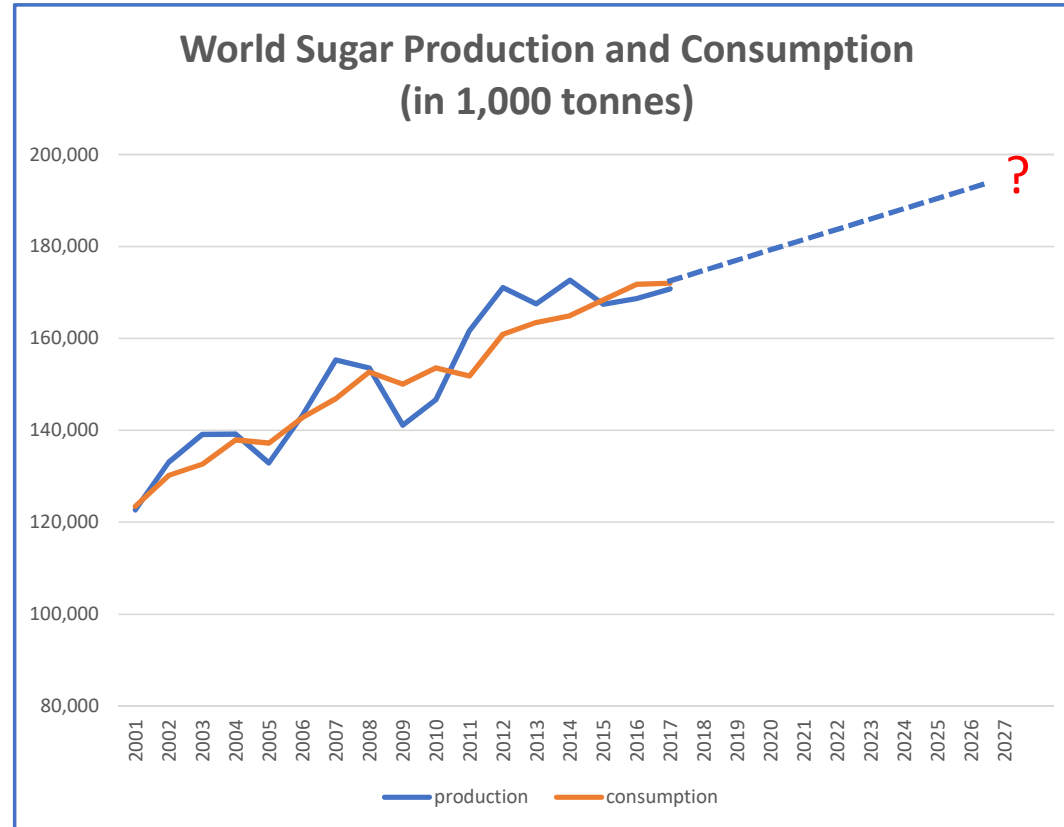
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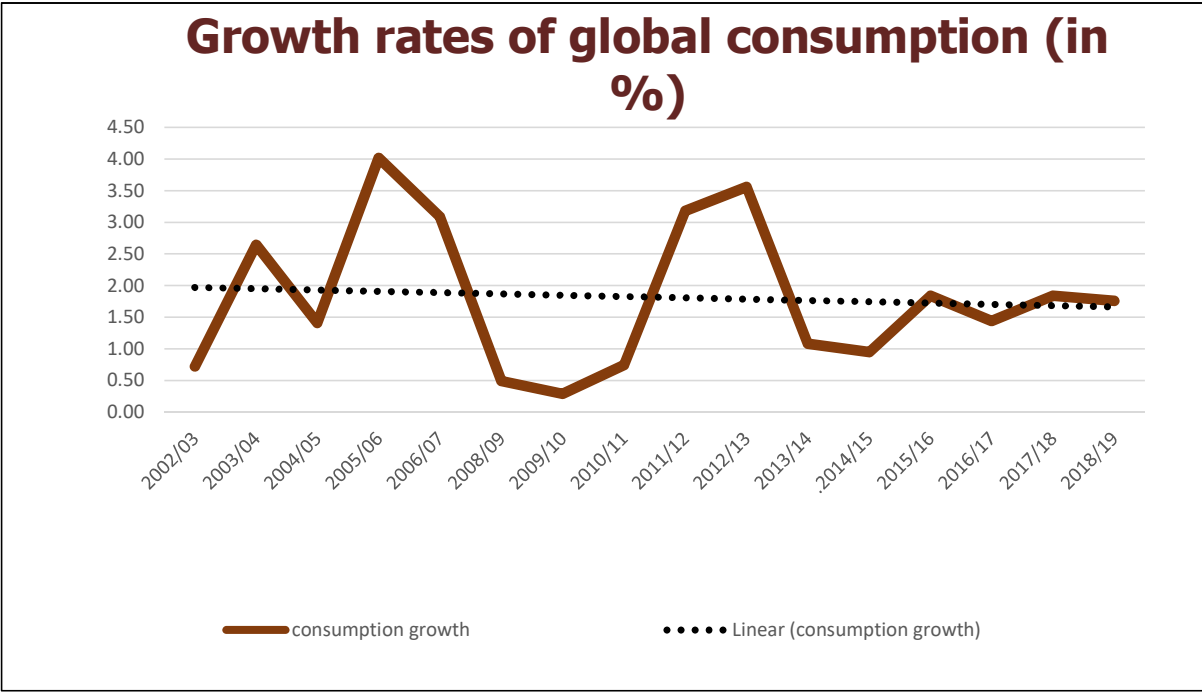
21st Century Tectonic Shifts in the World Sugar Economy

