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Market situation

*Sugar Market Observatory
12 April 2018*

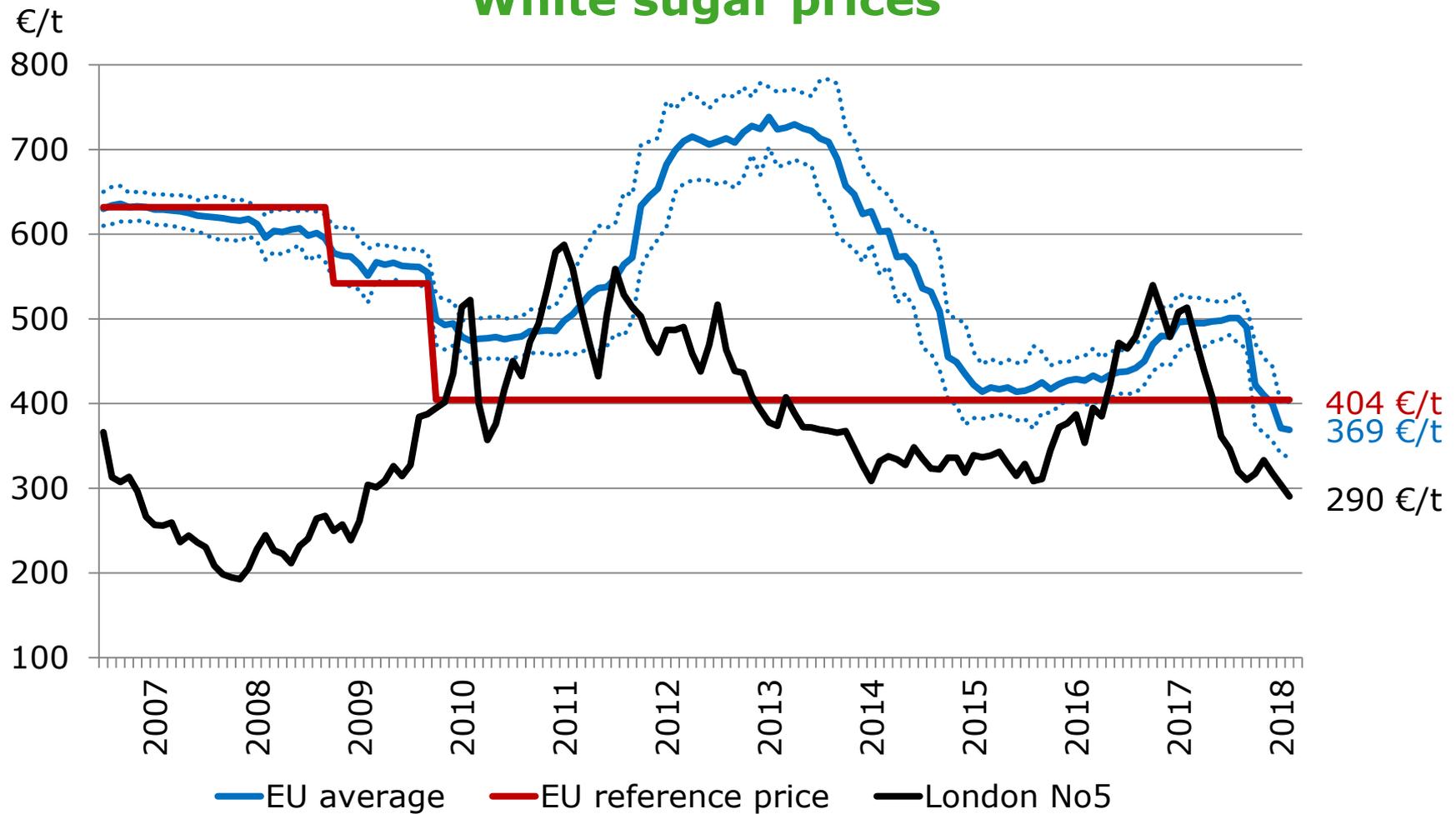
*Arable crops, Sugar team
DG Agriculture and Rural Development
European Commission*

Agriculture
and Rural
Development

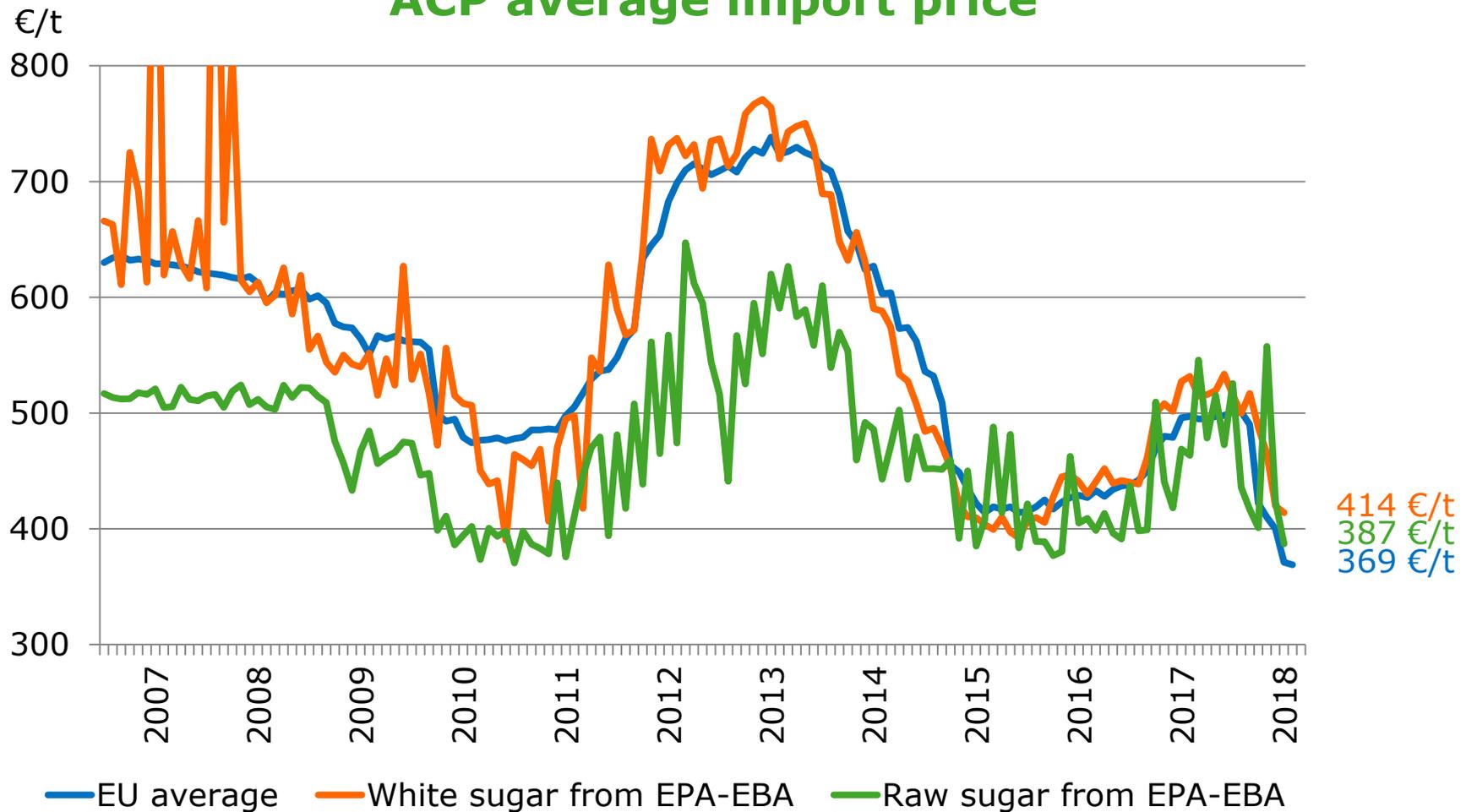
Sugar Prices

Sugar Market Observatory
12 April 2018

White sugar prices



ACP average import price





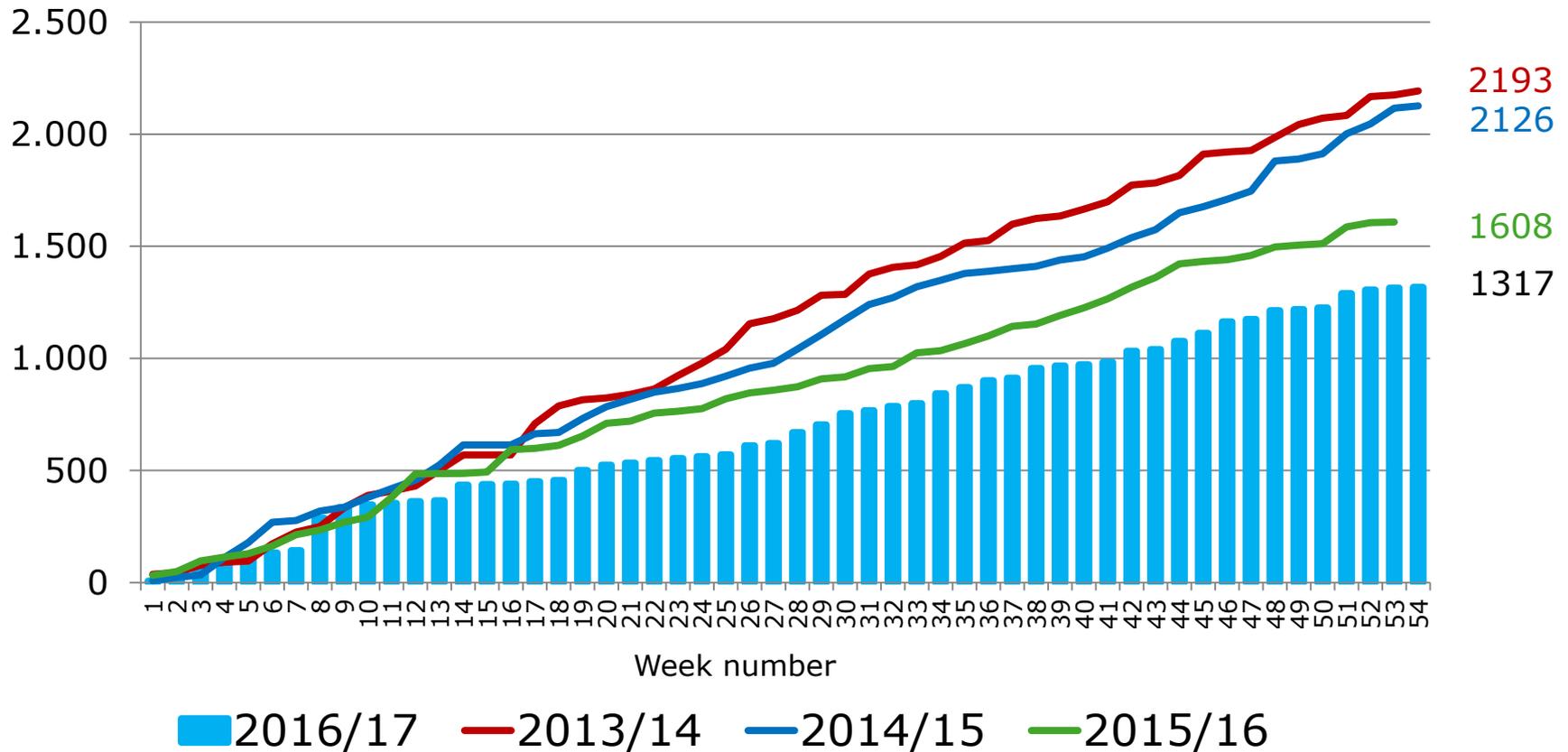
EU Sugar Import

Sugar Market Observatory
12 April 2018

Imports from EPA/EBA

Weekly cumulated imports licence application

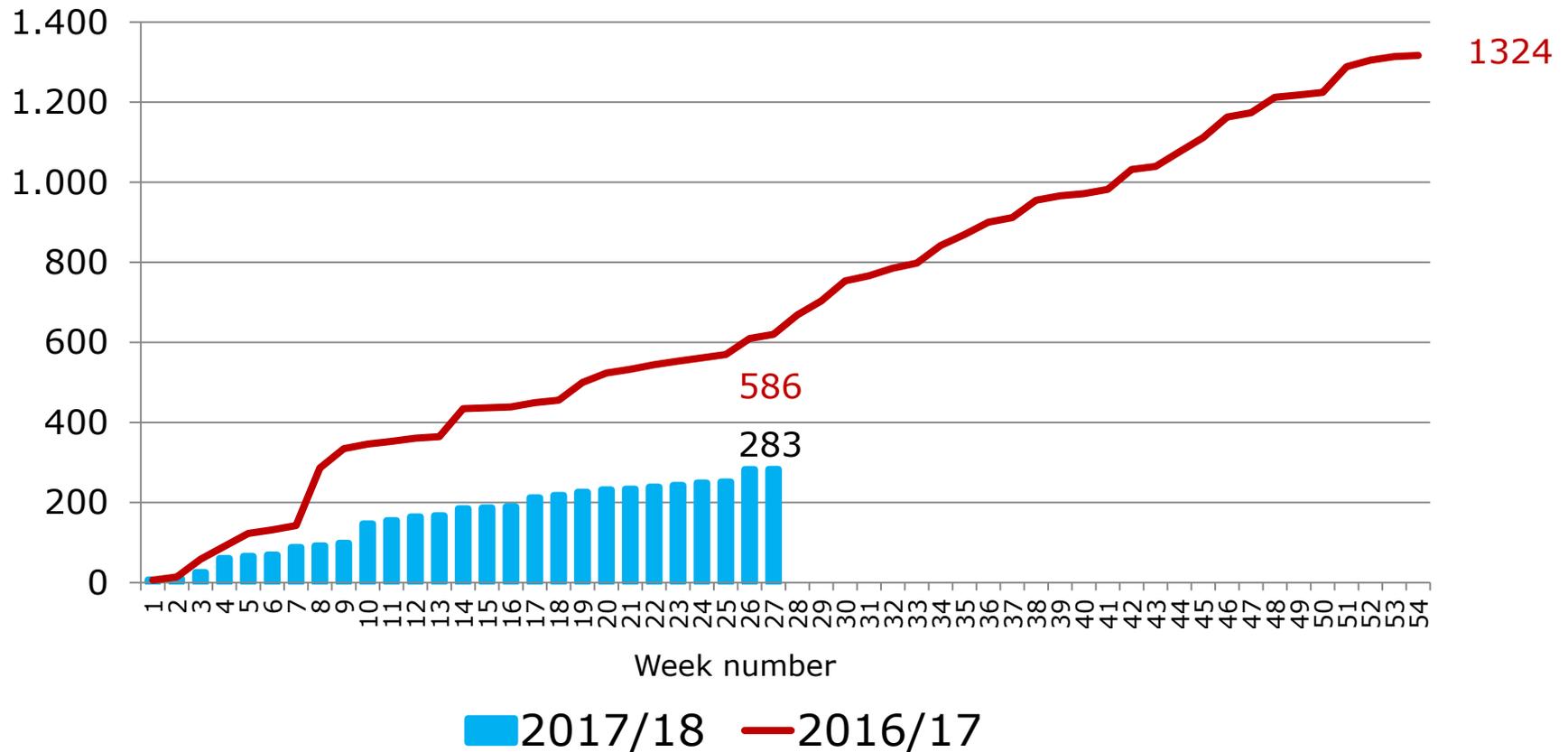
'000 t wse



Imports from EPA/EBA

Weekly cumulated imports (from TAXUD Surveillance 2)

