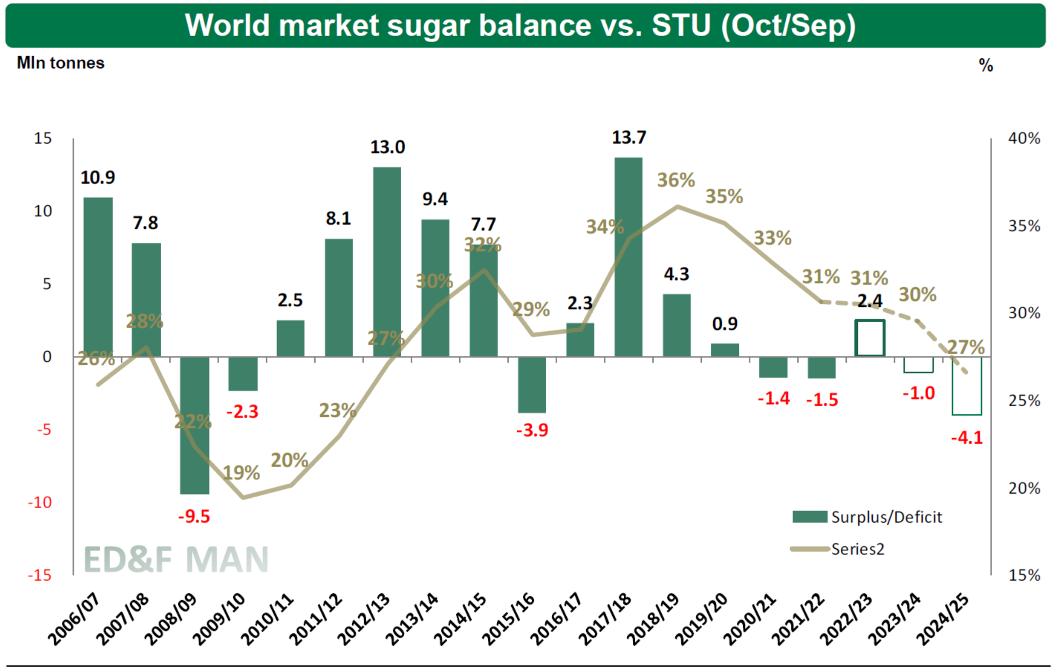
WORLD SUGAR

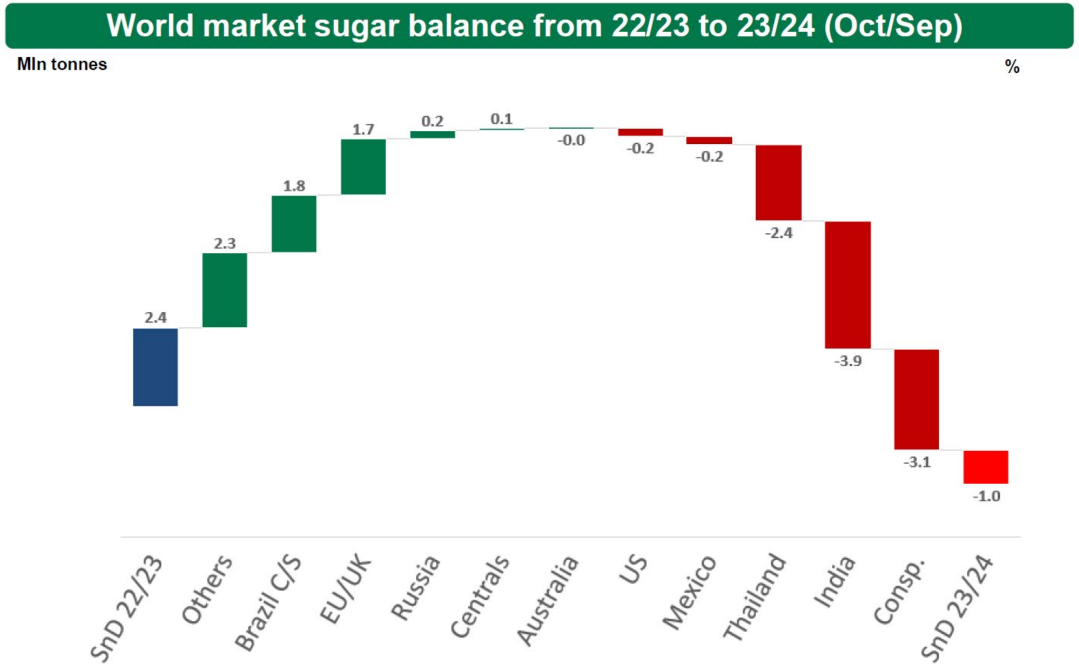
EXPERT GROUP SUGAR MARKET OBSERVATORY

15 NOVEMBER 2023

WORLD SUGAR BALANCE

S&D FOR 2023/24– TIGHT BALANCE





