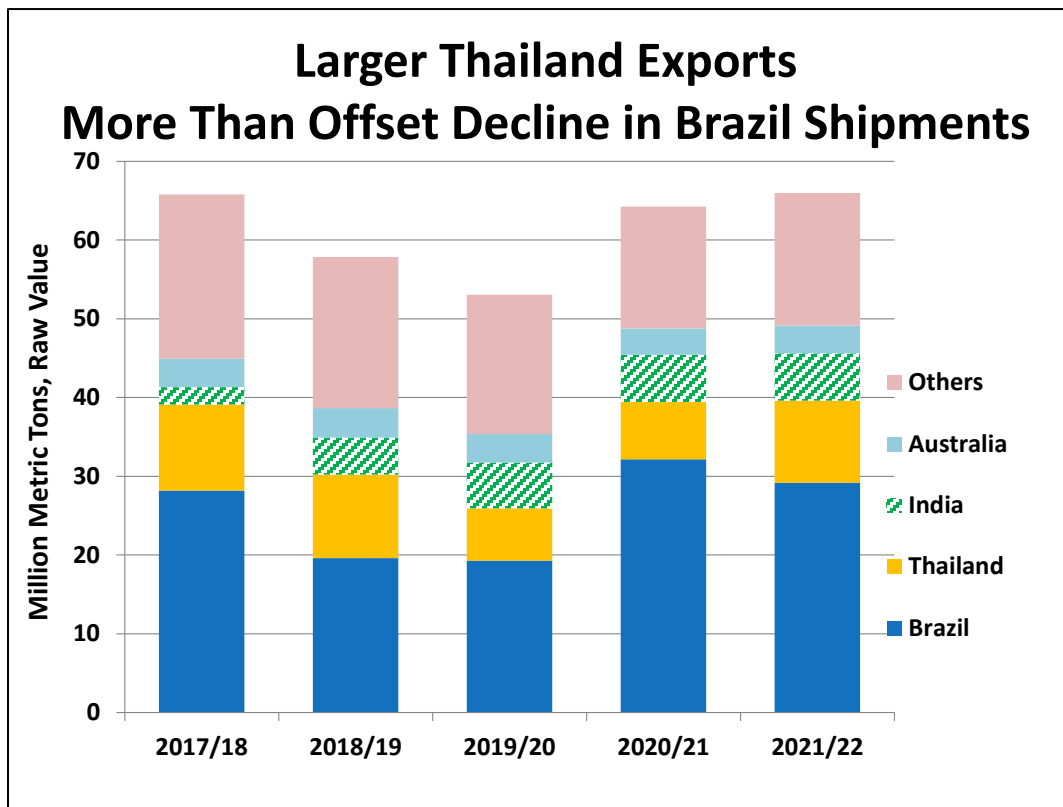


Sugar: World Markets and Trade

Sugar Production Up Globally in 2021/22, Stable in the United States and Mexico

Sugar production in the United States and Mexico is expected to be flat in Marketing Year (MY) 2021/22 at 14.6 million tons (raw value). Sugarbeet production in the United States is up based on historical regional trends. Excellent sugarbeet planting progress through early May is expected to offset declines in Louisiana sugarcane production in the United States from record production last year. Sugarcane yields are expected down in Mexico as a result of ongoing drought and poor soil quality. U.S. imports are down based on projected quota programs and the calculation of U.S. Needs as defined in the amended Suspension Agreements. Consumption is forecast flat while stocks are lowered with the drop in U.S. imports.

Global production is forecast up 6 million tons to 186 million as higher production in the EU, India, and Thailand will more than offset the decline in Brazil. Consumption is forecast to rise to a new record due to growth in markets such as China and India. Exports are forecast up as the increase from Thailand along with strong exports from India will more than offset lower exports from Brazil. Stocks are forecast lower as stocks in Thailand are drawn down in favor of higher exports. Note: the marketing year for Thailand starts in December, whereas the marketing year for Brazil starts in April.