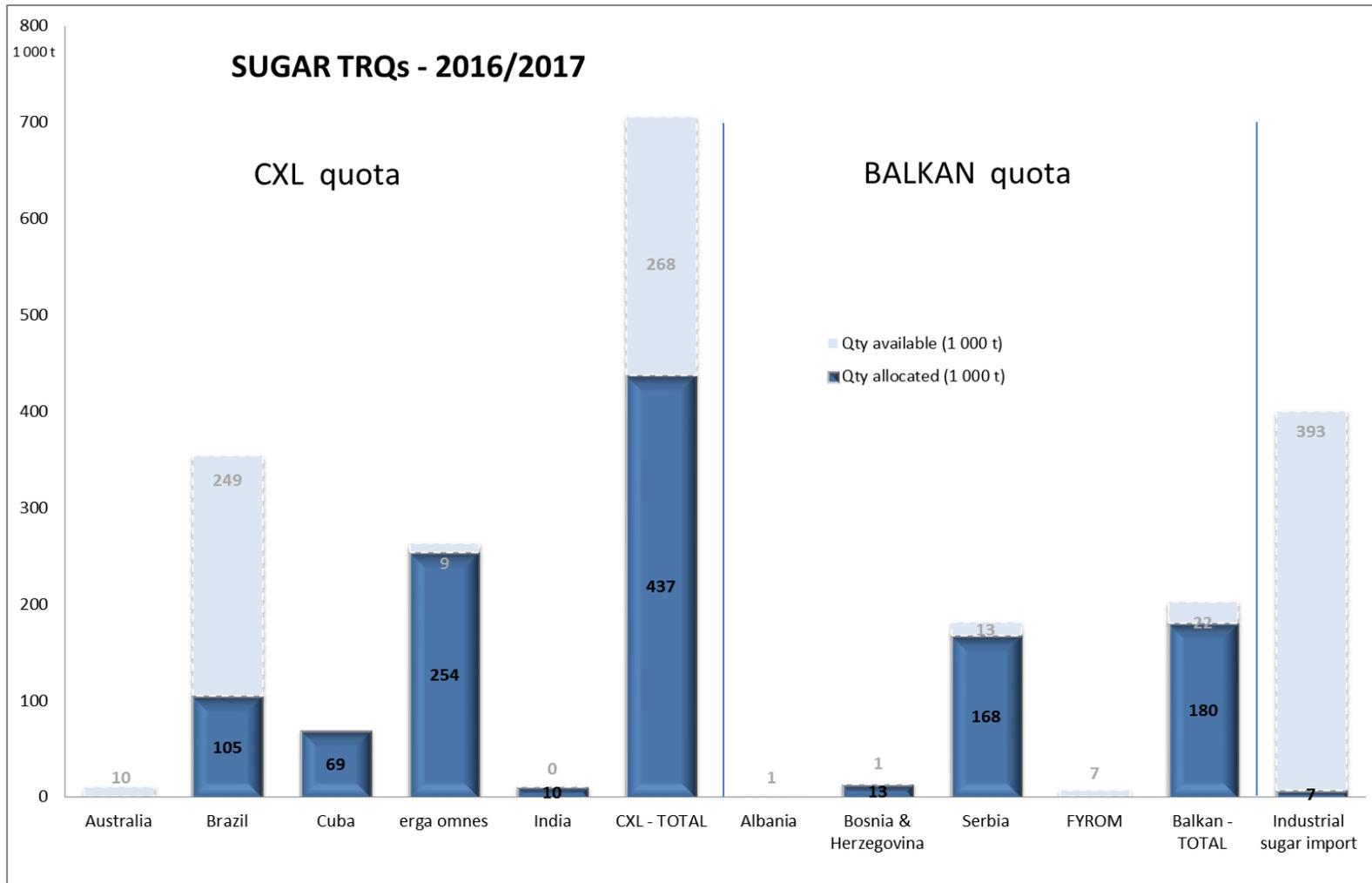
'000 t wse





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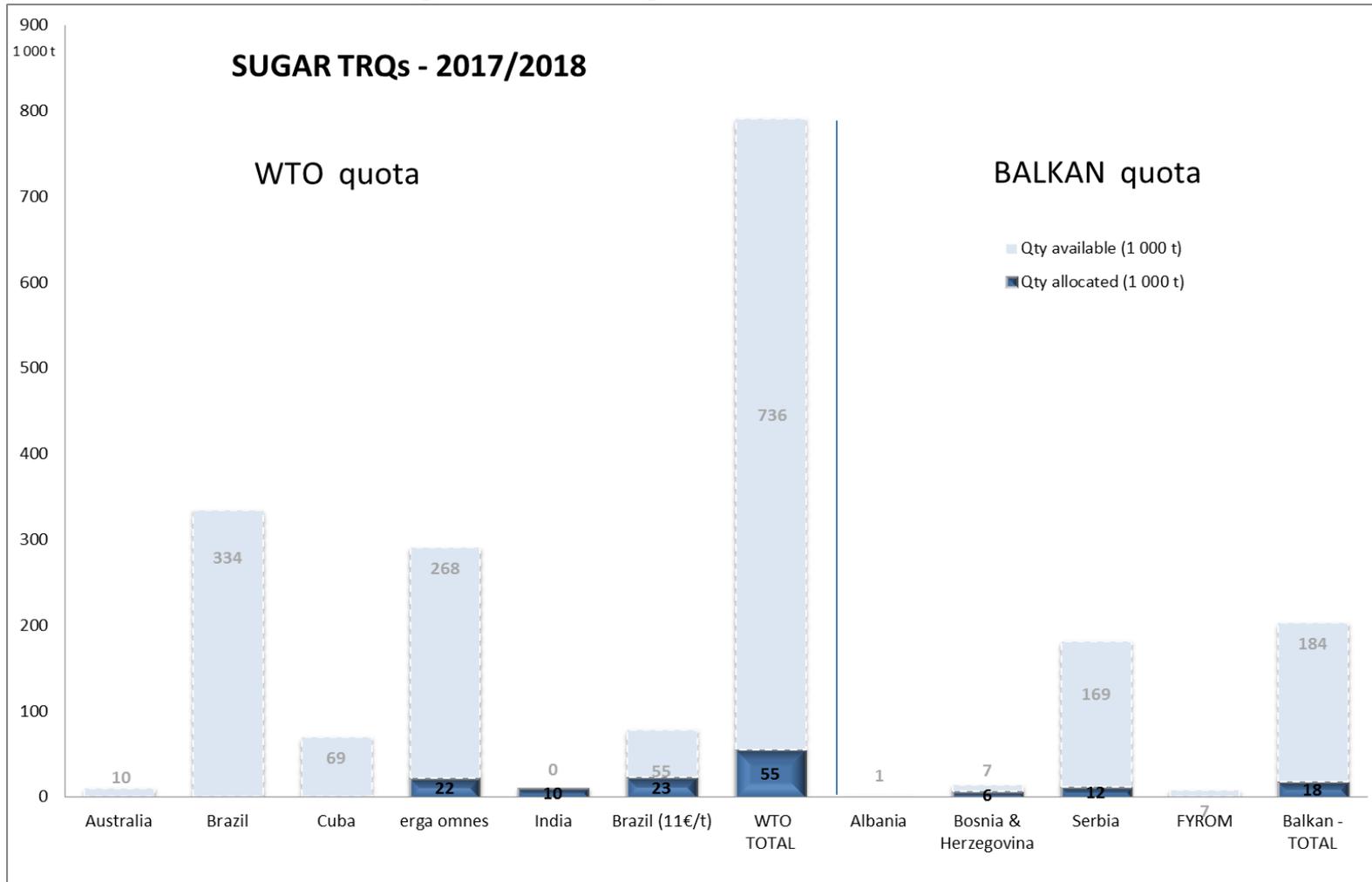
Sugar TRQs 2016-2017





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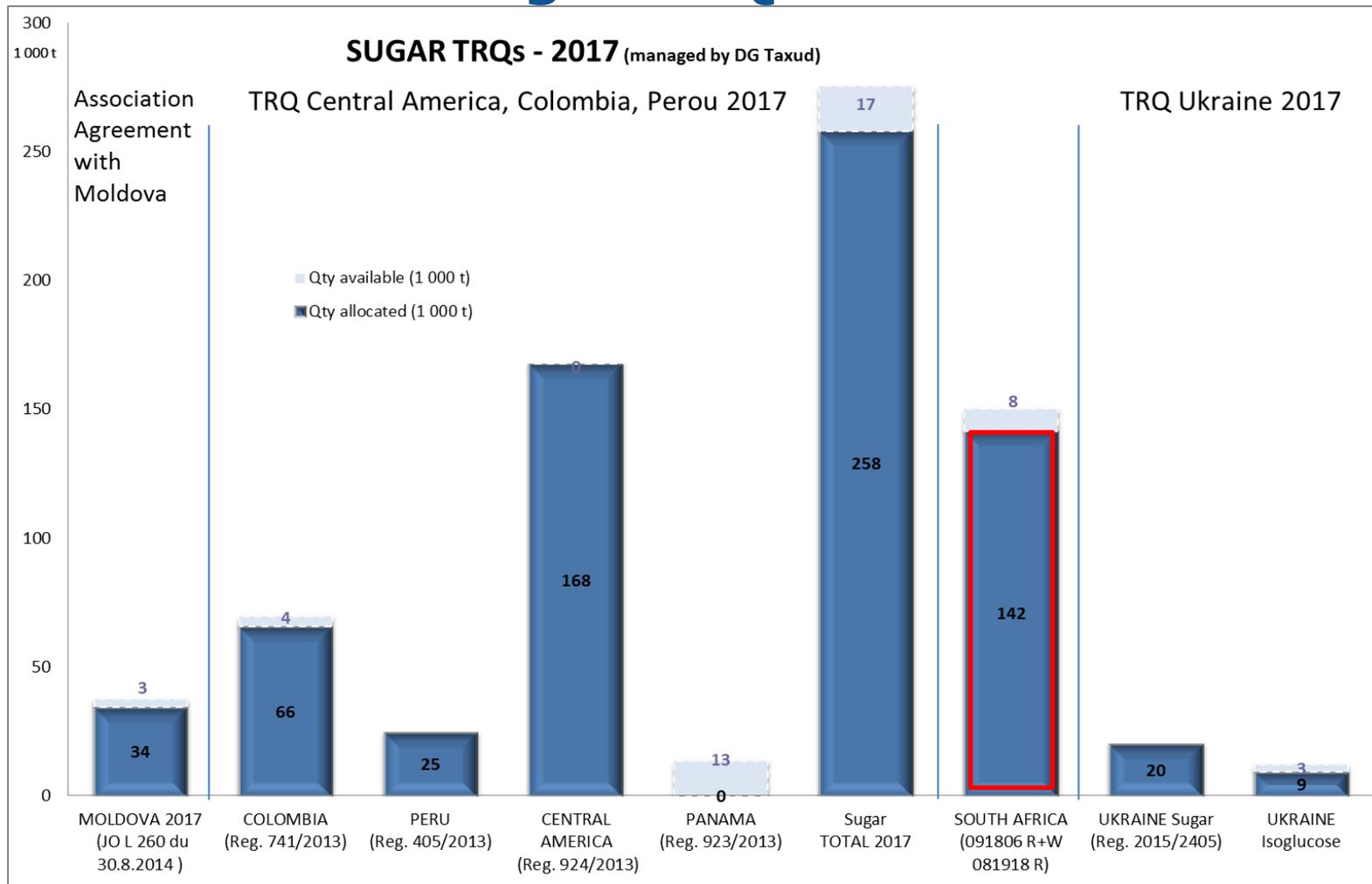
Sugar TRQs 2017-2018





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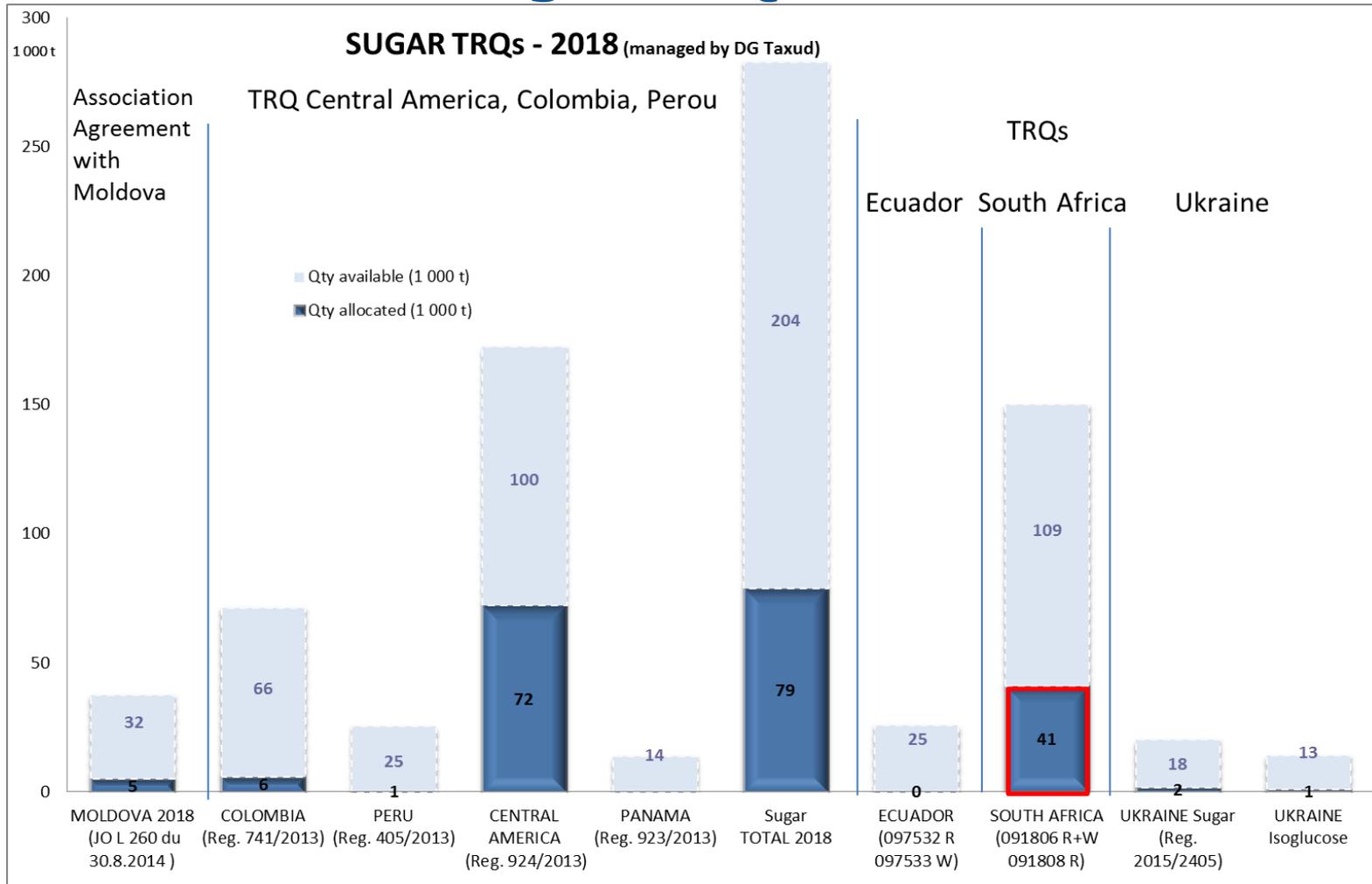
Sugar TRQs 2017





