Sugar Market situation

AGRI G 4 - Committee for the Common Organisation of Agricultural Markets

24 September 2020
World Sugar Market
Exchange rates (18/9/2020)

- Euro – Dollar exchange rate:
  1 € = $1.183

- One month ago:
  1 € = $1.177
Exchange rates (18/9/2020)

- Euro – Real exchange rate: 1 € = 6.22 Real
- Recent sharp depreciation of the Brazilian currency – the real hit a record low mid-May
- One month ago: 1€ = 6.59 Real
World prices

London N.5
18/09/2020: 372 $/t

New York N.11
18/09/2020: 282 $/t
World prices

- **White sugar** (18/9/2020 vs. 21/8/2020)
  - December 20: 371.5 $/t ( - 0.5 %; 314.0 €/t)
  - March 20: 371.9 $/t ( - 1.0 %; 314.3 €/t)

- **Raw sugar** (18/9/2020 vs. 21/8/2020)
  - October 20: 12.77 $cts/lb ( - 0.5 %; 237.9 €/t)
  - March 21: 13.38 $cts/lb ( - 0.1 %; 249.3 €/t)

  *White premium*: around 90 $/t on December/October basis (white/raw).

- Raw sugar hit a record low of 9.21 Cts on Monday 27/4/20, its lowest in Dollar since 12 years (June 2008)

- Sugar prices improved and are now similar to previous MY17/18 and MY 18/19
World prices

EU and Sugar world market prices since 1 April 2010 (EUR/t)

- EU
  - June 2020: 379 €/t
  - July 2020: 378 €/t

- 18/9/2020
  - Ld5: 314 €/t - Raw: 238 €/t

- Raw sugar - NY N°11 (EUR/t)
- White sugar - London N°5 (EUR/t)
  (1st expiration future nearby - settlement)
- Average price for white sugar in the EU (EUR/t)
- EU reference price (threshold)

European Commission
World Market News
• Previous edition statistical global deficit of 9.3 million tonnes in 2019/20 reduced to 0.1 million tonnes in this August update

• Consumption reduction by Covid-19 lockdown estimate at 2.7 millions tonnes
Sugar Price reporting

AGRI G 4 - Committee for the Common Organisation of Agricultural Markets

24 September 2020
EU market price for white sugar

- EUR 1 / tonne compared to previous month
### EU and Regional market prices for white sugar

**Average price for white sugar within the Community**

Ex-work prices for homogeneous granulated crystal, standard quality, in bulk or big bags

<table>
<thead>
<tr>
<th>in €/t</th>
<th>EU</th>
<th>Region 1</th>
<th>Region 2</th>
<th>Region 3</th>
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<tbody>
<tr>
<td></td>
<td>average (1)</td>
<td>std dev (2)</td>
<td>average (1)</td>
<td>average (1)</td>
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<td>July 2019</td>
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<td>35</td>
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<tr>
<td>July 2020</td>
<td>378</td>
<td>38</td>
<td>378</td>
<td>367</td>
</tr>
</tbody>
</table>

- + EUR 58 / tonne compared to previous year
EU and Regional market prices for white sugar

Differences between EU average price and regional average prices

EU July 2020: 378 €/t

Regional market prices
- Region 1
- Region 2
- Region 3

Average price for white sugar within the Community
Region 1: AT - CZ - DK - FI - HU - LT - PL - SE - SK
Region 2: BE - DE - FR - UK - NL
Region 3: BG - ES - GR - HR - IT - PT - RO

+85
-11
+0
EU market price for white sugar compared with World price London N°5 (first future - $/t - €/t)

London N°5:

- + EUR 6 / tonne compared to previous month or + 2%

- - EUR 69 / tonne compared to 6 month ago (-18%).
EPA / EBA average import price

Average prices (CAF) for raw and white sugar imported from ACP countries

- Raw sugar price - imports from EPA-EBA
- White sugar price - imports from EPA-EBA
- Average price for white sugar within the Community

EUR/t

W: 466
R: 378
Sugar Beet Price
Average price for sugar beet

Average price for sugar beet :
R 2017/1185 Art 12 (a) - Annex II 1.

