The 2016 EU Agricultural Outlook
Conference

Sugar

Brussels, 6-7 December
Surge in world sugar prices over the last year

World sugar stock (to use ratio)

World white sugar price (EUR/t)
Uncertainty about Brazil
Real strong influence on sugar price

EUR/REAL exchange rate (left axis)  Brazil raw sugar price (right axis)
EU domestic price around 400 EUR/t
Incentives to EU sugar production increase

- World (EU) sugar price
- Reducing average cost through maximizing capacity use
- Storing and trading capacity
- Market share

- Future delivery rights
- Low arable crop prices
- Specialized equipment
- Voluntary coupled support (EU-N13 mainly)
EU white sugar production (million tons)

- EU-N13
- EU-15

+11%  +6%
What else?

Isoglucose quota to expiry
Increased production to 1.9 million tonnes (9% of consumption)
Slow market penetration due to abundant low cost sugar

Imports to decrease as EU market becomes less attractive, especially challenging for CXL imports, <2 million tonnes
Exports to increase > 2 million tonnes

No more differentiation of industrial sugar beets
Limited demand for ethanol
Ethanol production located in regions that could export sugar
Reports and data available at:

http://ec.europa.eu/agriculture/index_en.htm


http://ec.europa.eu/agriculture/trade-analysis/index_en.htm

Thank you for your attention!
Annex
Voluntary coupled support

VCS for sugar beet

EUR/ha

EUR/ton o sugar beet