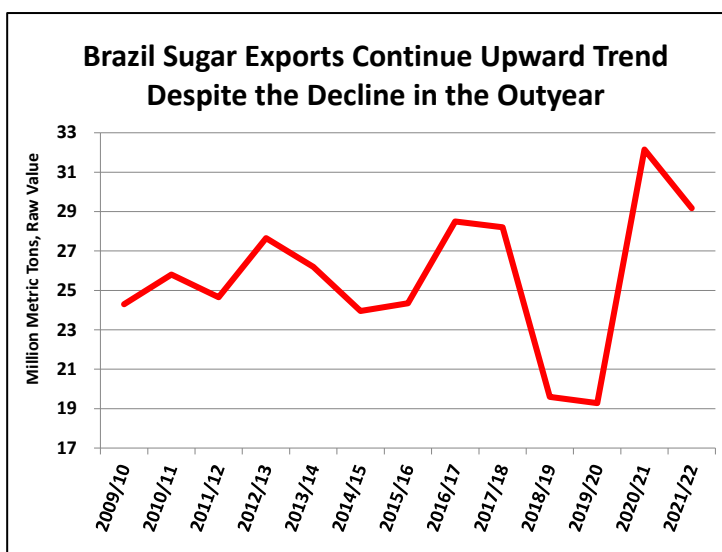


2021/22 Sugar Overview

U.S. production is forecast up marginally to a record 8.4 million tons, as gains from beet sugar more than offset the drop in cane sugar production in Louisiana. Imports are down 16 percent to 2.4 million tons based on projected quota programs and the calculation of U.S. Needs as defined in the amended Suspension Agreements. Consumption is forecast unchanged while stocks are lowered with the drop in imports.

Australia production is forecast up 65,000 tons to 4.4 million due to higher yields. Consumption and exports are up with the rise in production, while ending stocks are projected lower. Australia exports around three-quarters of its sugar production with most exports destined for Indonesia, Japan, and South Korea.

Brazil production is forecast to drop 5 percent to 39.9 million tons due to a reduced volume of sugarcane for crushing. Unfavorably dry weather and incidence of fire outbreak in the fields has lowered volumes. In addition, steady grain prices have encouraged the shift of marginal sugarcane areas to soybeans and corn. The sugar/ethanol production mix is expected to be similar to the previous season at 46.5 percent sugar and 53.5 percent ethanol. Consumption is estimated up slightly. Stocks are forecast to more than double while exports decline from last year's record but still represent the second-highest export level.



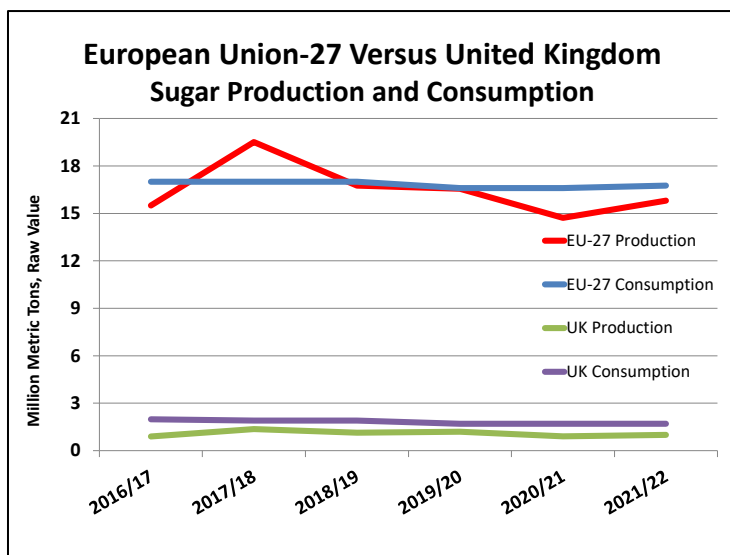
China production is up marginally to 10.6 million tons as rising cane sugar production is expected to offset lower beet sugar production. With rebounding consumption, imports are forecast to rise slightly. Stocks are down for the seventh consecutive year.

Egypt production is up 75,000 tons to 2.9 million on higher beet and cane area. Consumption is up with population growth and expansion of the confectionary food products sector. Imports are expected to remain unchanged due to the higher production, while stocks are lower with the increased demand.

European Union production is forecast 7 percent higher to 15.8 million tons as additional member states such as France and Germany are provided exemptions on the neonicotinoid ban. Sugarbeet seeds will be allowed to be coated with a neonicotinoid to help protect from beet yellow virus. In 2018, the European Commission banned the use of three neonicotinoids (clothianidin, imidacloprid, thiamethoxam), except for use in greenhouses, because of their harmful effect on wild bees and honeybees. These neonic pesticides are important for sugar beet production, since they used to be

applied to seed to prevent aphid infestations in sugar beets. Consumption is up slightly while exports and imports are unchanged. With higher supplies, stocks are also forecast up.