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Sugar TRQs 2018

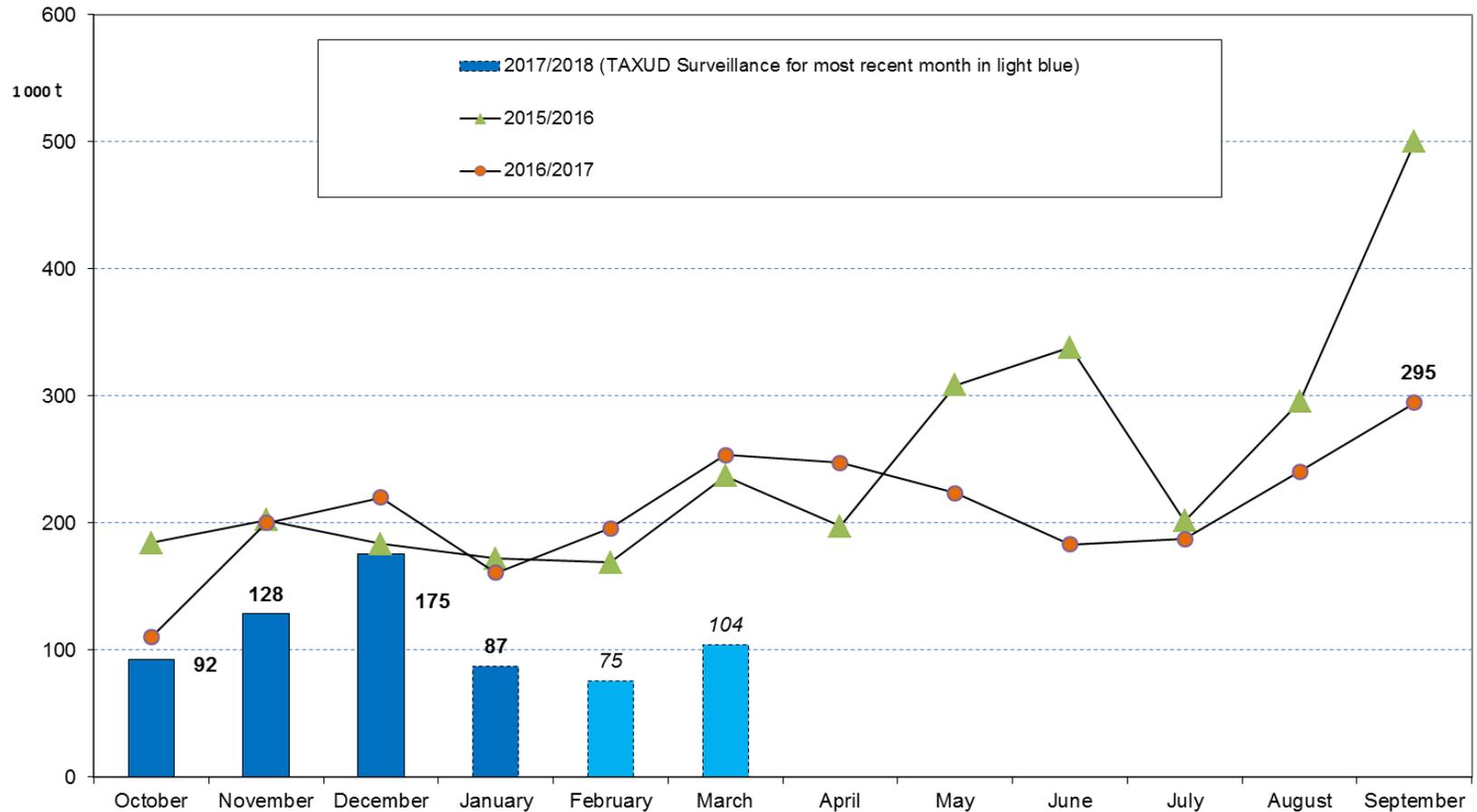




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EU Total imports

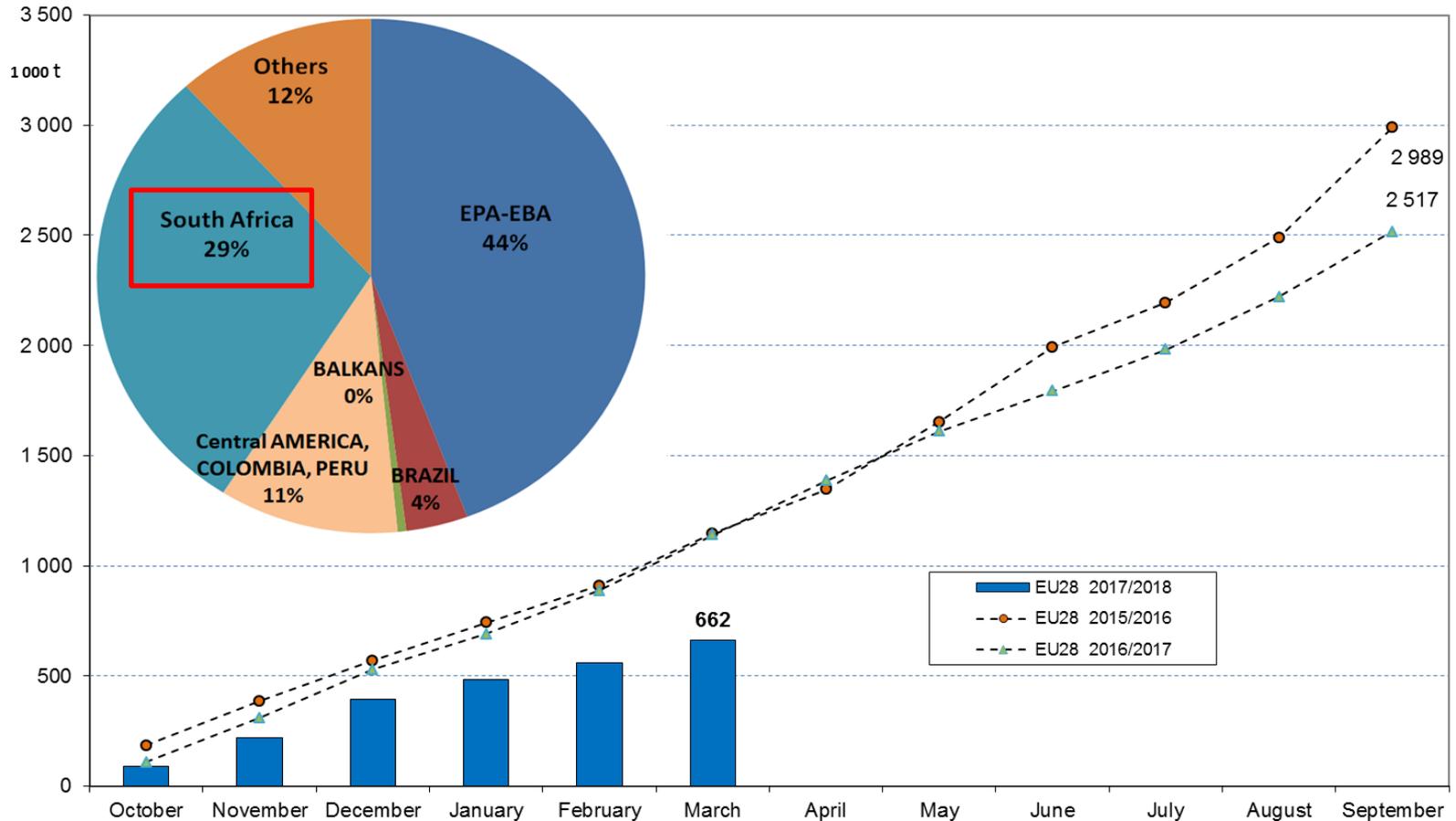
EU27 Monthly sugar imports (CN 1701)



Sources: EUROSTAT - DG TAXUD

EU Total imports

EU cumulated imports (CN 1701)



Source: EUROSTAT

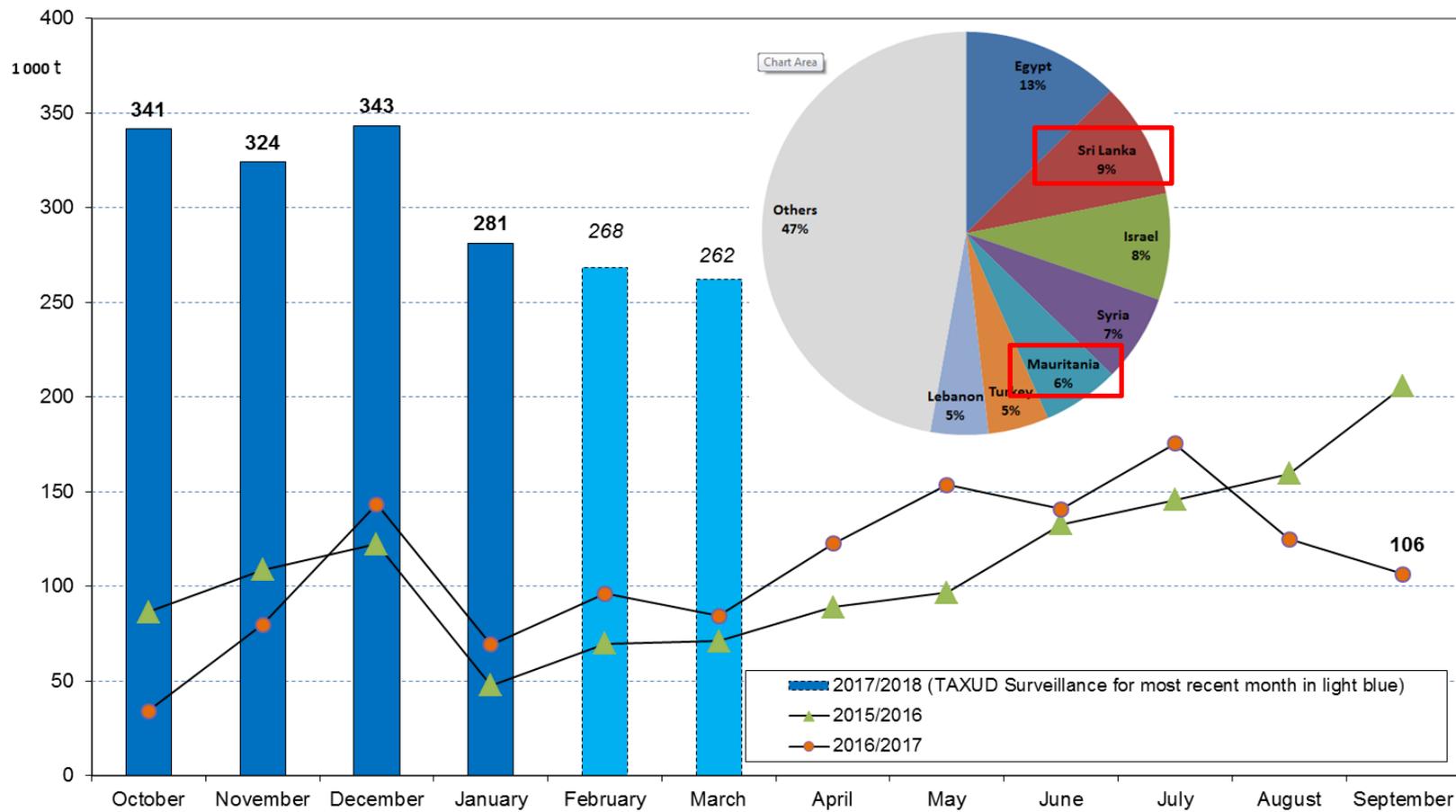


EU Sugar Export

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12 April 2018

EU Total exports

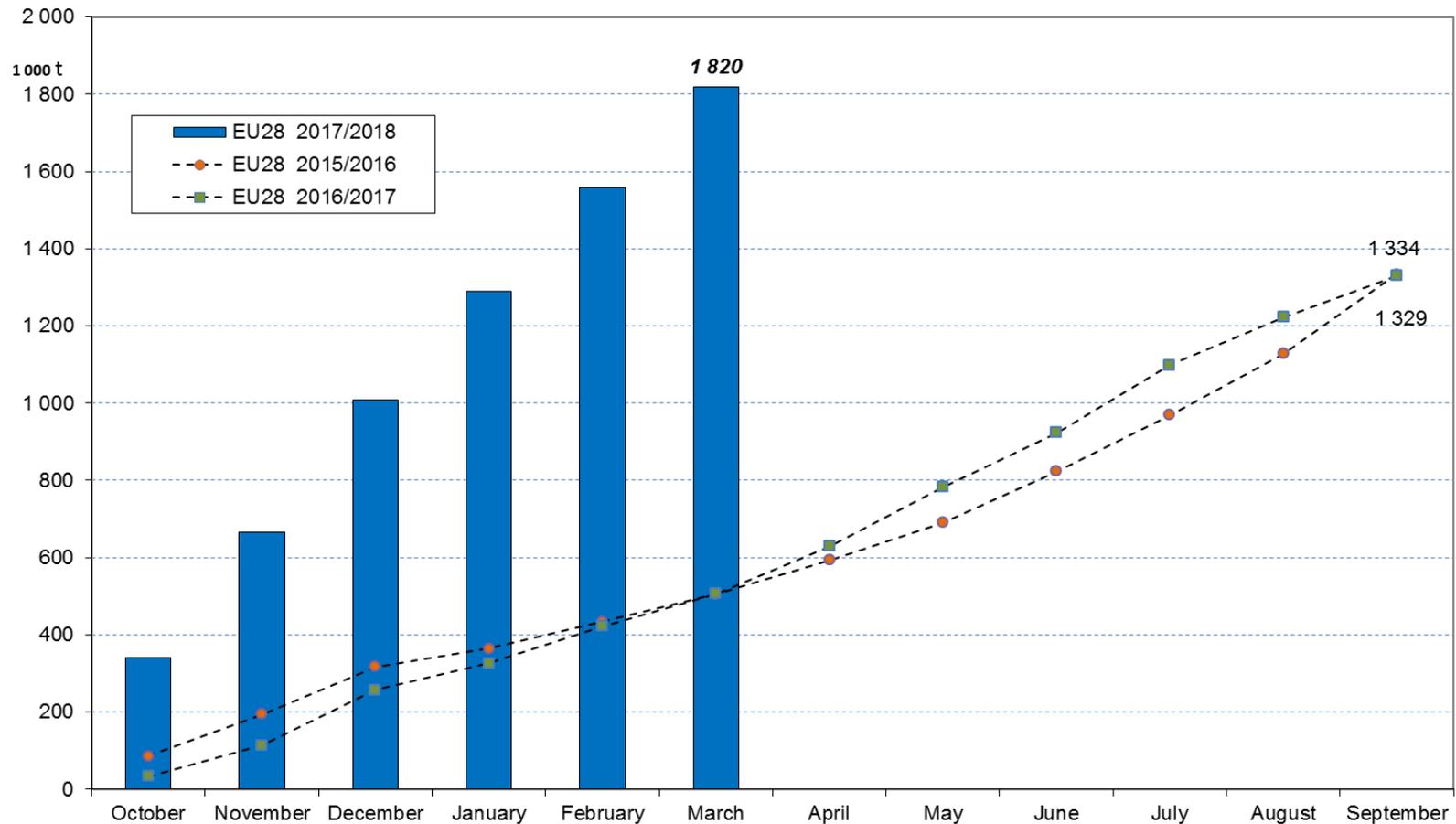
EU27 Monthly sugar exports (CN 1701)