Reference period: 1/10/2017 to 30/09/2018

EU weighted average price: EUR 25.7/t

Region 3: EUR 31.7/t  (ES – HR – IT – RO)
Average price for sugar beet

Provisional average price for sugar beet:
R 2017/1185 Art 12 (a) - Annex II 1.

Reference period: 1/10/2018 to 30/09/2019

Provisional EU weighted average price: EUR 24 /t

Region 3: EUR /t (ES – HR – IT – RO)
METHODOLOGY FOR THE ESTABLISHMENT OF SUGAR BEET PRICES

• The price shall be notified as follows:
  • one weighted average price per marketing year;
  • in national currency, per tonne;
  • taking account of all of the quantities purchased by sugar beet processors from beet growers in respect of the marketing year for which the price is notified;
  • converted to 16% equivalent sugar content.

• The total corresponding quantity of sugar beet shall be notified in tonnes.
Sugar Trade statistics

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24 September 2020
EU Sugar
Preferential Imports
Sugar TRQs 2019-2020 (EU + UK from 1/2/20) (18/9/2020)

SUGAR TRQs - 2019/2020

WTO quota

BALKAN

Source: DG AGRI
Sugar TRQs 2019-2020 (EU + UK from 1/2/20) (18/9/2020)
EU Sugar Imports
EU Total imports

Source: EUROSTAT
EU Total imports

By end of July 20 EPA/EBA origins are representing 56% of total imports.
EU Total imports (2019/2020 - 10 m. - 1.665 m t - EU + UK from 1/2/20)

- Top 3 = 59%

In thousand tonnes:
- UK: 358 or 22%
- SP: 346 or 21%
- IT: 272 or 16%

Source: EUROSTAT
EU Sugar Exports
EU Total exports

EU Monthly sugar exports (CN 1701)

- 2019/2020 (TAXUD Surveillance for most recent month in light blue)
- 2017/2018
- 2018/2019

provisional up to 14/9/20
EU + UK from 1/2/20

Source: EUROSTAT – DG TAXUD
EU Total exports

EU cumulated exports (CN 1701)

- 2019/2020 (TAXUD Surveillance for most recent month in light blue)
- 2017/2018
- 2018/2019

provisional up to 14/9/20
EU + UK from 1/2/20

Source: EUROSTAT- DG TAXUD
EU Total exports (2019/2020 – 10 m. - 0.687 m t - EU + UK from 1/2/2020)

- Top 3 = 71%

In thousand tonnes:
- BE: 192 or 28%
- FR: 188 or 27%
- PL: 105 or 15%

Source: EUROSTAT
EU White sugar exports

Quantity in tonnes and average FOB value in EUR/t from 2017/18 to 2019/20 MY

Source: EUROSTAT
EU + UK from 1/2/20
EU Sugar Trade
By end of July 2020 trade deficit more than 3 times higher than last marketing year:

- Already nearly 1 mt after 10 months compared to -0.3 m t in 2018/19
EU Isoglucose
EU Isoglucose production

Source: DG AGRI
EU Sugar stocks
By end of July 2020, sugar stocks are 700,000 tonnes higher than last year at the same time.

Stock increased by 200,000 t in April, 250,000 t in May and 250,000 t in July.
EU Sugar stocks

EU Sugar total stock

(*) from 2017/2018 total quantities of sugar production stored at the end of each month by sugar undertakings and refineries (Commission Regulation 82017/1185 Art. 12(2) Annex III (2)0) and for previous marketing years, total sugar production in stock: Quota sugar out of quota sugar, and others (Art 17 of Regulation (EC) 1222/2009)

- 2019/2020 EU28
- 2014/2015 EU28
- 2018/2017 EU28
- 2017/2018 EU28
- 2018/2019 EU28
Thank you

Disclaimer:

“The United Kingdom is no longer a Member State of the European Union, however where it is deemed relevant (e.g. for comparison purposes) an EU+UK aggregate may still be displayed.”