Effective January 1, 2021, the separation of the United Kingdom (UK) from the European Union (EU) was complete, including trade between both entities. Starting in May 2021 with the release of 2021/22 data, sugar PSDs reflect EU27 (shown in the PSD system as “European Union”) and UK separately. Historical data for both EU27 and the UK is provided for 5 years (2016/17 through 2020/21).



United Kingdom production is forecast to rise 100,000 tons to 1.0 million on higher yields. Sugarbeet seeds will be allowed to be coated with a neonicotinoid or 2021 to combat the potential danger posed by the beet yellows virus which contributed to lower yields in 2020. Imports are down with the higher production while consumption is forecast flat.

Guatemala production is forecast to rebound 3 percent to 2.7 million tons on higher sugar yields resulting mainly from the adoption of improved sugarcane varieties. Consumption is unchanged while exports are up on higher supplies with Canada, Chile, and the United States expected to be the top markets. Stocks are down as a result of higher exports and lower beginning stocks.

India production is forecast to grow 3 percent to 34.7 million tons, assuming favorable weather. Consumption is forecast at a record with the expectation that the economy recovers from the pandemic with the marketing year that begins in October. Imports and exports are forecast unchanged, but stocks are up almost 8 percent due to higher beginning stocks and higher production.

Indonesia production is forecast up 3 percent to 2.2 million tons due to higher area and sugarcane yields. Consumption is expected up slightly in line with population growth and expected demand recovery from the food and beverage industry. Imports are forecast to decline with higher domestic production. Stocks are expected down, reflecting lower imports and growing consumption.

Mexico production is forecast slightly lower to 6.2 million tons (5.8 million tons, actual weight) due to lower sugarcane yields as a result of ongoing drought and poor soil quality. Consumption is gradually decreasing due to a weak economy and high inflation. Exports are forecast higher, with shipments to the United States projected at the expected level of U.S. Needs, as defined in the amended Suspension Agreements.

Pakistan production is forecast up 14 percent to 6.8 million tons due to significant increases in area and sugarcane yields. Consumption continues to grow modestly, largely as a result of a growing population and a slowly developing domestic food processing sector. Exports are forecast to rise to 800,000 tons on expectations of large sugar supplies. Stocks are up with higher production.

Thailand production is forecast to rebound 3.0 million tons to 10.6 million on higher sugarcane yields, increased harvested area, and favorable weather. Unlike Brazil's marketing year that starts in April, Thailand's marketing year begins in December. Consumption growth is driven by strong demand for direct sugar consumption and food-processing. With favorable supplies and robust global demand, exports are forecast at a record 10.4 million tons. Stocks are forecast down with the increase in exports.

Selected MY 2020/21 Revisions from November 2020 Forecast:

- Global production is down 2.0 million tons to 179.9 million.
 - o United States is up 270,000 tons to 8.4 million with larger output for both beet and cane sugar.
 - o EU is lowered with the United Kingdom split.
 - o Ukraine is down 425,000 tons to 1.1 million on unfavorable warm dry weather and lower area and yields.
 - o Cuba dropped 380,000 tons to 900,000 tons as large area went unharvested due to drought.

- Global imports are down slightly to 54.0 million tons.
 - o Vietnam up 929,000 tons to 1.2 million with higher imports from Thailand and Malaysia.
 - o China is raised 500,000 tons to 4.9 million, fueled by the removal of the safeguard duty on out-of-quota imports.
 - o Pakistan jumps to 350,000 tons in an effort to control rising domestic prices.
 - o EU is lowered with the United Kingdom split.
 - o United Arab Emirates is down 630,000 tons to 1.4 million due to lower demand.
 - o Indonesia is reduced 450,000 tons to 5.2 million as demand was not as high as initially forecast.

- Global exports are down 1.0 million tons to 64.3 million.
 - o Russia is lowered to 390,000 tons with a drop in demand in markets such as Kazakhstan and Uzbekistan.
 - o South Africa is down 255,000 tons to 985,000 based on the pace of exports.
 - o Pakistan falls to 50,000 tons with high domestic prices.