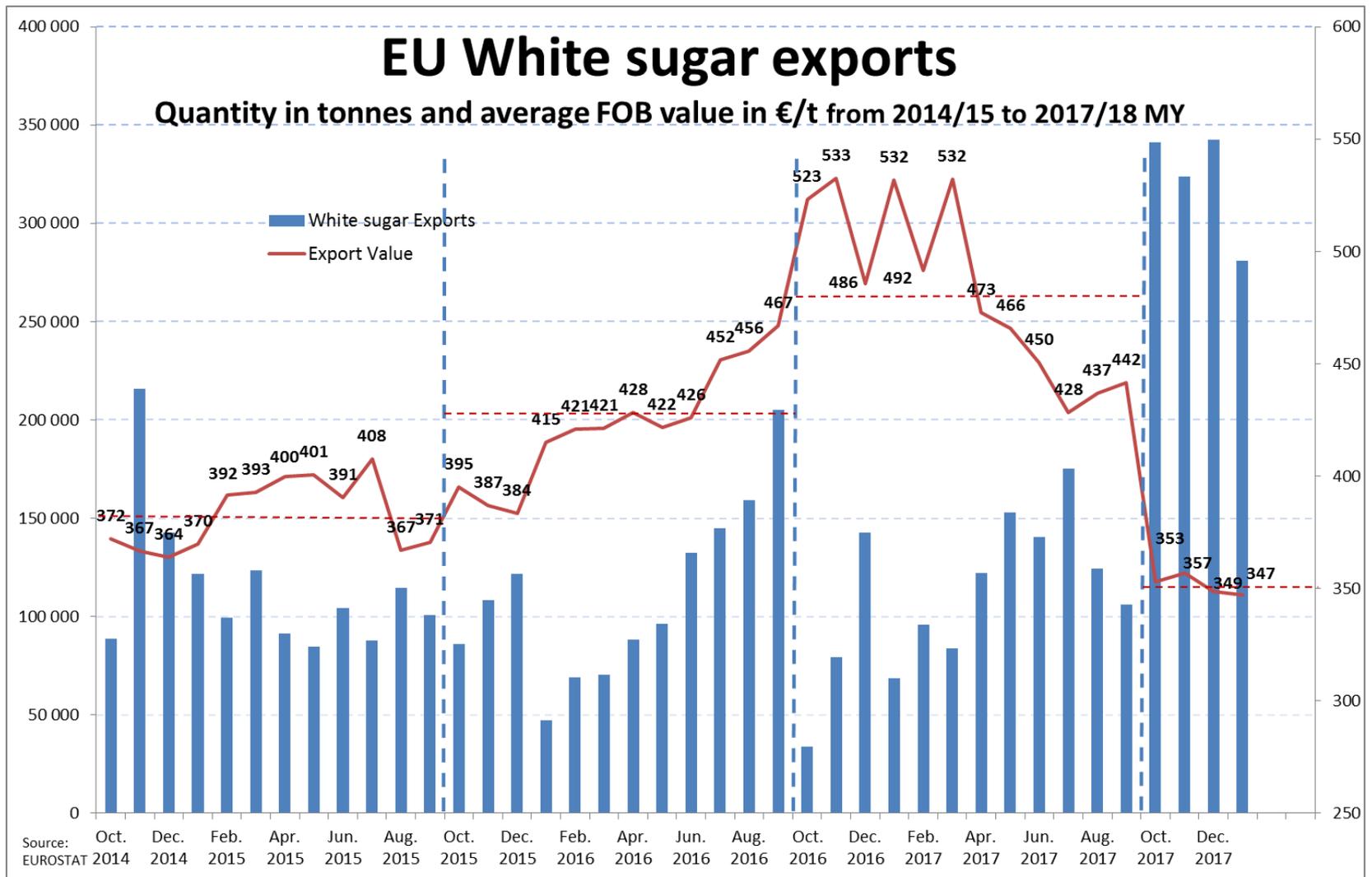
Source: EUROSTAT - DG TAXUD

EU Total exports

EU cumulated exports (CN 1701)

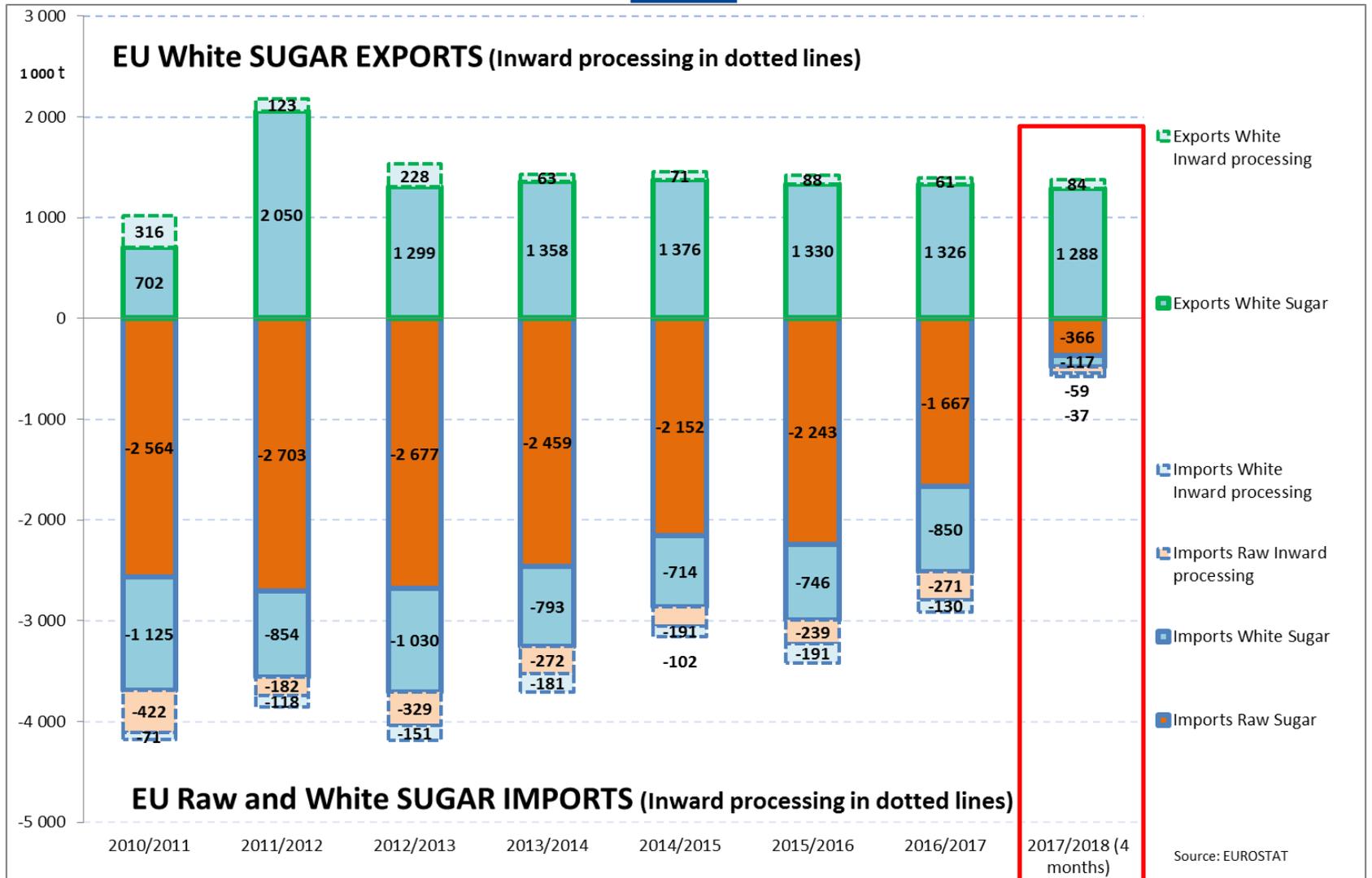


Source: EUROSTAT





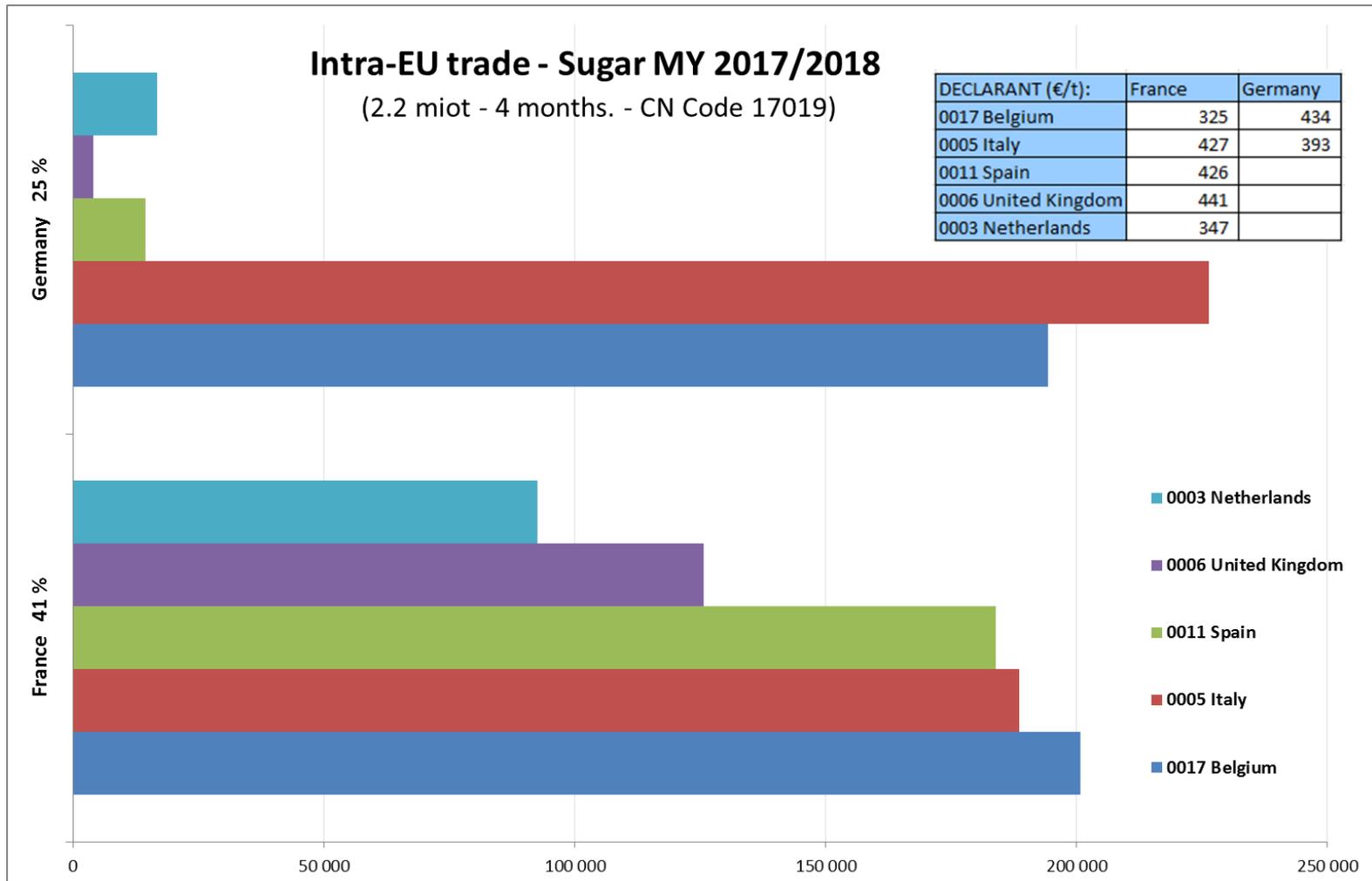
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Intra-EU trade for Sugar