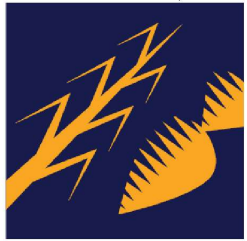
inter alia

- What will be the next shift?



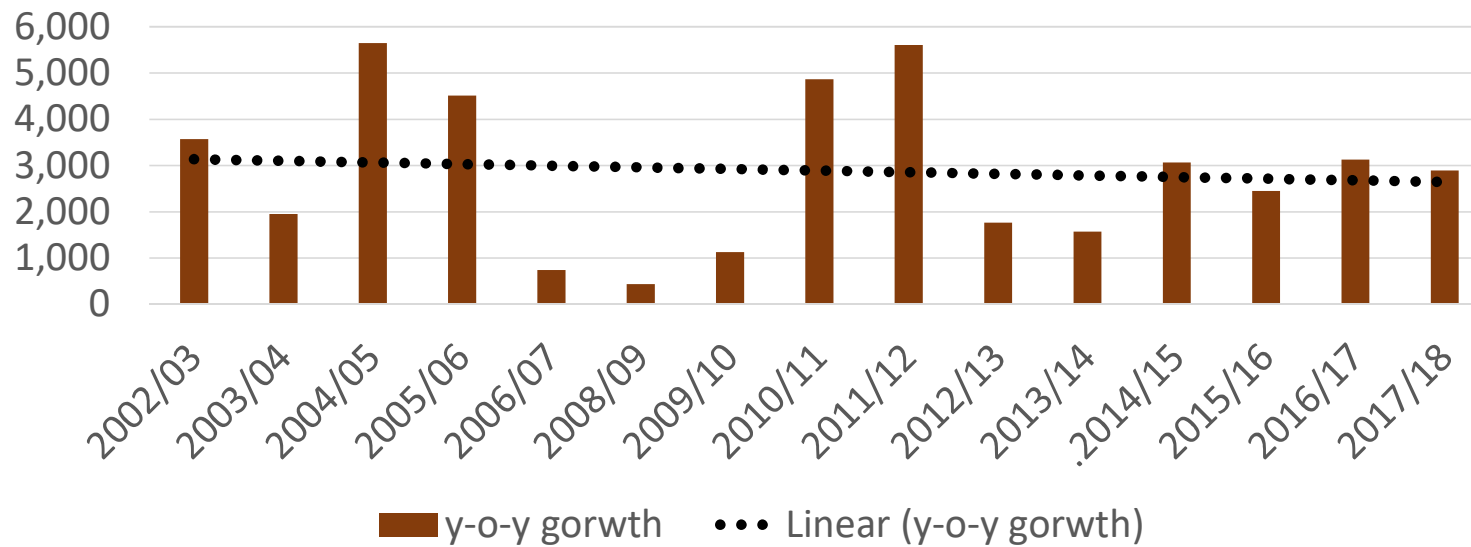






ISO

Year-on-Year growth in world sugar consumption (in 1,000 tonnes)





““ ...Usage is forecast to grow further to reach almost 200 tonnes by 2021/22.” August 2012

