

# ECONOMIC BOARD OF THE SUGAR MARKET OBSERVATORY

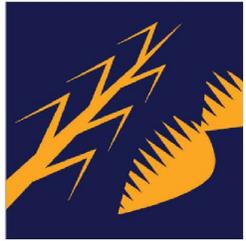
Brussels, Thursday 15/11/2018



## **WORLD SUGAR MARKET – MEDIUM TERM PERSPECTIVES**

**International Sugar Organization**





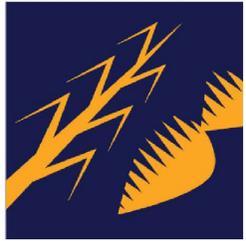
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# 21<sup>st</sup> Century Tectonic Shifts in the World Sugar Economy

*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



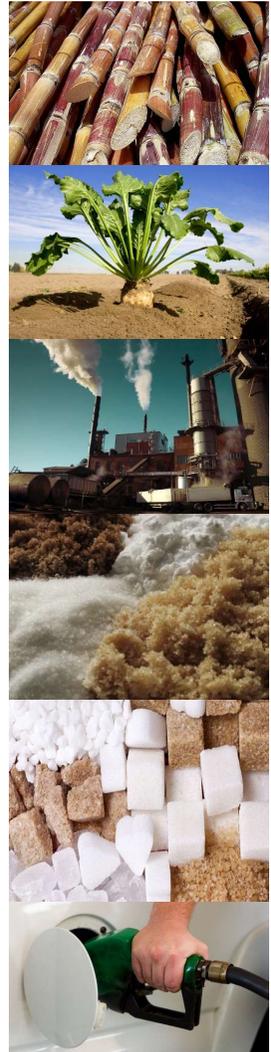


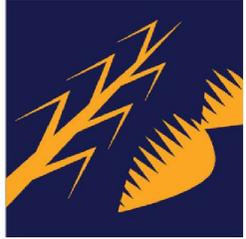
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# 21<sup>st</sup> Century Tectonic Shifts in the World Sugar Economy