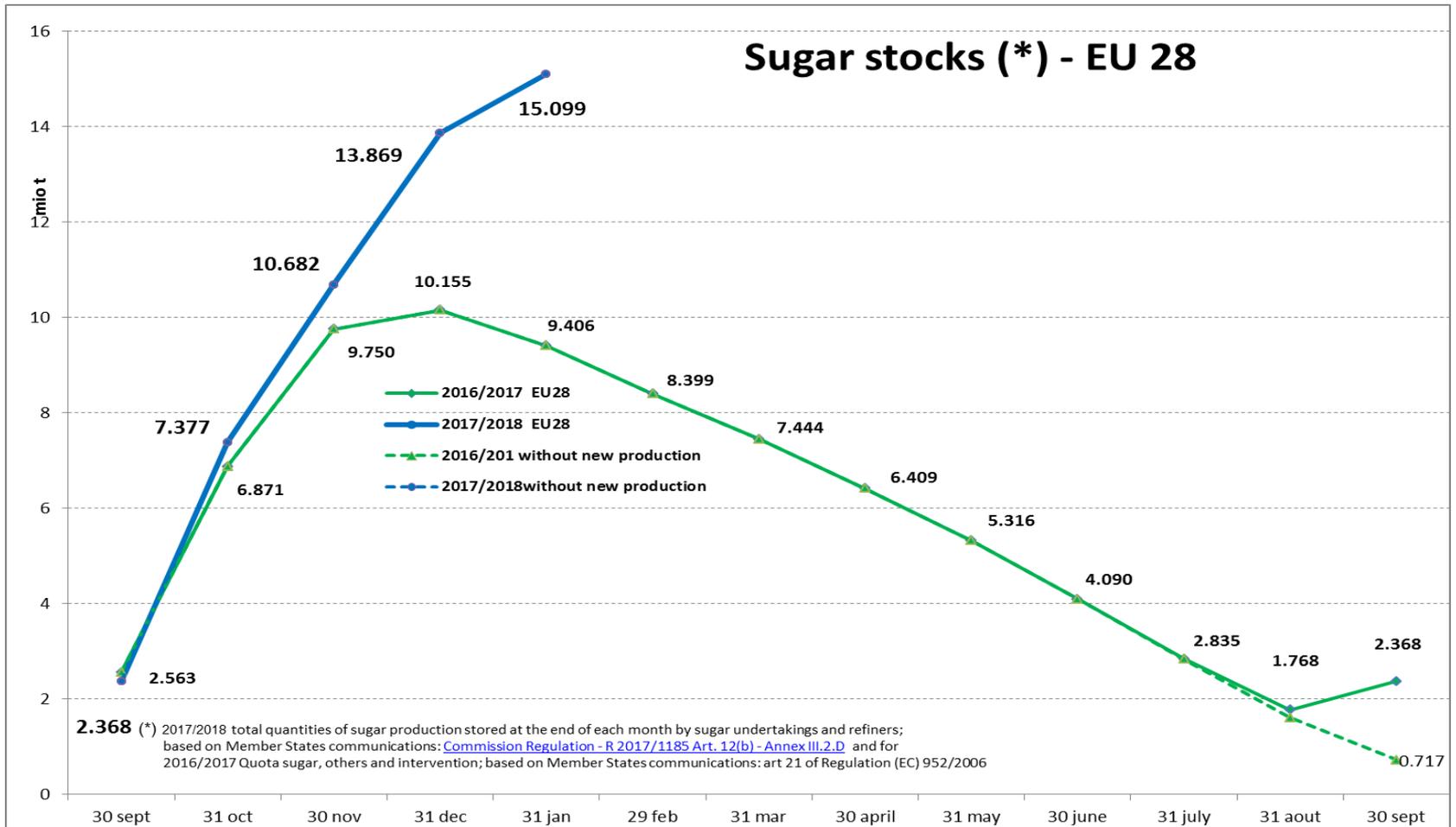




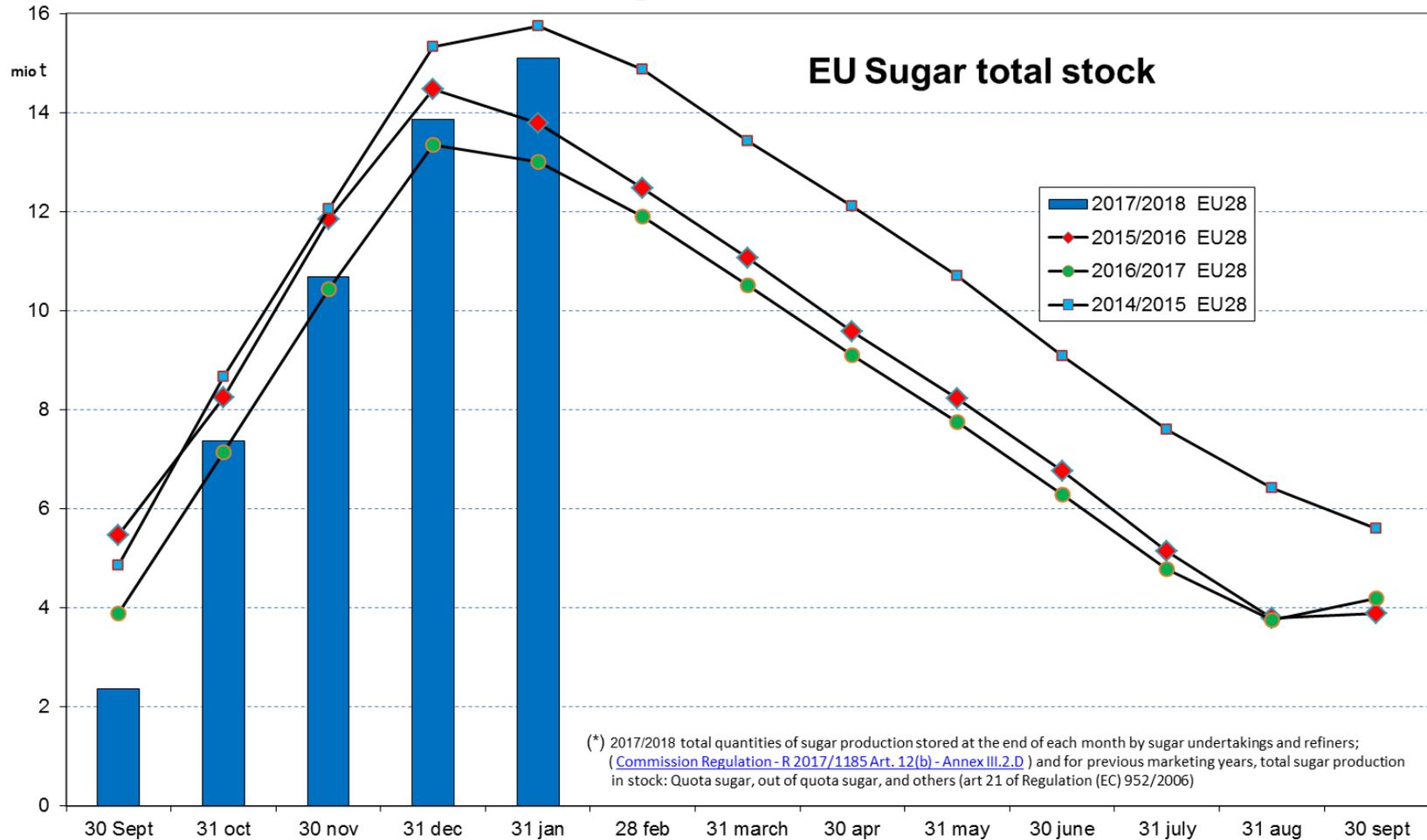
EU Sugar Stocks

Sugar Market Observatory
12 April 2018

Sugar stocks



Sugar stocks





EU Sugar Balance Sheet

Sugar Market Observatory
12 April 2018

SUGAR AND ISOGLUCOSE PRODUCTION 2016/17

Final production of Marketing Year 2016/2017 (EU 28)

Source: Communications from Members States (R 952/2006 art 22§2)

tonnes white sugar equivalent	QUOTA <i>R 183/2009</i>	SUCRE							ISOGLUCOSE	ISOGLUCOSE	SUCRE+	
		areas	yield	Production	carry forward	carry forward	Total	PRODUCTION	OUT OF	QUOTA	OUT OF	ISOGLUCOSE
		'000 ha	t/ha	of the	from 15/16	from 16/17	Production	under Quota	QUOTA	(export / release	available	
		(a)	(b)	(c)	to 16/17	to 17/18	(f) = (c) + (d) - (e)	(h)	(indust. + carry f.)	EU market)	QUOTA PRODUCTION	
					(d)	(e)			(g) = (f) - (h)			
BE	676 235	56.4	11.4	729 058	34 750	29 786	734 022	676 235	57 787	114 580		790 815
BG					0	0	0	0		89 198	11 581	89 198
CZ	372 459	52.3	11.9	593 684	14 669	47 872	560 481	372 459	188 022			372 459
DK	372 383	32.7	12.2	400 284	3 135	8 600	394 819	372 383	22 436			372 383
DE	2 898 256	310.4	12.3	3 567 861	220 594	233 312	3 555 144	2 898 256	656 888	56 638		2 954 894
EL	158 702	5.3	6.0	221 421	0	13 519	207 902	158 702	49 200	0		158 702
ES	498 480	32.8	14.6	468 244	120 762	90 526	498 480	498 480	0	53 810		552 290
FR (Met.)	3 004 811	375.0	12.4	4 132 626	60 798	351 619	3 841 805	3 004 811	836 994			3 004 811
FR (Dom) ¹	432 220			547 674			547 674	432 220	115 454			432 220
HR	192 877	18.8	11.0	362 990	3 613	60 213	306 390	192 877	113 513			192 877
IT	508 379	32.4	7.8	377 838	166 137	35 785	508 190	508 190	0	30 256		538 446
LT	90 252	14.7	9.7	163 229	0	38 076	125 153	90 252	34 901			90 252
HU	105 420	13.7	10.5	158 250	4 584	22 582	140 253	105 420	34 833	225 239	37 701	330 659
NL	804 888	66.8	13.1	872 805	25 000	27 500	870 305	804 888	65 417	0		804 888
AT	351 027	43.6	12.0	486 518	80	81 270	405 328	351 027	54 301			351 027
PL	1 405 608	202.9	10.3	1 960 739	90 160	265 840	1 785 060	1 405 608	379 452	42 861		1 448 470
PT (Continental)	0			0			0			3 740		3 740
PT (Açores)	9 953	0.1		9 937			9 937	9 937	0			9 937
RO	104 689	23.7	7.0	170 995	13 612	21 320	163 287	104 689	58 598			104 689
SK	112 320	21.7	9.5	221 046	0	52 127	168 919	112 320	56 599	68 095		180 414
FI	80 999	11.6	6.1	137 953	0	27 842	110 111	80 999	29 112	0		80 999
SE	293 186	30.1	10.8	336 477	0	27 000	309 477	293 186	16 291			293 186
UK	1 056 474	70.6	12.7	917 064	168 949	22 510	1 063 503	1 056 474	7 029			1 056 474
TOTAL	13 529 618	1 416	11.5	16 836 694	926 845	1 457 299	16 306 240	13 529 413	2 776 827	684 417	49 282	14 213 830

(*) AT : including sugar from molasses

BE Travail à façon 87 000 tonnes

HR Travail à façon 155 000 ton

SK Travail à façon 16 000 t quota disponible

¹ FR (Dom) : included 59 354 t Antilles + 191 940 t

LT Travail à façon 20 000 tonnes

IT Travail à façon 124 000 ton

FI Travail à façon 67 000 t HU: TàF 15 000 tonnes

Réunion + 296 380 TAF from FR (Met)

EL Travail à façon 190 000 tonnes

RO Travail à façon 5 000 tonnes:

SE Travail à façon 12 000 t UK: TàF 20 000 tonnes

SUGAR AND ISOGLUCOSE BALANCE SHEET 2016/17 – April 2018

SUGAR AND ISOGLUCOSE

	Final	
x 1000 tonnes wse	2016/17 (oct-sept)	
	EU 28	
	quota	out of quota
1 Beginning stocks	1 001	0
1 1 private	1 001	
1 2 intervention	0	
2 Production	14 214	4 338
of which quota / out-of-quota	14 214	4 338
release out-of-quota	0	0
3 Imports	3 035	7
3 1 - as such (*)	2 481	
3 2 - in processed products	554	
4 TOTAL AVAILABLE	18 249	4 345
<i>4 = 1 + 2 + 3</i>		

SUGAR AND ISOGLUCOSE

	Final	
x 1000 tonnes wse	2016/17 (oct-sept)	
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1 Beginning stocks	1 001	0
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2 Production	14 214	4 338
of which quota / out-of-quota	14 214	4 338
release out-of-quota	0	0
3 Imports	3 034	7
3 1 - as such (*)	2 480	
3 2 - in processed products	555	
4 TOTAL AVAILABLE	18 249	4 345
<i>4 = 1 + 2 + 3</i>		

SUGAR AND ISOGLUCOSE BALANCE SHEET 2016/17 – April 2018

SUGAR AND ISOGLUCOSE

x 1000 tonnes wse	Final	
	2016/17 (oct-sept)	
	EU 28	
	quota	out of quota
5 Consumption/disappearance	15 886	1 580
		indust. 760
		bioeth. 774
		isoglucose 45
6 Exports	1 627	1 299
6 1 - as such (**)	77	
6 2 in processed products	1 550	
		carry forward
7 Ending stocks	737	1 467
7 1- private (of which stock declared by manufacturers and refiners)	737	
7 2 - intervention	0	
8 TOTAL OUTLETS	18 249	4 345
8 = 5 + 6 + 7 = 4		

SUGAR AND ISOGLUCOSE

x 1000 tonnes wse	Final	
	2016/17 (oct-sept)	
	EU 28	
	quota	out of quota
5 Consumption/disappearance	15 874	1 571
		indust. 800
		bioeth. 726
		isoglucose 45
6 Exports	1 639	1 307
6 1 - as such (**)	77	
6 2 in processed products	1 562	
		carry forward
7 Ending stocks	737	1 467
7 1- private (of which stock declared by manufacturers and refiners)	737	
7 2 - intervention	0	
8 TOTAL OUTLETS	18 249	4 345
8 = 5 + 6 + 7 = 4		

2017/2018 Sugar Production

Provisional data April 2018

Sugar Production
20.9 mio t

Provisional production of the 2017/2018 MY (EU 28)

<i>tonnes white sugar equivalent</i>			SUGAR	ISOGLUCOSE
	areas '000 ha (a)	yield t/ha (b)=(c)/(a)	Production of the campaign (c)	Production of the campaign
BE	64.5	15.1	972 109	
BG				
CZ	58.3	11.2	655 468	
DK	33.0	12.0	396 893	
DE	374.8	13.1	4 895 088	
EL	6.4	5.7	36 514	
ES	32.8	17.3	567 589	
FR (Met.)	450.8	13.5	6 096 118	
FR (Dom.)			191 247	
HR	23.8	9.6	229 143	
IT	37.0	8.3	305 254	
LT	16.3	8.6	140 615	
HU	15.4	9.5	146 000	
NL	86.1	15.4	1 325 501	
AT	42.8	10.9	467 735	
PL	231.9	10.0	2 312 844	
PT (Continent)				
PT (Açores)	0.1		9 937	
RO	27.2	8.0	218 477	
SK	22.6	7.9	179 591	
FI	12.0	6.0	71 598	
SE	30.8	10.0	306 906	
UK	94.3	14.8	1 400 000	
TOTAL	1 661	12.6	20 924 626	900 000



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2017/2018 - Sugar Production

Provisional data April 2018

<i>tonnes white sugar equivalent</i>	SUGAR		
	areas '000 ha (a)	yield t/ha (b)=(c)/(a)	Production of the campaign (c)
BE	64.5	15.1	972 109
BG			
CZ	58.3	11.2	655 468
DK	33.0	12.0	396 893
DE	374.8	13.1	4 895 088
EL	6.4	5.7	36 514
ES	32.8	17.3	567 589
FR (Met.)	450.8	13.5	6 096 118
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HR	23.8	9.6	229 143
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LT	16.3	8.6	140 615

<i>tonnes white sugar equivalent</i>	SUGAR		
	areas '000 ha (a)	yield t/ha (b)=(c)/(a)	Production of the campaign (c)
HU	15.4	9.5	146 000
NL	86.1	15.4	1 325 501
AT	42.8	10.9	467 735
PL	231.9	10.0	2 312 844
PT (Continent)			
PT (Açores)	0.1		9 937
RO	27.2	8.0	218 477
SK	22.6	7.9	179 591
FI	12.0	6.0	71 598
SE	30.8	10.0	306 906
UK	94.3	14.8	1 400 000
TOTAL	1 661	12.6	20 924 626



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SUGAR BALANCE SHEET

2017/18 – April 2018

Provisional			Forecast		
2017/18 (oct-sept) EU 28		x 1000 tonnes wse	2017/18 (oct-sept) EU 28		x 1000 tonnes wse
Sugar			Sugar		
2 174		1 Beginning stocks	2 174		1 Beginning stocks
20 925		2 Production	20 578		2 Production
1 755		3 Imports	1 855		3 Imports
	1 200	3 1 - as such (*)		1 300	3 1 - as such (*)
	555	3 2 - in processed products		555	3 2 - in processed products
24 854		4 TOTAL AVAILABLE	24 607		4 TOTAL AVAILABLE
		$4 = 1 + 2 + 3$			$4 = 1 + 2 + 3$