INDIA AND THAILAND DROPPING WHILE C/S IS CLOSE TO ITS MAX PRODUCTION CAPACITY

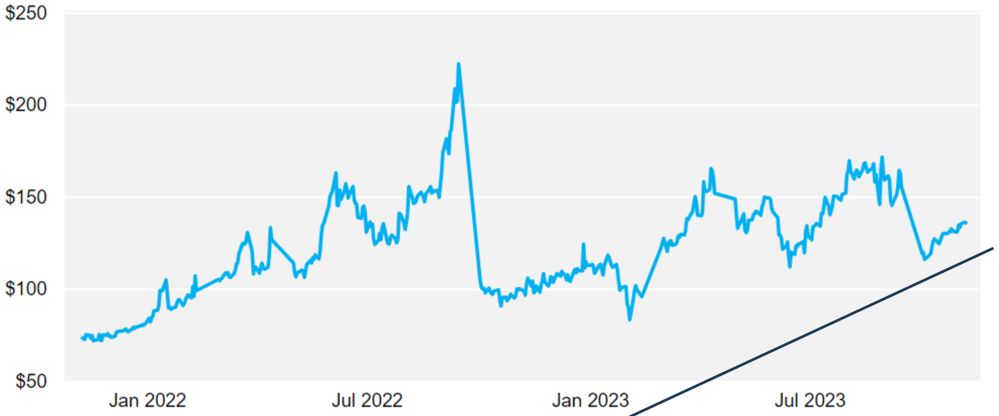
Source: ED&F Man Research

RAW & WHITE PRICES (@8.11.2023)