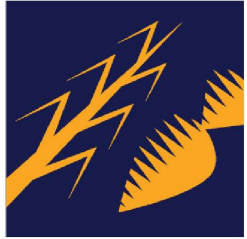
FO.LICHTS

**“World sugar consumption in 2021 = 202 mln tonnes”
June 2012**



“The new ISO sugar consumption model puts world sugar consumption in 2020 at 201 mln tonnes, a worldwide projected annual growth of 2% a year.” October 2010 - MECAS(10)17





ISO

““ ...Usage is forecast to grow further to exceed 200 mln tonnes, raw value, in 2023/24.” August 2018

EO.LIGHTS

“World sugar consumption in 2027 = 198 mln tonnes, tel quel”

June 2018



“Assuming an average growth rate at a level of about 1.6% tonnes world consumption of sugar may reach 200 mln tonnes, tel quel, in 2025/26”

September 2018

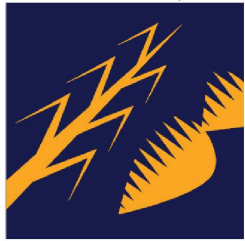




Statistical “technicalities”

disappearance \neq consumption
consumption \neq human intake





ISO

Statistical “technicalities”

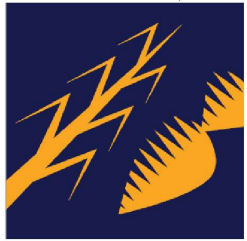
Disappearance v human consumption



Table 51 -- Refined cane and beet sugar: estimated number of per capita calories consumed daily, by calendar year 1/

	Primary weight (market level) 2/	Loss from primary to retail weight	Weight at retail level	Loss from retail/institutional to consumer level	Weight at consumer level	Loss at consumer level		Per capita consumption, adjusted for loss			Calories per serving (teaspoon)	Serving weight	Calories consumed daily 3/	Servings (teaspoons) consumed daily 4/
Year						Nonedible share	Other (uneaten food, spoilage, etc.)							
	lb/yr	percent	lb/yr	percent	lb/yr	percent	percent	lb/yr	oz/day	g/day	number	grams	number	teaspoons
2011	65.9	0.0	65.9	11.0	58.7	0.0	34.0	38.7	1.7	48.1	16.0	4.2	183	11.5
2012	66.7	0.0	66.7	11.0	59.3	0.0	34.0	39.2	1.7	48.7	16.0	4.2	185	11.6
2013	68.0	0.0	68.0	11.0	60.5	0.0	34.0	40.0	1.8	49.6	16.0	4.2	189	11.8
2014	68.4	0.0	68.4	11.0	60.9	0.0	34.0	40.2	1.8	50.0	16.0	4.2	190	11.9
2015	69.2	0.0	69.2	11.0	61.5	0.0	34.0	40.6	1.8	50.5	16.0	4.2	192	12.0
2016	69.7	0.0	69.7	12.0	61.3	0.0	34.0	40.5	1.8	50.3	16.0	4.2	192	12.0

Source - <https://www.ers.usda.gov/data-products/sugar-and-sweeteners-yearbook-tables/sugar-and-sweeteners-yearbook-tables/#U.S.%20Sugar%20Supply%20and%20Use>



ISO

Statistical “technicalities”

The ISO does not include the sugar equivalent of beet and cane that were not processed into the end product crystal sugar (such as those used for fuel ethanol or biogas) in its sugar production estimates



or





Statistical “technicalities”

The trade of sugar-containing products?





Long-term outlook

The most important drivers of sugar consumption:

- Population growth,
- Per capita incomes,
- Domestic prices for sugar and sugar-containing products,
- The availability of alternative sweeteners and their prices,
- Changes in dietary habits (diet globalization), and since recently
- Health concerns.



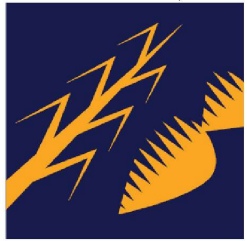


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ISO



**"The sugar tax is too sexy for politicians
... Everyone will jump immediately"**
*Adamo Uboldi , the European Commission's DG
AGRI sugar team, April 2018*

Sugar Tax World Map





Long-term outlook

The most important drivers of sugar consumption:

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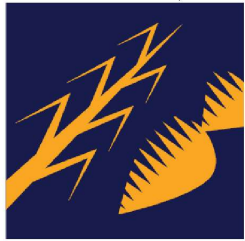