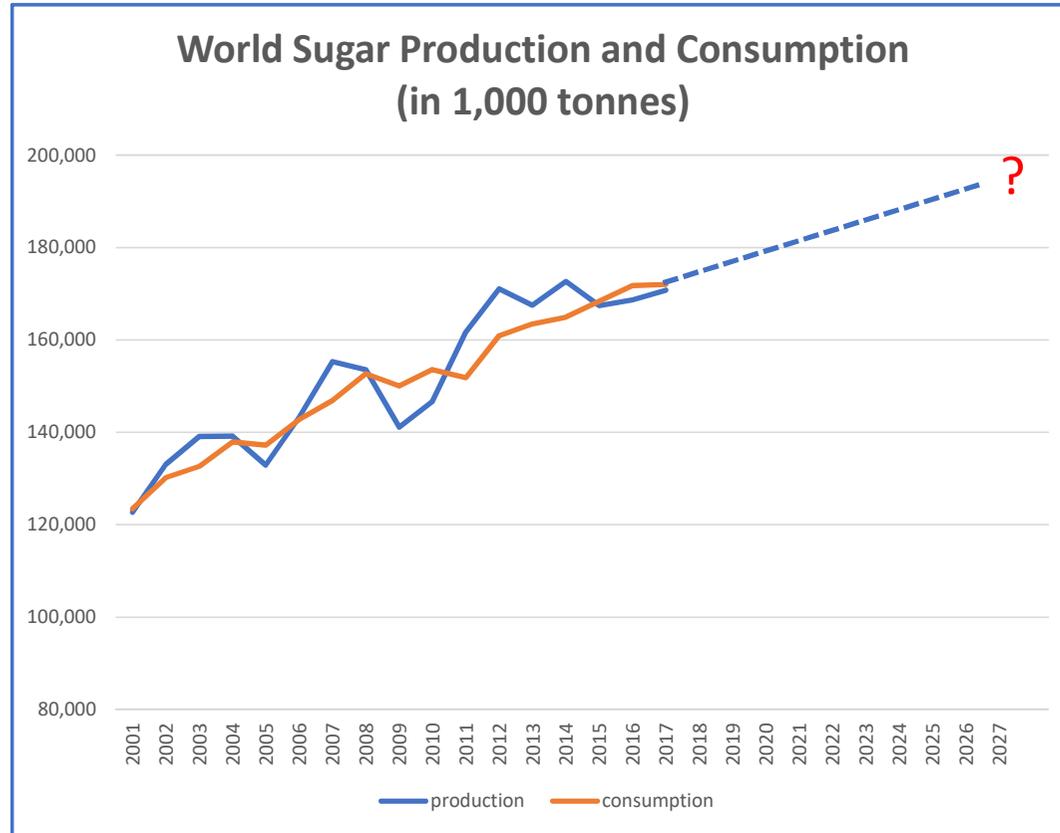
*inter alia*

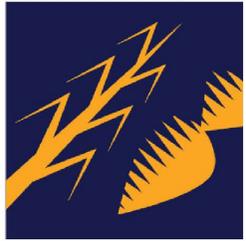
- What will be the next shift?