- Global ending stocks up 3.0 million tons to 45.8 million.
 - o China rose 911,000 tons to 4.4 million due to a slow rebound in domestic consumption.
 - o Pakistan is up 845,000 tons to 2.2 million on higher production and lower exports.
 - o India is raised 500,000 tons to 15.4 million on lower consumption.
 - o United States climbs 449,000 tons to 1.6 million on higher production and imports.
 - o Indonesia drops 253,000 tons to 1.8 million on lower production and imports.

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The *Sugar: World Markets and Trade* circular is based on reports from FAS Overseas Posts since April 2021 and on available secondary information. The individual country reports can be obtained on FAS Online at: <https://gain.fas.usda.gov/Pages/Default.aspx>.

European Union definition: includes 27 countries in the customs union (Austria, Belgium/Luxembourg, Bulgaria, Croatia, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Malta, Netherlands, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, and Sweden).

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Future Releases and Contact Information

Please visit <https://www.fas.usda.gov/data/sugar-world-markets-and-trade> to view archived and future releases. The next release of this circular is scheduled for November 2021. To receive the circular via email, go to: <https://public.govdelivery.com/accounts/USDAFAS/subscriber/new>.

PSD Online

The entire USDA PSD database is available online at: <https://www.fas.usda.gov/psdonline>.

Additional Resources

Please refer to the USDA-FAS Sugar website at: <https://www.fas.usda.gov/commodities/sugar> for additional data and analysis.

Situation and outlook information on U.S. sugar and sweeteners can be obtained from the USDA-Economic Research Service at: <http://www.ers.usda.gov/topics/crops/sugar-sweeteners.aspx>.

Sugar Marketing Years -

Countries are on a May-April Marketing Year with exceptions noted below.

April-March – Brazil

July-June – Australia

September-August - Philippines

October-September – Barbados, Belarus, Belize, Bolivia, China, Colombia, Costa Rica, Cuba, Dominican Republic, Egypt, El Salvador, European Union-27, Guatemala, Guyana, Honduras, India, Iran, Mexico, Morocco, Nicaragua, Pakistan, Panama, Russia, Serbia, Sudan, Turkey, United Kingdom, Ukraine, United States, Venezuela, and Vietnam