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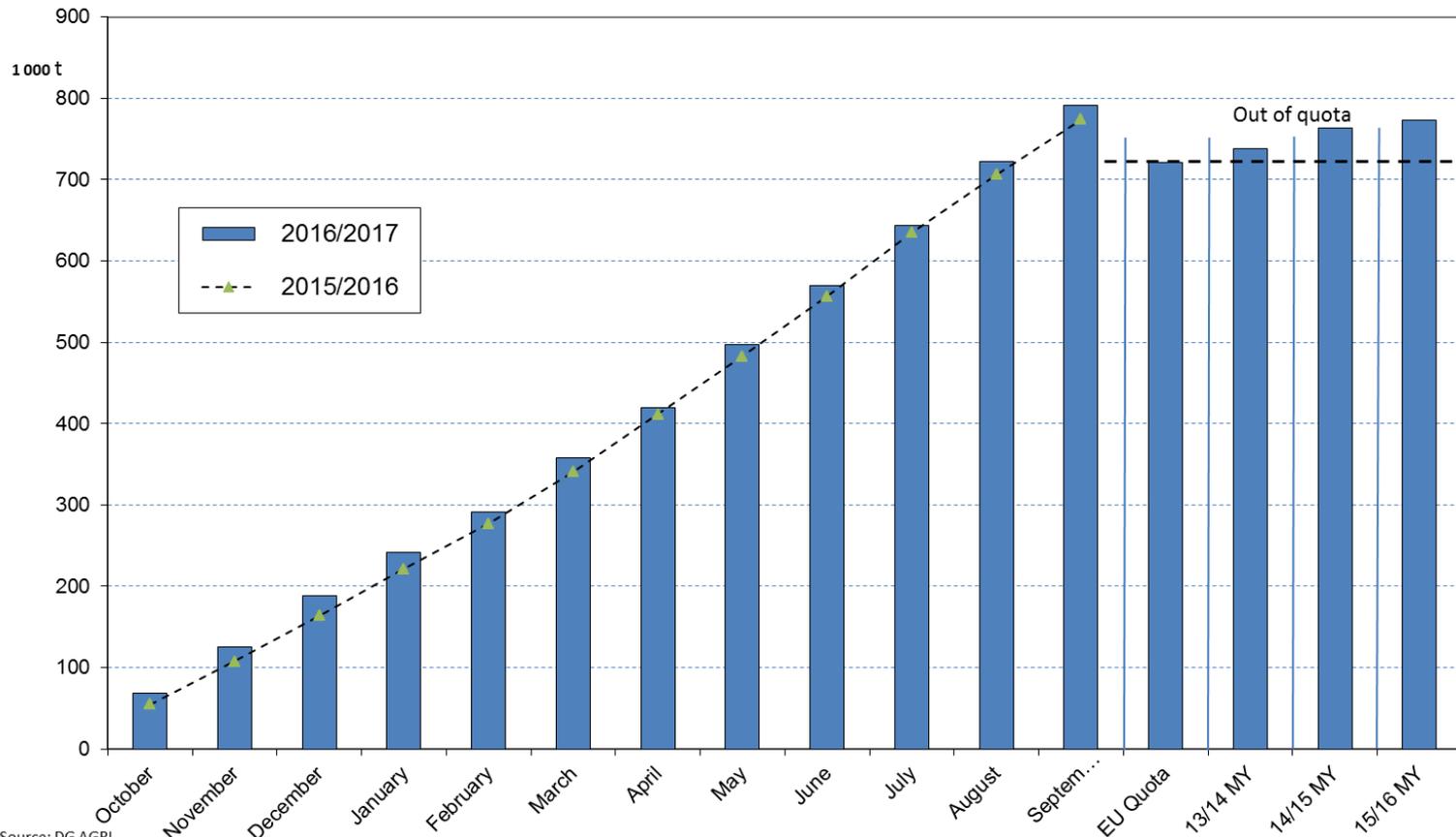
SUGAR BALANCE SHEET

2017/18 – April 2018

Provisional			Forecast		
2017/18 (oct-sept) EU 28		x 1000 tonnes wse	2017/18 (oct-sept) EU 28		x 1000 tonnes wse
Sugar			Sugar		
17 650		5 Consumption/disappearance	17 650		5 Consumption/disappearance
800		of which industrial use	800		of which industrial use
1 350		of which bioethanol	1 350		of which bioethanol
15 500		other	15 500		other
4 800		6 Exports	4 800		6 Exports
3 200		6 1 - as such (**)	3 200		6 1 - as such (**)
1 600		6 2 in processed products	1 600		6 2 in processed products
2 404		7 Ending stocks	2 158		7 Ending stocks
		8 TOTAL OUTLETS			8 TOTAL OUTLETS
24 854		$8 = 5 + 6 + 7 = 4$	24 607		$8 = 5 + 6 + 7 = 4$

Isoglucose production in 2016/17

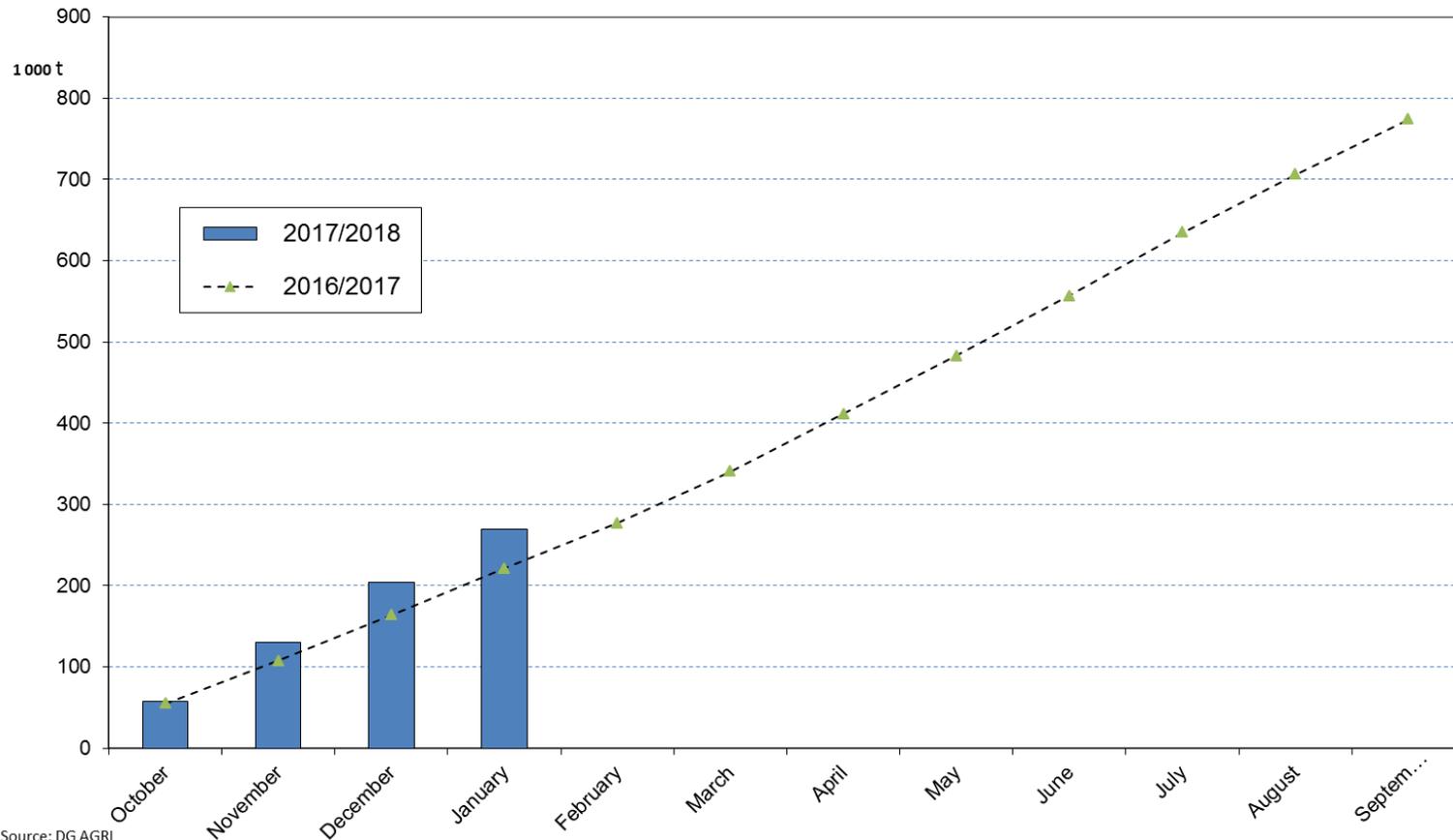
ISOGLUCOSE - EU monthly cumulated production for 2016/2017



Source: DG AGRI

Isoglucose production in 2017/18

ISOGLUCOSE - EU monthly cumulated production for 2017/2018



Source: DG AGRI

ISOGLUCOSE BALANCE SHEET

2017/18 – April 2018

Forecast	
2017/18 (<i>oct-sept</i>) EU 28	x 1000 tonnes wse
Isoglucose	
29	1 Beginning stocks
900	2 Production
10	3 Imports 3 1 - as such (*) 3 2 - in processed products
939	4 TOTAL AVAILABLE $4 = 1 + 2 + 3$

Forecast	
2017/18 (<i>oct-sept</i>) EU 28	x 1000 tonnes wse
Isoglucose	
860	5 Consumption/disappearance of which industrial use of which bioethanol other
50	6 Exports 6 1 - as such (**) 6 2 in processed products
29	7 Ending stocks
939	8 TOTAL OUTLETS $8 = 5 + 6 + 7 = 4$



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SUGAR AND ISOGLUCOSE BALANCE SHEET

2014/15 – 2017/18 April 2018

FINAL 2014/2015 to 2016/2017
PROVISIONAL 2017/2018

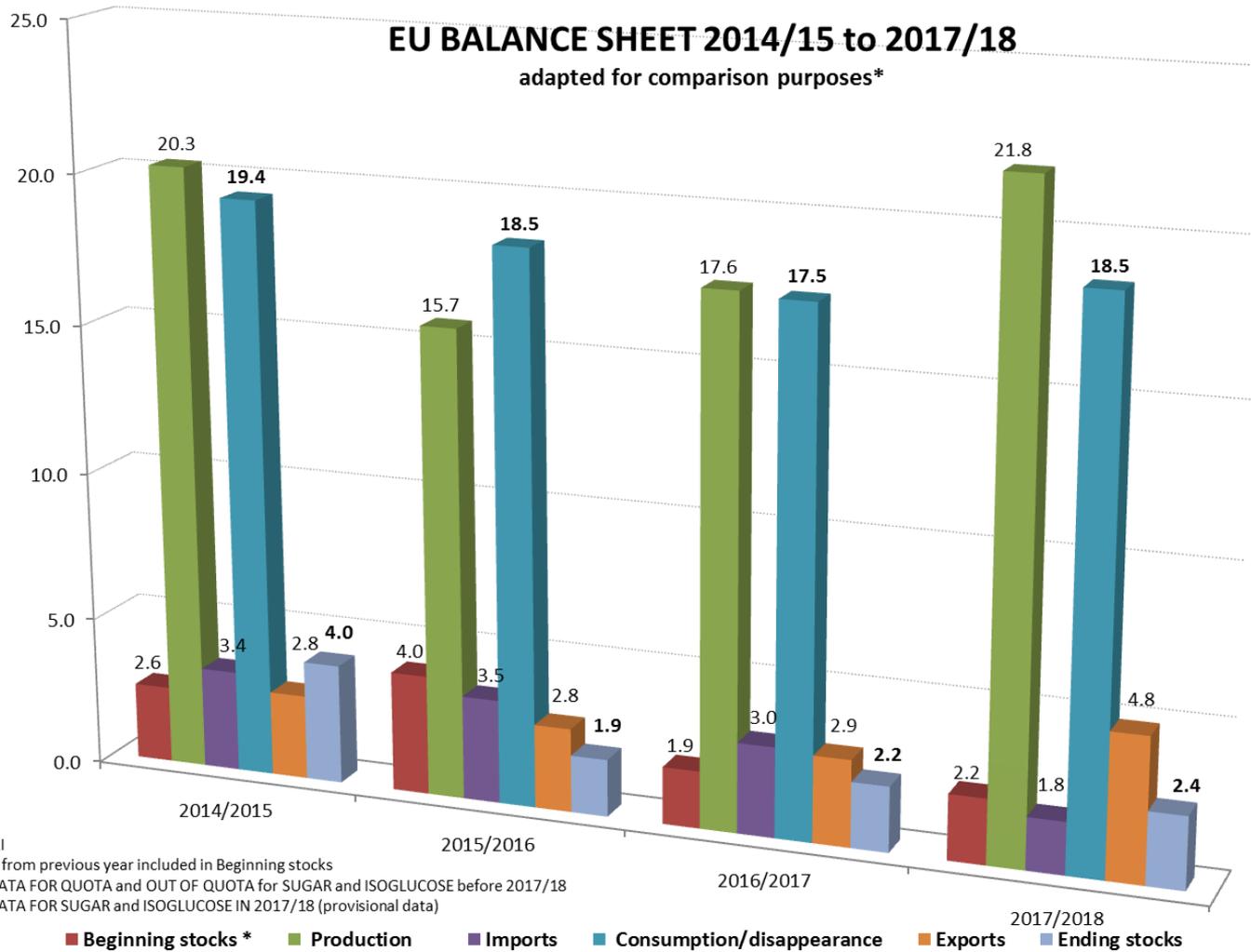
Apr-18

SUGAR AND ISOGLUCOSE

x 1000 tonnes wse	Final		Final		Final		Provisional		x 1000 tonnes wse
	2014/15 (oct-sept) EU 28		2015/16 (oct-sept) EU 28		2016/17 (oct-sept) EU 28		2017/18 (oct-sept) EU 28		
	quota	out of quota	quota	out of quota	quota	out of quota	Sugar	Isoglucose	
AVAILABILITIES									
1 Beginning stocks	2 013	0	1 331	0	1 001	0	2 174	29	1 Beginning stocks
1 1 private	2 013		1 331		1 001				
1 2 intervention	0		0		0				
2 Production	14 234	6 603	14 237	4 169	14 214	4 338	20 925	900	2 Production
of which quota / out-of-quota	14 234	6 603	14 237	4 169	14 214	4 338			
release out-of-quota	0	0	0	0	0	0			
3 Imports	3 381	4	3 460	34	3 035	7	1 755	10	3 Imports
3 1 - as such (*)	2 814		2 907		2 481		1 200		3 1 - as such (*)
3 2 - in processed products	567		553		554		555		3 2 - in processed products
4 TOTAL AVAILABLE	19 628	6 607	19 028	4 203	18 249	4 345	24 854	939	4 TOTAL AVAILABLE
<i>4 = 1 + 2 + 3</i>									<i>4 = 1 + 2 + 3</i>
OUTLETS									
5 Consumption/disappearance	16 754	2 608	16 520	1 962	15 886	1 580	17 650	860	5 Consumption/disappearance
		indust. 870		indust. 800		indust. 760		800	of which industrial use
		bioeth. 1 738		bioeth. 1 162		bioeth. 774		1 350	of which bioethanol
						isoglucose 45		15 500	other
6 Exports	1 543	1 301	1 507	1 314	1 627	1 299	4 800	50	6 Exports
6 1 - as such (**)	129		80		77		3 200		6 1 - as such (**)
6 2 in processed products	1 414		1 427		1 550		1 600		6 2 in processed products
7 Ending stocks	1 331	2 698	1 001	927	737	1 467	2 404	29	7 Ending stocks
7 1- private	1 331		1 001		737				
(of which stock declared by manufacturers and refiners)									
7 2 - intervention	0		0		0				
8 TOTAL OUTLETS	19 628	6 607	19 028	4 203	18 249	4 345	24 854	939	8 TOTAL OUTLETS
<i>8 = 5 + 6 + 7 = 4</i>									<i>8 = 5 + 6 + 7 = 4</i>



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Open questions

- **Imports at 1.2 mio t**
- **Exports at 3.2 mio t**

Is there consensus on these figures?