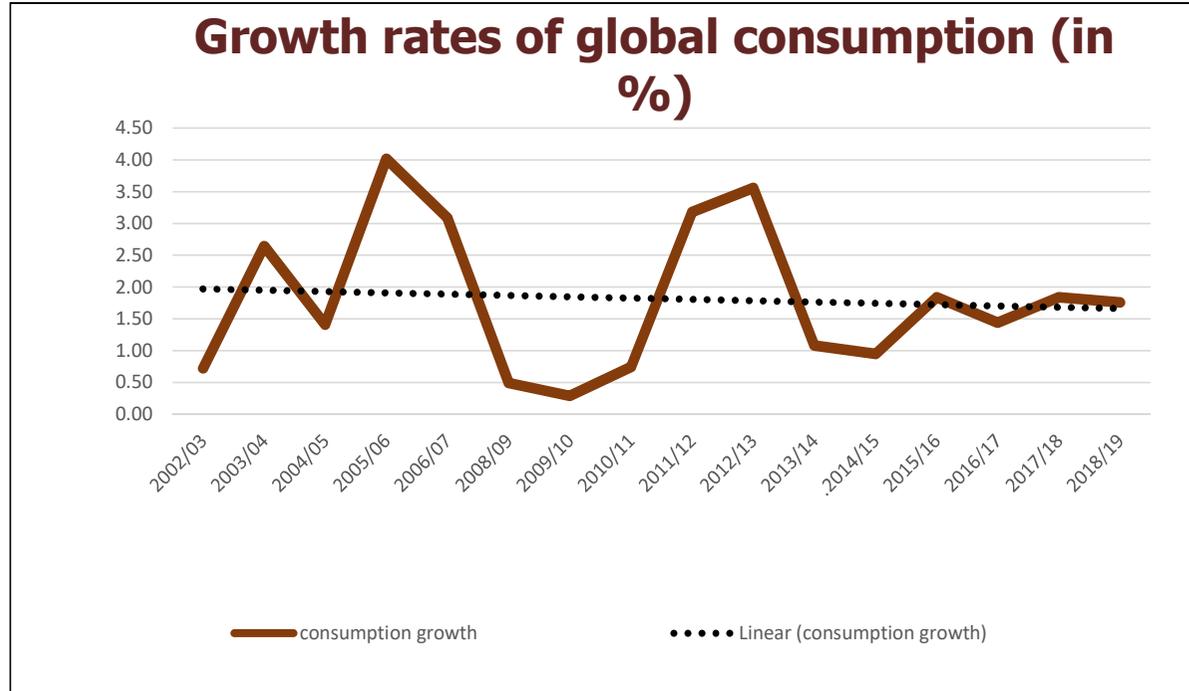


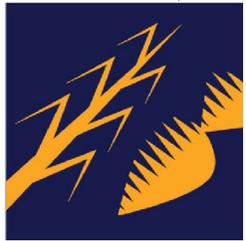
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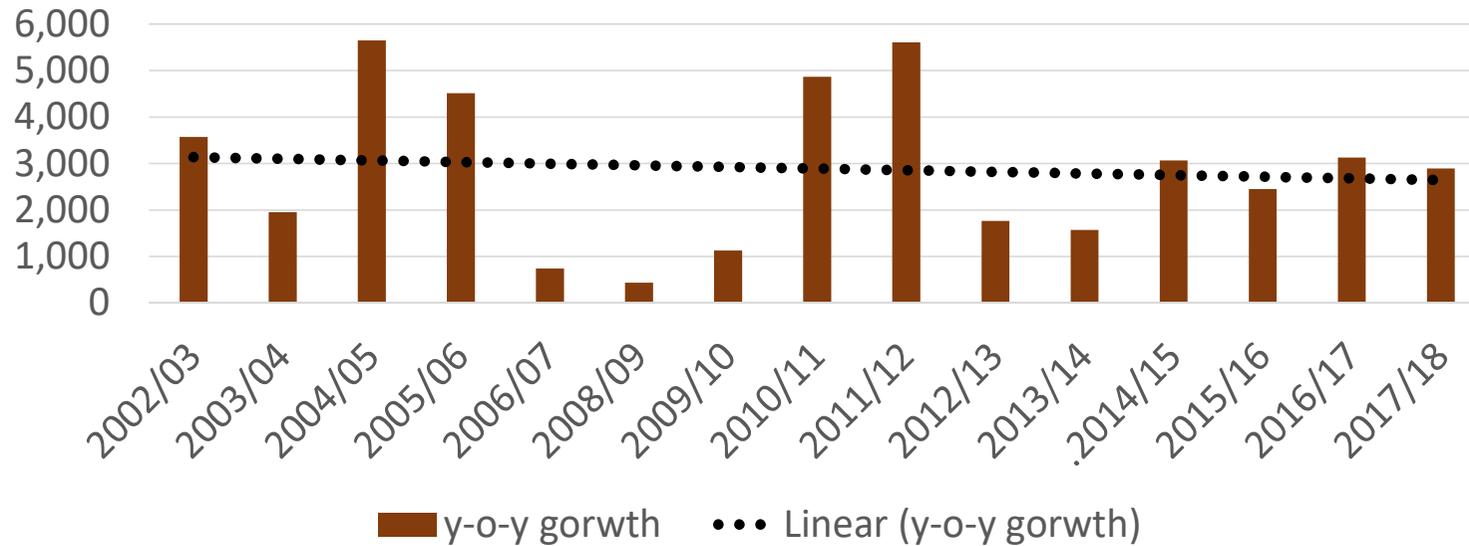
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## Year-on-Year growth in world sugar consumption (in 1,000 tonnes)





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

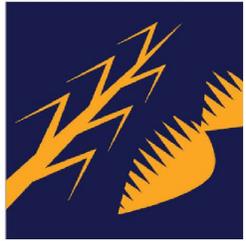
**FO.LICHTS**

**“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**





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**““ ...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”**

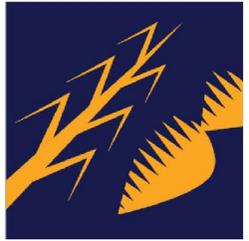
**June 2018**



**“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**

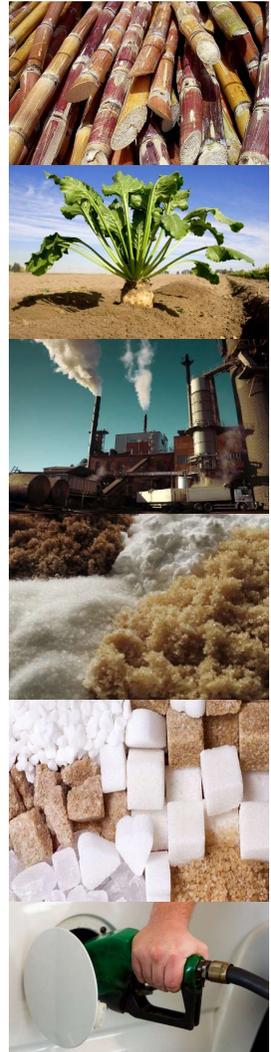


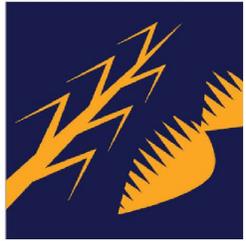


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## Statistical “technicalities”