Long-term outlook

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ISO

The Sugar Backlash

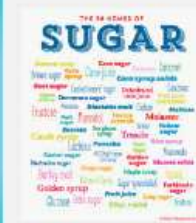


REFINED SUGAR HAS NO NUTRITIONAL VALUE

- 0 VITAMINS
- 0 MINERALS
- 0 ENZYMES
- 0 FIBER

REFINED SUGAR IS LINKED TO:

OBESITY	NERVOUS TENSION
HYPERTENSION	ACHING LIMBS
HIGH BLOOD PRESSURE	DIABETES
HYPOGLYCEMIA	ACNE
DEPRESSION	SKIN IRRITATION
HEADACHES	STIFFENING OF ARTERIES
FATIGUE	VIOLENT BEHAVIOR



Reasons Why Sugar Destroys Your Health

- Suppresses the immune system
- Interferes with absorption of calcium and magnesium
- Causes hyperactivity, anxiety, difficulty concentrating, and crankiness in children
- Causes copper deficiency
- Makes eyes more vulnerable to age-related macular degeneration
- Leads to chromium deficiency
- Leads to cancer of the ovaries
- Increases the risk of breast cancer
- Contributes to osteoporosis in children
- Contributes to obesity
- Causes food allergies
- Can cause tooth decay
- Can cause arthritis
- Can cause asthma
- Can cause heart disease
- Can cause hemorrhoids
- Can cause varicose veins
- Can exacerbate IBS
- Can lead to the formation of kidney stones



KEEP CALM AND EAT LESS SUGAR



POPULAR DRINKS AND THEIR SUGAR CONTENT

Drink	Sugar Content (g)
Apple Juice	24g
Orange Juice	22g
White Soda	39g
Dark Soda	39g
Energy Drink	54g
Flavored Water	0g
Tea	0g
Coffee	0g
Milk	12g
Yogurt	12g
Smoothie	24g
Alcohol	0g



Key messages to take away:

- Global sugar consumption peaks growing but at a slower rate (satisfying this growth will be a challenge but it is one which the sugar industry is likely to rise up to);
- All the stock holders including the governments need reliable and coherent data on the actual human intake of sugar;
- Sugar companies must engage in the dialogue





World Sugar Balance October/September

	2018/19	2017/18	y-o-y changes	
			in mln t	%
Production	181.318	182.950	-1.632	-0.89
Consumption	178.366	175.473	2.893	1.65
Surplus/Deficit	2.952	7.477		
Import demand	59.406	58.939	0.467	0.79
Export availability	60.775	58.939	1.836	3.12
End Stocks	94.712	93.129	1.583	1.70
Stocks/Consumption ratio in %	53.10	53.07		





World Sugar Balance October/September

Falls	Changes from 2017/18 in mln tonnes, tel quel	Rises	Changes from 2017/18 in mln tonnes, tel quel
EU-28	-1.781	Cuba	+0.575
Thailand	-1.674	India	+0.500
Pakistan	-0.515		
Russia	-0.458		

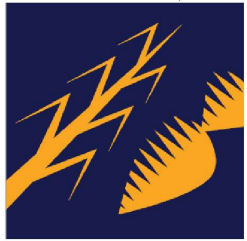




World Sugar Balance October/September

Falls	Changes from 2017/18 in mln tonnes, tel quel	Rises	Changes from 2017/18 in mln tonnes, tel quel
	No substantial changes in Brazil		





2018/19 – early indication

Consumption
growth
+1.6%

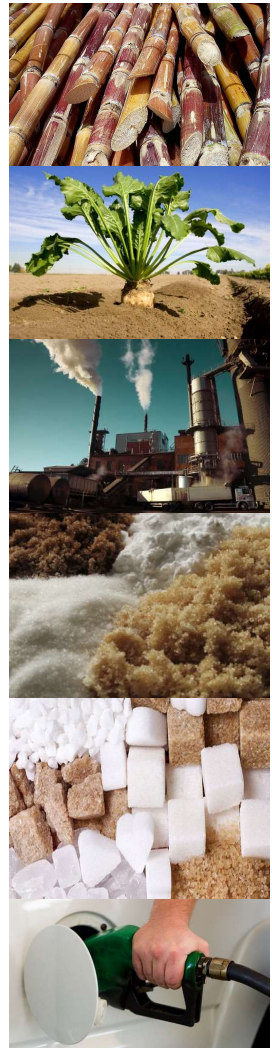
Production

~181.2 mln t

~181.3 mln t

Surplus/Deficit

?





Thank you!