- **Industrial use at 0.8 mio t**
- **Bioethanol production at 1.35 mio t**
- **Other use at 15.5 mio t**

What is your view on these figures?

- **Stocks at 2.4 mio t**

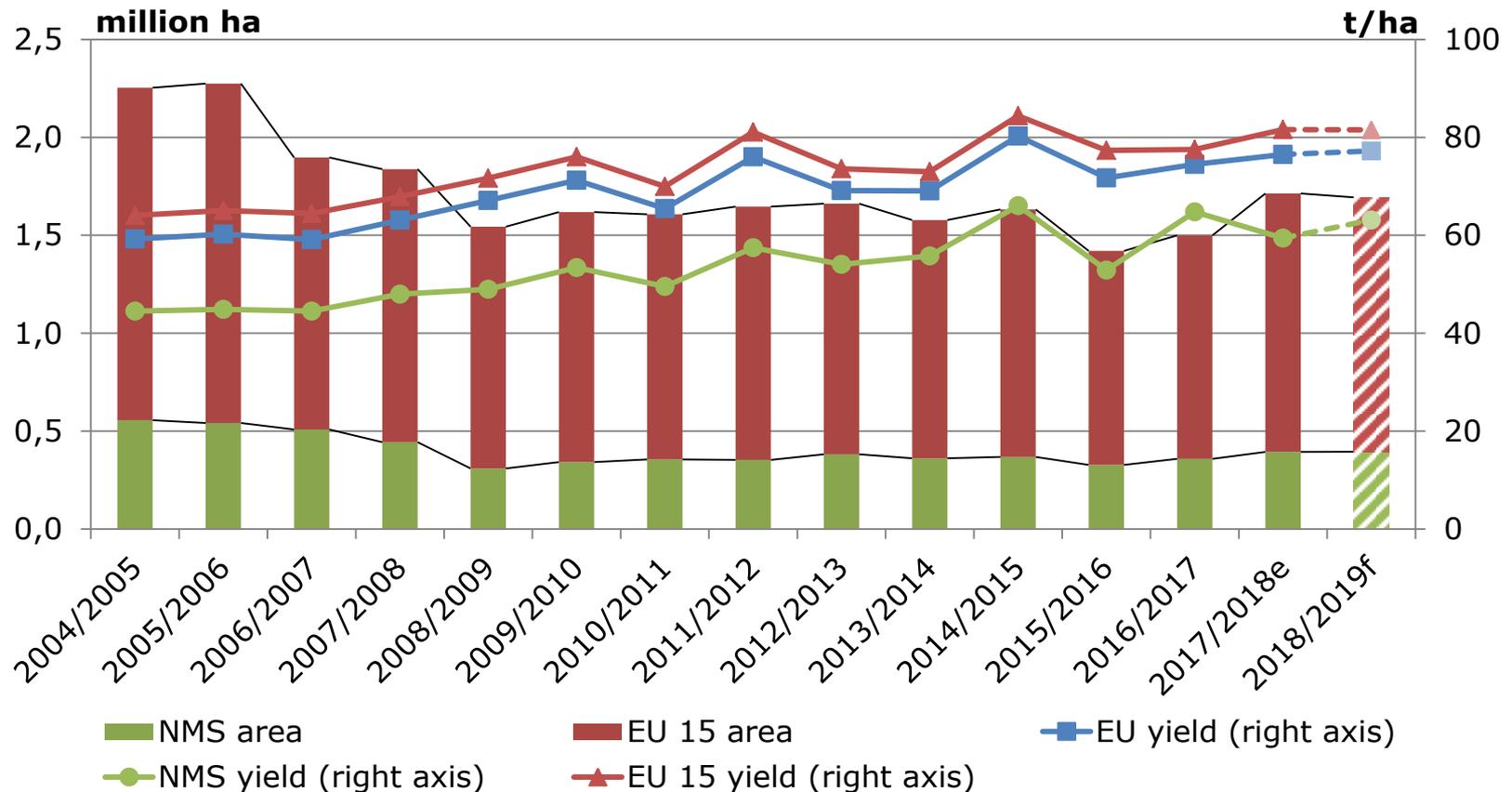
Can it be considered a post-quota equilibrium?



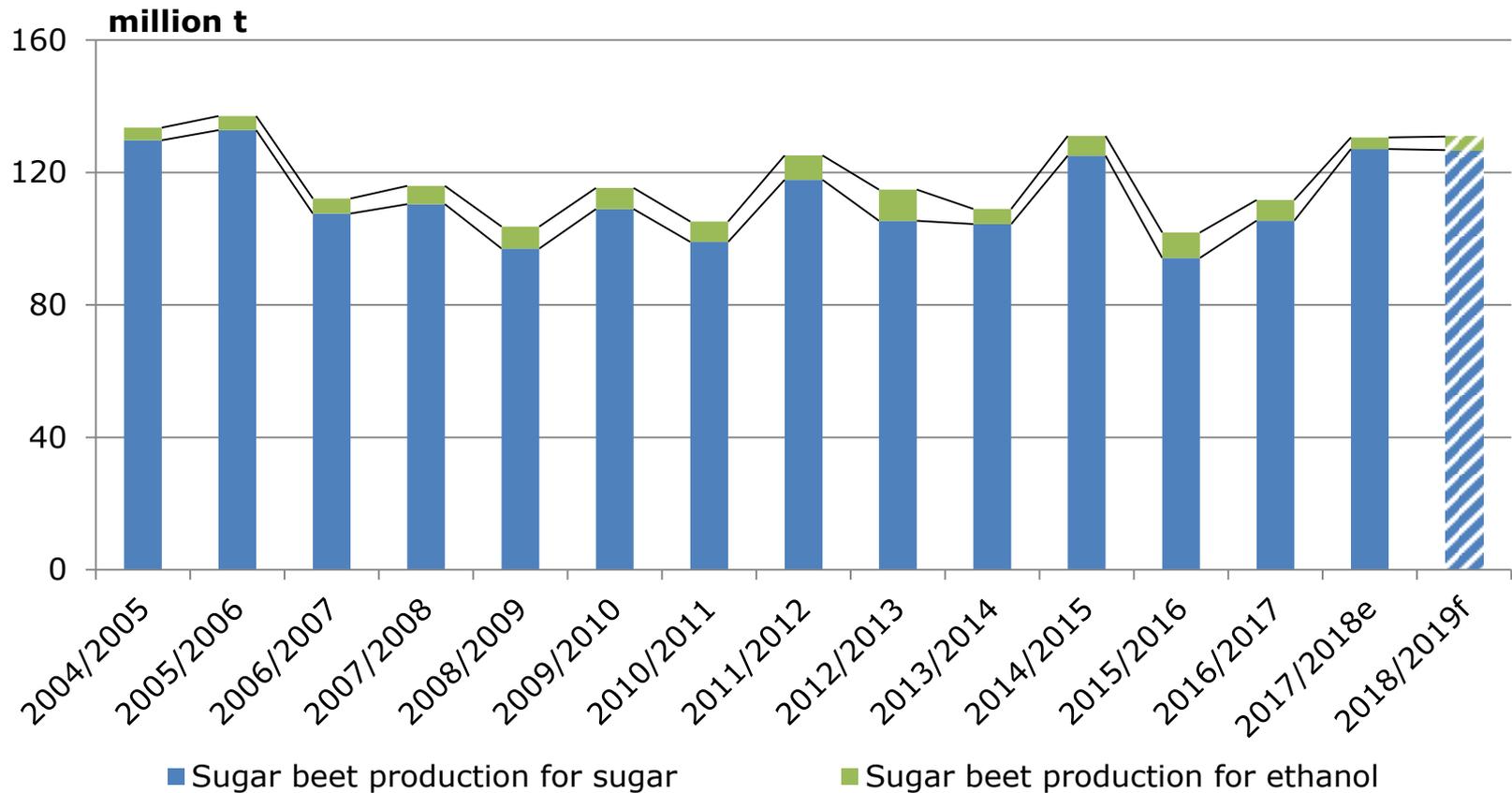
Preliminary forecast for MY 2018/19

Sugar Market Observatory
12 April 2018

Minor decrease in sugar beet area (-1%) and yield following trend (+1%)

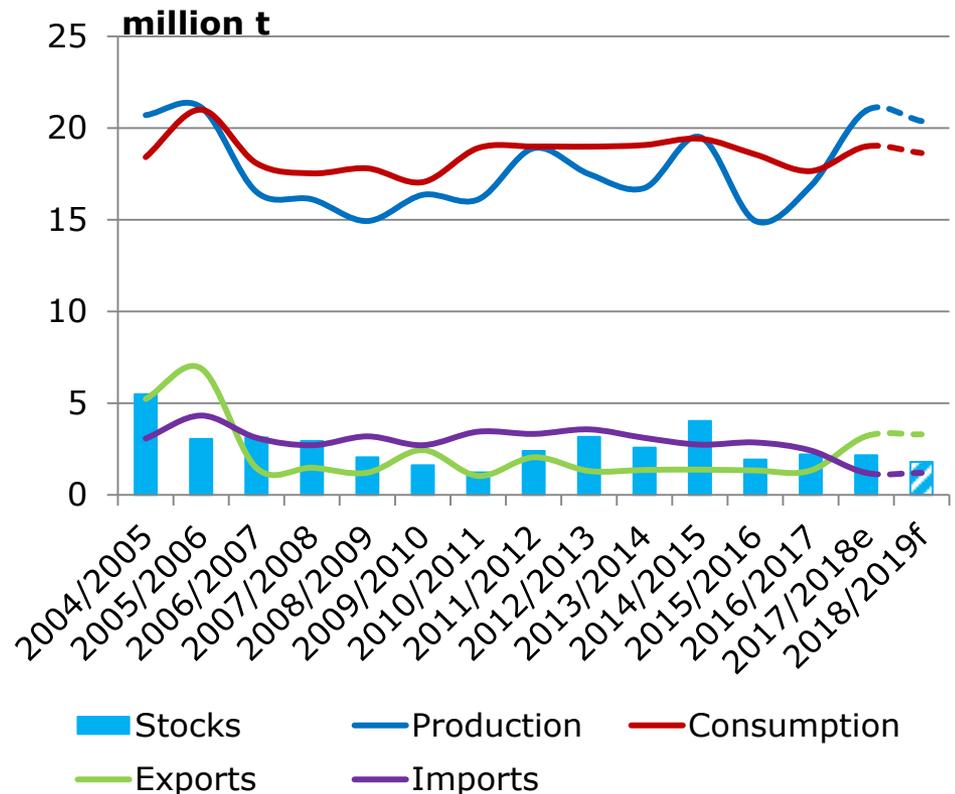


Stable sugar beet production at 130 million t



2018/2019 sugar production forecast about 20.4 million t

- 2017/2018 sugar content
~3% above average
→ 2018/2019 forecast based
on average sugar content
results in 2.7% decrease in
sugar production
- Further minor increase in
exports (+3%)
→ Slightly lower production
levels expected at world
level provides for some
additional scope for exports