**disappearance  $\neq$  consumption**  
**consumption  $\neq$  human intake**





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# Statistical “technicalities”

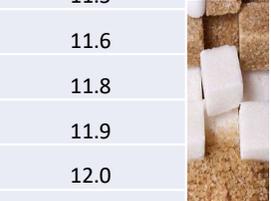
## Disappearance v human consumption

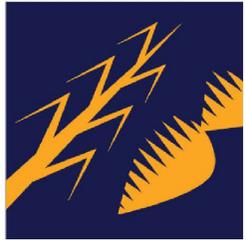


Table 51 -- Refined cane and beet sugar: estimated number of per capita calories consumed daily, by calendar year 1/

Year	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/		
						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>





# Statistical “technicalities”

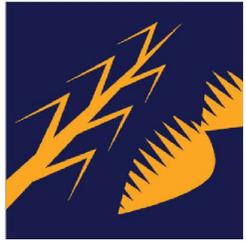
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The ISO does not include the sugar equivalent of beet and cane that were not processed into the end product crystal sugar (such as those used for fuel ethanol or biogas) in its sugar production estimates



or



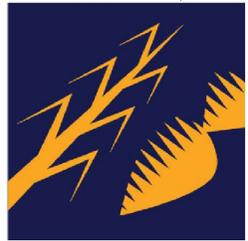


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# Statistical “technicalities”

The trade of sugar-containing products?





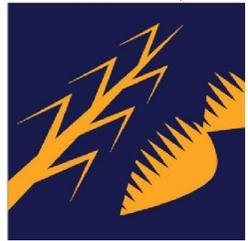
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## Long-term outlook

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.





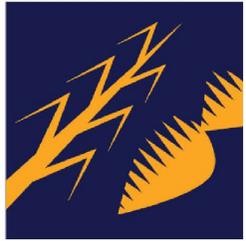
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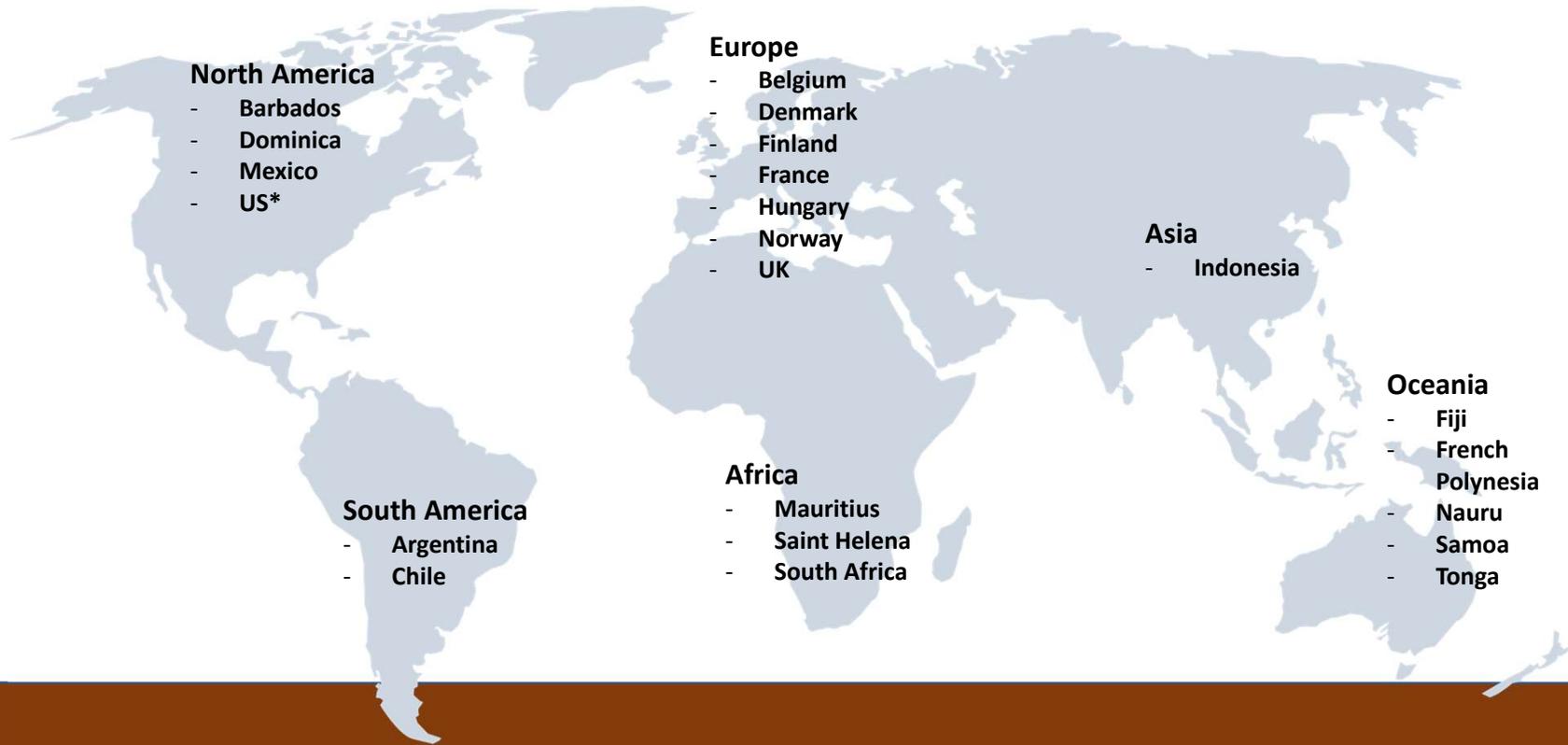