FX USD/EUR

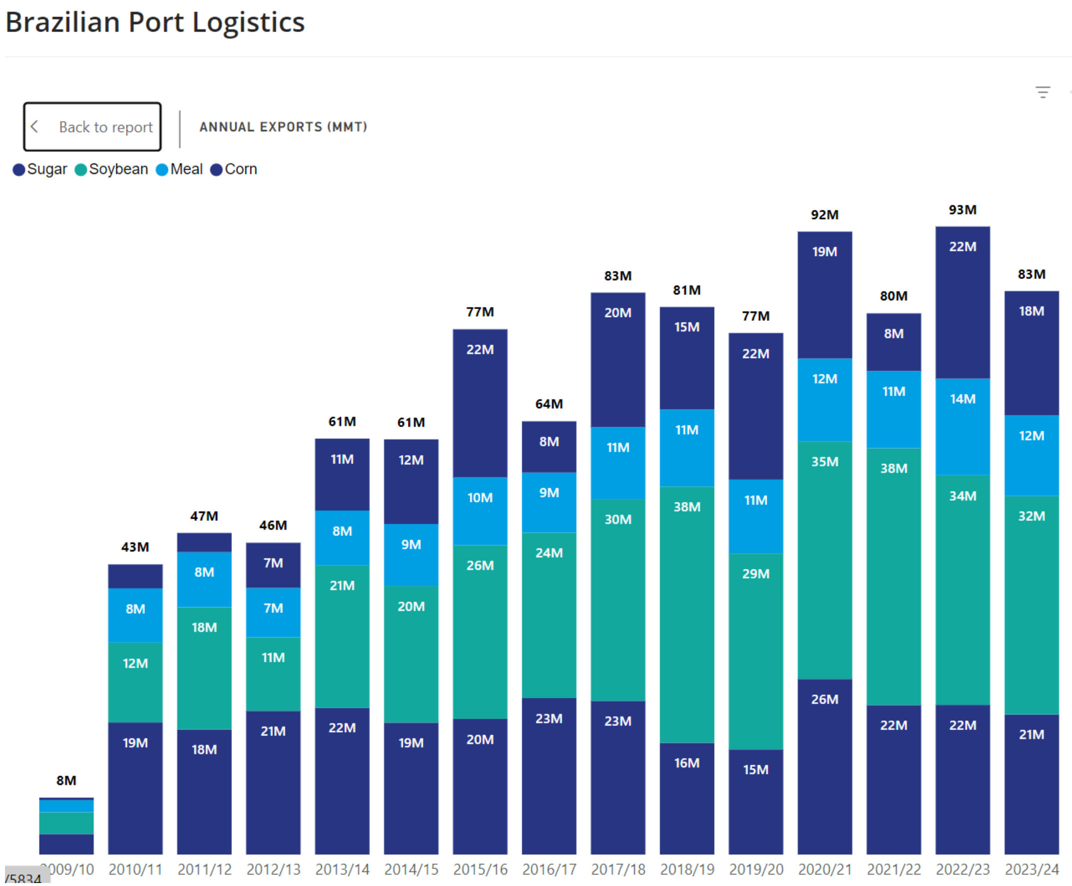
WHITE PREMIUM

White Premium Continuation Chart (USD/mt)



135 USD/ton

BRAZIL'S LOGISTICS CHALLENGES TO SUPPLY THE WORLD



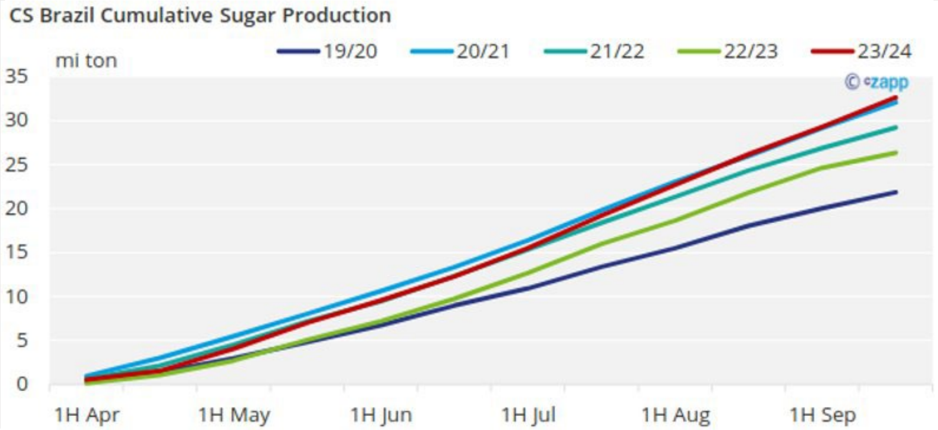
Source: ED&F Man Research / Platts/ Czapp / ISO / USDA / Reuters

BRAZIL

2023/24 BRAZIL CS PRODUCTION:

34,86 MILLION TONS OF SUGAR (+23,6%)

SUGAR/ETHANOL EST.: 49,4%



BRAZIL EXPORTS 2023/24:

EST.>32.2 MILLION TONS

RECORD EXPORT

(LAST YEAR 27.1 MILL. TONS)

Source: ED&F Man Research / Platts/ Czapp / ISO / USDA / Reuters

INDIA

INDIAN PRODUCTION ESTIMATION 2023/24:

SUGAR: 28.8 MILLION TONS

ETHANOL: 5.5 MILLION TONS

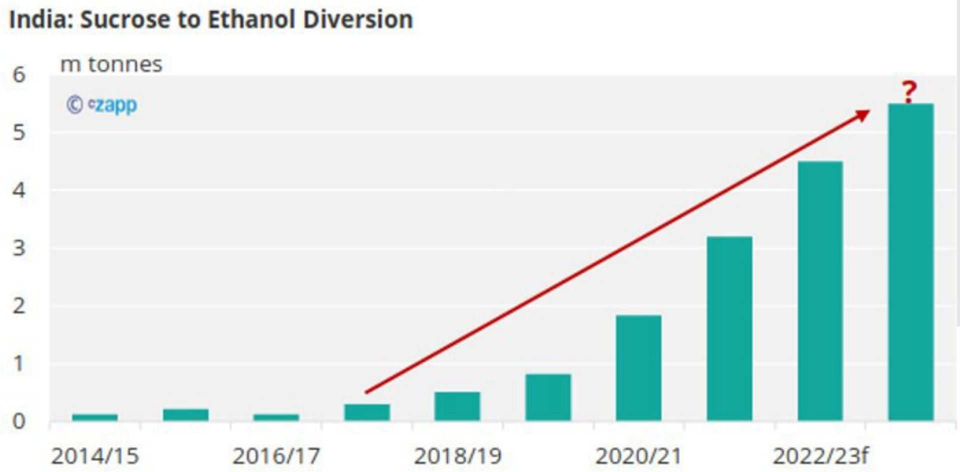
FORECAST 2024/25

HOW MUCH WILL PLANTING BE IMPACTED GIVEN LOWER WATER RESERVES

EXPORT 2023/24:

EXPORT BAN IN PLACE

FOCUS ON ETHANOL



Source: *ED&F Man Research / Platts/ Czapp / ISO / USDA*

THAILAND

PRODUCTION 2022/23

10,6 MILLION TONS

EXPECTATION 2023/24:

8,2 MILLION TONS

(-22% Y.O.Y.)

CANE OUTPUT MAY BE EVEN LOWER DUE DROUGHT AND (TOO) LATE RAINS

2023/24 EXPORTS

EST.5,2MILLION TONS

(CURRENT YEAR: 8,1 MILLION TONS)

RUSSIA & UKRAINE

UKRAINE 2023/24

- Ukraine beet production expected: 1.8 million tons
- Consumption est.: < 0.9 million tons
- Exports to EU 2022/23: >0.6 million tons
- Access to the WM is difficult without export corridors (Black Sea)
- EU is the focus market, impact on EU's sugar market & EU's preferential partners (Ukrainian sugar flushing the EU market)

RUSSIA 2023/24

- Beet sugar production 2023/24 est.: 6.2 million tons (+0.2 million y.o.y.) due to increased beet area
- Forecast 2023/24: 7.1 million tons (+0.4 million tons y.o.y.)

OTHER SUGAR PRODUCERS

MEXICO

Production 2023/24: expected at 5,3 million tons

Exports: struggle to fulfill US Quota / imports might be required

ASSUC

MACRO ENVIRONMENT

- WAR IN THE NEAR EAST
- INFLATION/ ECONOMIC TRENDS
- ECONOMIC & TRADE SANCTIONS AGAINST RUSSIA
- GEOPOLITICAL FRAGILE BALANCE
- WEATHER / EL NIÑO
- ONLY ONE SURPLUS AREA: BRAZIL

EFFECTS ON:

- PURCHASING POWER => DETERIORATING SUGAR DEMAND
- DISTORTED MARKETS / TRADING DUE TO GEOPOLITICAL INSTABILITY
- SUPPLY RISKS – WEATHER, LOGISTICS

ASSUC

THANK YOU

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Where not mentioned, sources used in this presentation S&D Global, USDA Reports., Covrig Analytics, UNCA, ICE, Bloomberg