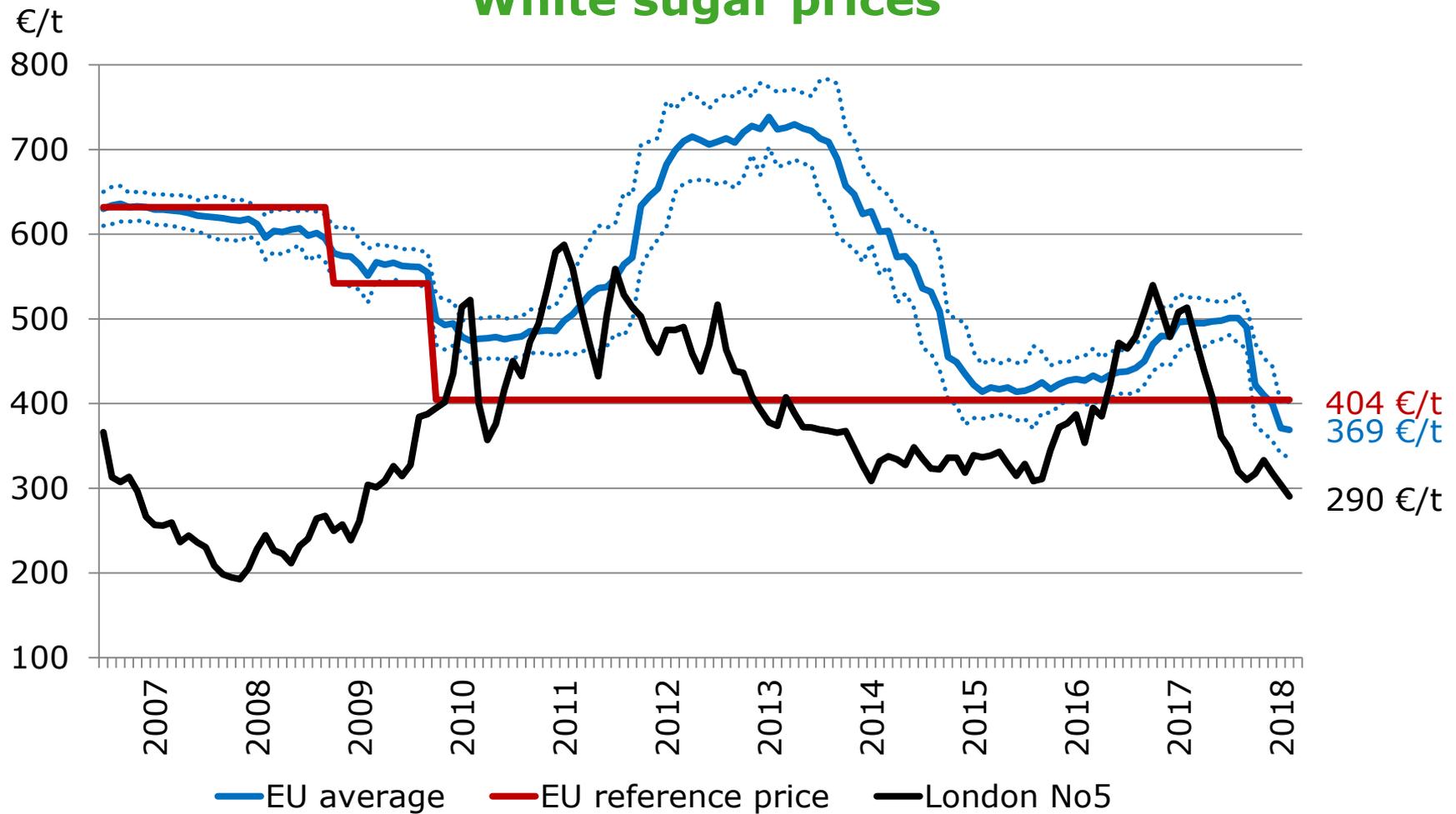




Complement on prices

Sugar Market Observatory
12 April 2018

White sugar prices

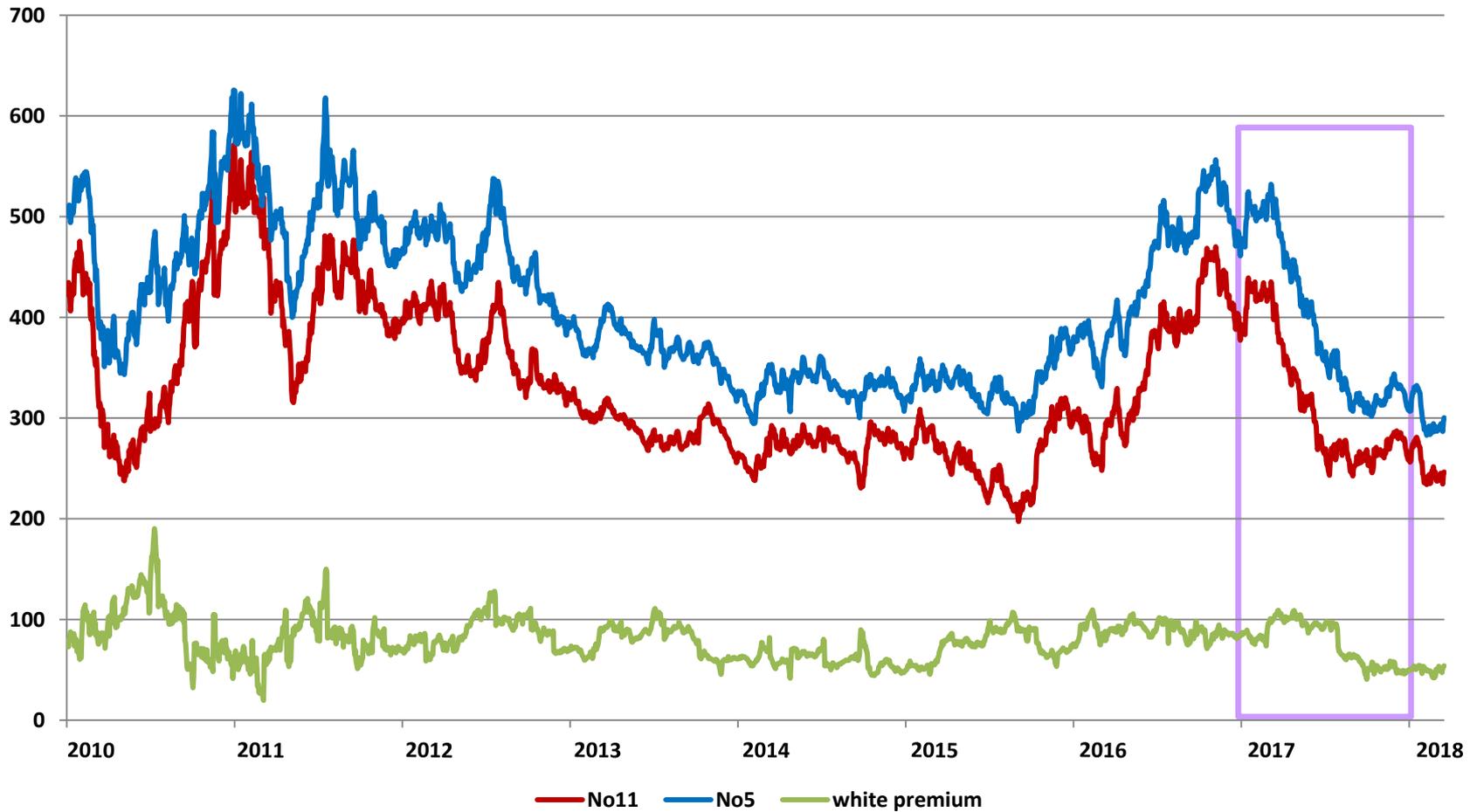


Open questions

- **Will we have convergence among EU and world price?**
- **Will convergence in price trigger also convergence in volatility pattern?**

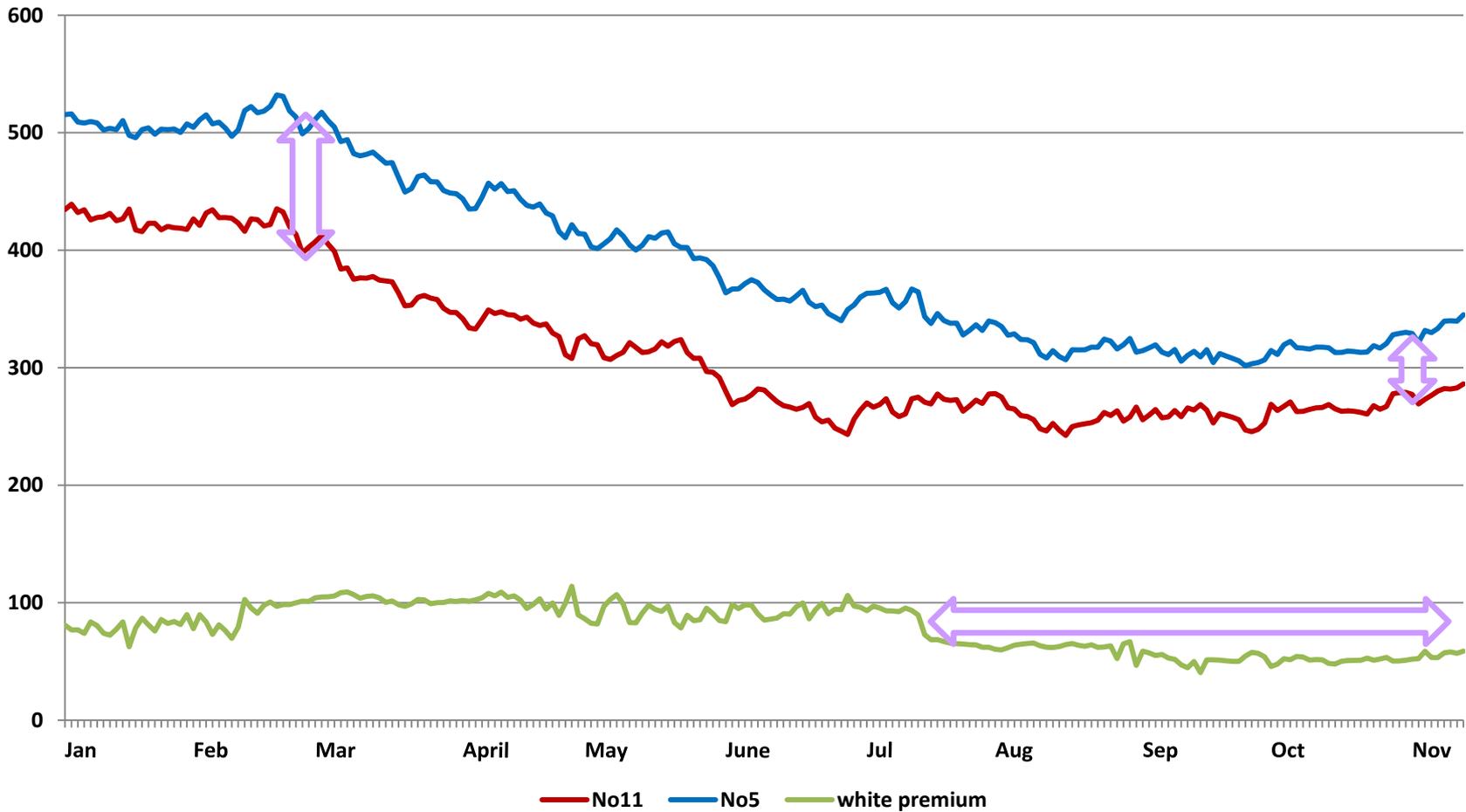
€/t

World prices, raw and white sugar



€/t

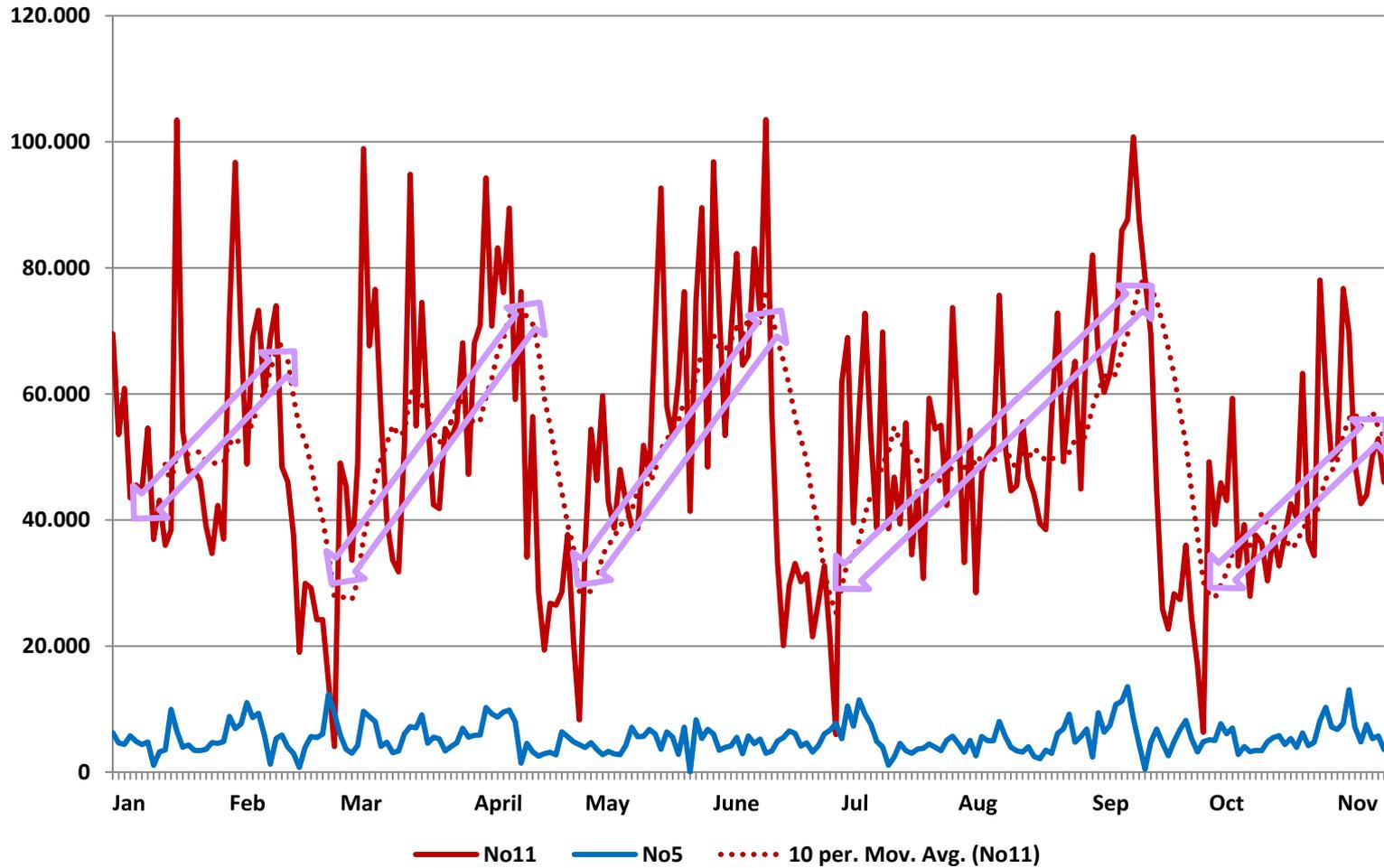
World prices (2017 only)



Open questions

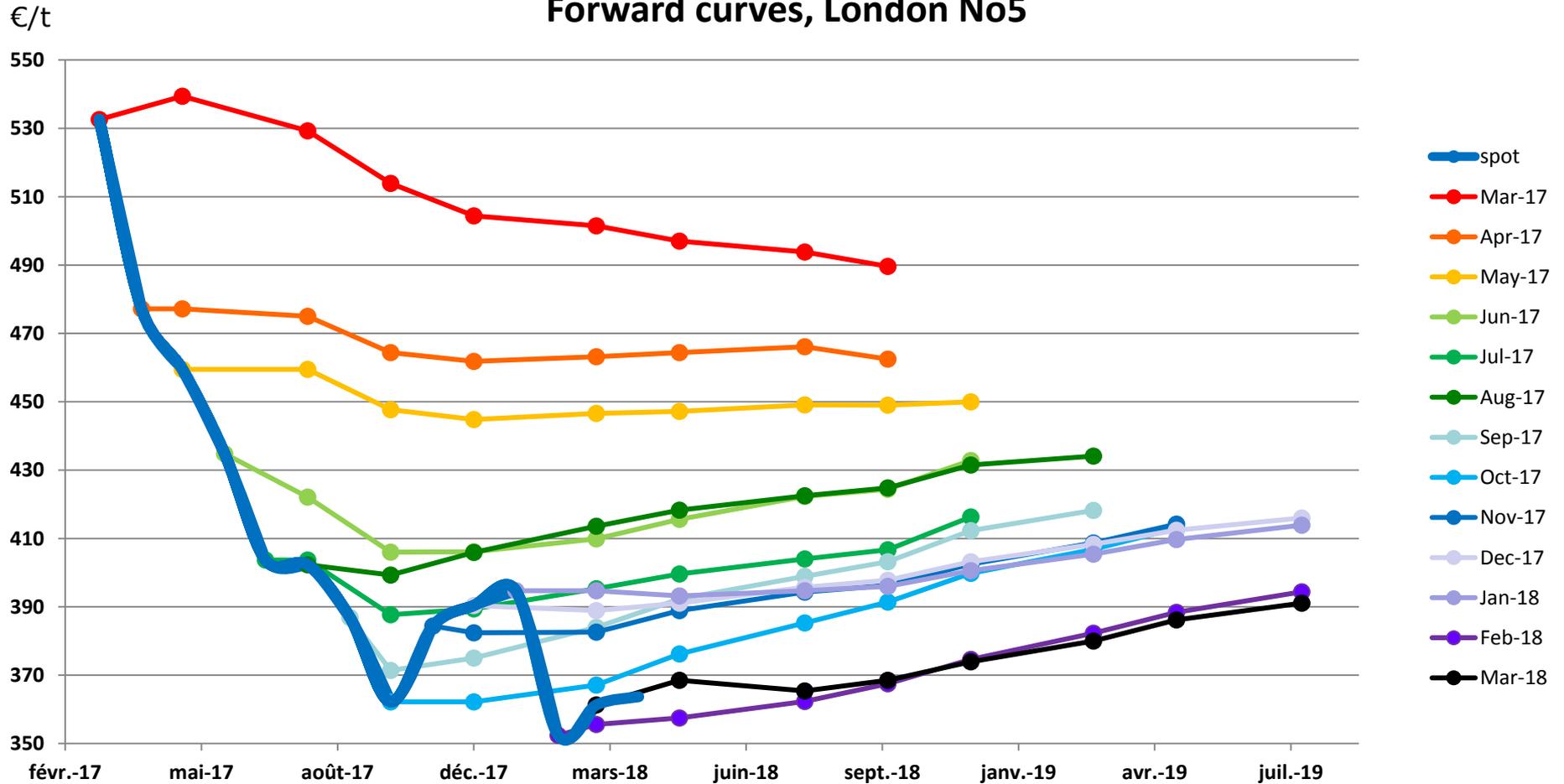
- **Will raw and white sugar prices continue to have synchronized movements?**
- **Will we have arbitrage opportunities among London No5 and NY No11?**

Volumes (2017 only)



Market signals

Forward curves, London No5





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Thanks for your attention