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**"The sugar tax is too sexy for politicians  
... Everyone will jump immediately"**  
*Adamo Uboldi , the European Commission's DG  
AGRI sugar team, April 2018*

### Sugar Tax World Map

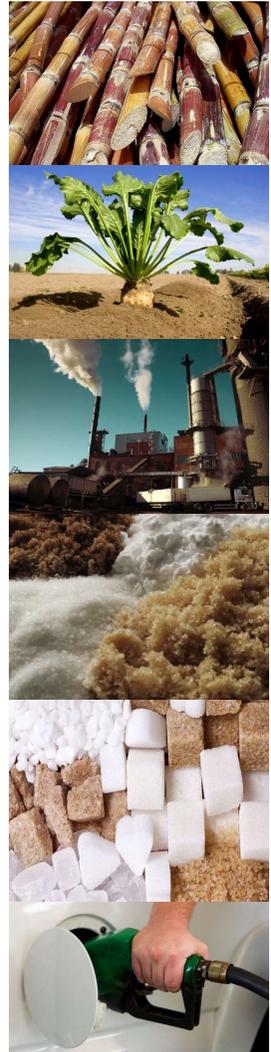


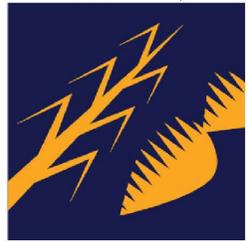


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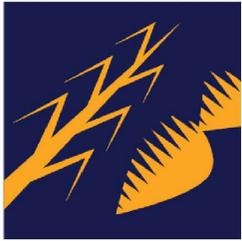
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- Health concerns.





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# The Sugar Backlash



REFINED SUGAR HAS NO NUTRITIONAL VALUE

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

0 VITAMINS  
0 MINERALS  
0 ENZYMES  
0 FIBER

**Alternatives to SUGAR**

**BEWARE OF SUGAR**

**THE 10 SINS OF SUGAR**



**Sugar Drinks: Making Us Sick**

Teeth Decay

**TAX**

**KEEP CALM AND EAT LESS SUGAR**

**SUGAR INEQUALITY: COMPARISON OF SWEETNESS, COMPOSITION & HEALTH RISKS**



**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 asthma
- Can cause heart disease
- Can cause hemorrhoids
- Can cause varicose veins
- Can exacerbate IBS
- Can lead to the formation of kidney stones

**How Sugar Destroys YOUR HEALTH**

OVER 60 ALLERGENS are linked to sugar

**sugarscience**

Too much added sugar from soda and sports drinks can overload critical organs over time, leading to serious diseases.

Learn More

**POPULAR DRINKS AND THEIR SUGAR CONTENT**

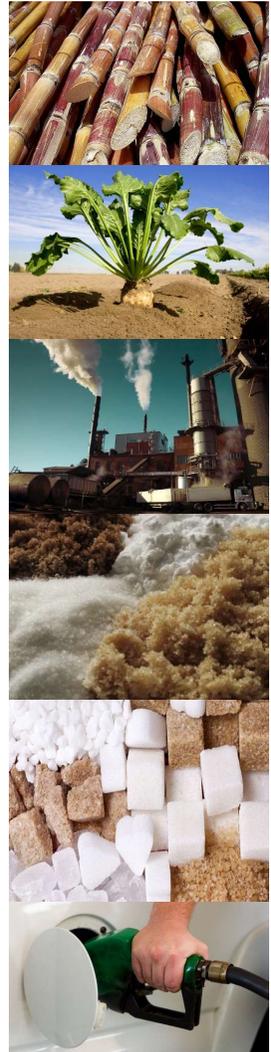
Drink	Sugar Content
Apple Juice	24g
Orange Juice	22g
Soft Drink	35g
Energy Drink	27g
Flavored Milk	24g
Yogurt	16g
Smoothie	14g
Hot Chocolate	12g
Instant Noodle Soup	10g
Instant Ramen	8g
Instant Noodle Soup	6g
Instant Ramen	4g
Instant Noodle Soup	2g
Instant Ramen	1g

"We need to start viewing these drinks as 'threats, not treats' and certainly not something to be had everyday"



## Key messages to take away:

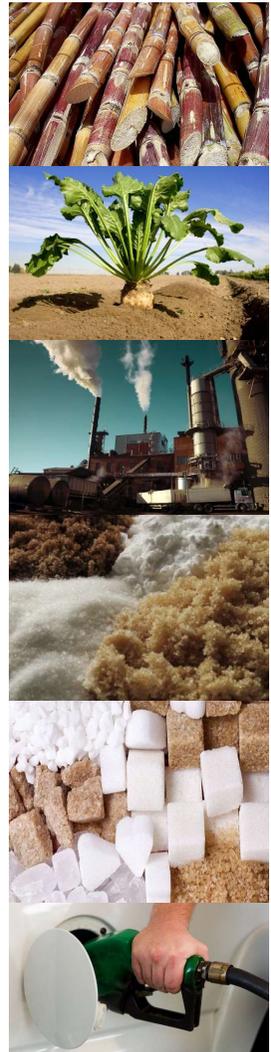
- Global sugar consumption peaks growing but at a slower rate (satisfying this growth will be a challenge but it is one which the sugar industry is likely to rise up to);
- All the stock holders including the governments need reliable and coherent data on the actual human intake of sugar;
- Sugar companies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





# World Sugar Balance October/September

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

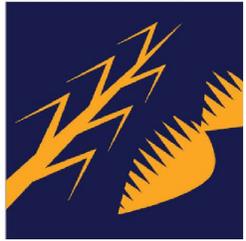




# World Sugar Balance October/September

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



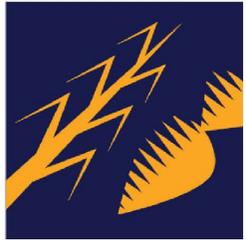


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# World Sugar Balance October/September

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





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# 2018/19 – early indication

Consumption  
growth  
+1.6%

~181.2 mln t

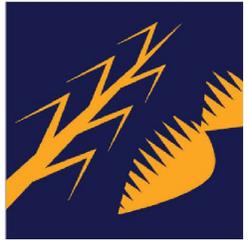
Production

~181.3 mln t

**Surplus/Deficit**

?





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# Thank you!

 27th International Sugar Organization Seminar  
*"Sugar Reform: Threat or Challenge?"*

**27th - 28th November 2018**

East Wintergarden  
Canary Wharf, London

[www.isosugar.org](http://www.isosugar.org)