December-November – Thailand

World Centrifugal Sugar: Production and Consumption

1,000 Metric Tons, Raw Value

	2016/17	2017/18	2018/19	2019/20	2020/21	May 2021/22
Production						
Brazil	39,150	38,870	29,500	30,300	42,050	39,920
India	22,200	34,309	34,300	28,900	33,760	34,700
European Union	15,505	19,508	16,750	16,556	14,717	15,800
Thailand	10,033	14,710	14,581	8,294	7,570	10,603
China	9,300	10,300	10,760	10,400	10,500	10,600
United States	8,137	8,430	8,164	7,392	8,436	8,446
Pakistan	6,825	7,225	5,270	5,400	6,010	6,840
Mexico	6,314	6,371	6,812	5,596	6,175	6,158
Russia	6,200	6,560	6,080	7,800	5,750	6,100
Australia	5,100	4,480	4,725	4,285	4,335	4,400
Egypt	2,270	2,320	2,405	2,740	2,780	2,855
Turkey	2,500	2,500	2,700	2,750	2,800	2,800
Guatemala	2,719	2,865	2,966	2,764	2,622	2,700
Colombia	2,300	2,500	2,400	2,350	2,220	2,400
Indonesia	2,050	2,100	2,200	2,250	2,130	2,200
South Africa	1,607	2,064	2,257	2,295	2,106	2,174
Philippines	2,500	2,100	2,100	2,150	2,100	2,100
Iran	1,770	2,190	1,575	1,180	1,750	1,950
Argentina	2,050	1,870	1,570	1,750	1,830	1,550
Ukraine	2,156	2,180	1,753	1,638	1,134	1,399
Peru	1,238	1,080	1,262	1,197	1,265	1,300
Cuba	1,800	1,100	1,300	1,200	900	1,100
United Kingdom	897	1,364	1,133	1,191	900	1,000
Vietnam	1,520	1,540	1,300	850	810	890
Japan	720	830	780	820	800	830
Other	15,277	14,827	14,525	14,237	14,405	14,722
Total	172,138	194,193	179,168	166,285	179,855	185,537
Human Dom. Consumption						
India	25,500	26,500	27,500	27,000	28,000	28,500
European Union	15,441	17,000	17,000	16,600	16,600	16,750
China	15,600	15,700	15,800	15,400	15,500	15,800
United States	10,979	10,930	10,982	11,173	11,000	11,000
Brazil	10,550	10,600	10,600	10,650	10,150	10,200
Indonesia	6,186	6,375	7,055	7,356	7,445	7,500
Russia	5,872	6,112	6,021	6,120	6,018	6,000
Pakistan	5,100	5,300	5,400	5,600	5,750	5,900
Mexico	4,769	4,512	4,317	4,349	4,202	4,192
Egypt	2,950	3,050	3,100	3,250	3,340	3,430
Turkey	2,739	2,728	2,784	2,999	2,910	2,940
Iran	2,655	2,448	2,492	2,216	2,571	2,721
Bangladesh	2,232	2,659	2,519	2,477	2,510	2,560
Thailand	2,680	2,580	2,480	2,360	2,480	2,500
Philippines	2,190	2,250	2,300	2,300	2,000	2,200
Vietnam	1,838	1,756	1,573	1,768	1,984	2,120
Algeria	1,749	1,908	2,093	2,138	2,100	2,085
Japan	2,031	2,063	1,980	1,960	1,854	1,919
Colombia	1,900	1,764	1,858	1,860	1,875	1,900
Malaysia	1,736	1,833	1,991	1,877	1,855	1,890
South Africa	1,960	1,961	1,770	1,520	1,670	1,710
United Kingdom	1,983	1,896	1,900	1,700	1,700	1,700
Sudan	1,290	1,564	1,632	1,953	1,653	1,615
Nigeria	1,545	1,610	1,610	1,620	1,610	1,600
Korea, South	1,424	1,519	1,668	1,623	1,575	1,595
Other	36,091	36,567	34,221	32,968	33,450	34,081
Total	168,990	173,185	172,646	170,837	171,802	174,408

World Centrifugal Sugar: Imports and Exports

1,000 Metric Tons, Raw Value

	2016/17	2017/18	2018/19	2019/20	2020/21	May 2021/22
Exports						
Brazil	28,500	28,200	19,600	19,280	32,150	29,170
Thailand	7,016	10,907	10,612	6,672	7,300	10,445
India	2,125	2,236	4,700	5,800	6,000	6,000
Australia	4,000	3,600	3,735	3,600	3,335	3,535
Guatemala	1,978	1,881	2,125	1,858	1,729	1,823
Mexico	1,287	1,146	2,337	1,285	1,589	1,615
European Union	1,987	4,349	2,411	1,459	1,000	1,000
South Africa	218	768	1,041	1,451	985	995
Pakistan	400	1,600	1,100	75	50	800
Colombia	695	732	801	780	700	770
Morocco	484	380	497	664	680	700
Eswatini	587	519	582	778	634	645
El Salvador	473	449	532	508	540	530
Nicaragua	454	388	534	497	509	510
Belarus	456	393	387	442	450	460
Cuba	1,160	557	576	691	350	450
Saudi Arabia	367	360	353	429	390	425
Russia	435	612	382	1,542	390	400
Mauritius	474	390	347	395	370	380
Korea, South	343	325	306	313	340	350
Nigeria	300	300	300	300	300	350
Algeria	341	323	190	321	320	320
Egypt	300	200	200	300	300	300
Malaysia	207	149	123	109	275	275
Costa Rica	230	212	209	199	225	230
Other	5,230	4,819	3,875	3,329	3,373	3,481
Total	60,047	65,795	57,855	53,077	64,284	65,959
Imports						
China	4,600	4,350	4,086	4,408	4,900	5,000
Indonesia	4,781	4,325	5,362	4,758	5,200	4,800
Bangladesh	2,097	2,654	2,429	2,397	2,450	2,510
United States	2,943	2,972	2,785	3,842	2,860	2,407
Algeria	2,135	2,261	2,328	2,469	2,405	2,405
Malaysia	1,893	2,002	2,139	1,966	2,125	2,175
European Union	2,908	1,612	2,374	2,236	2,000	2,000
Korea, South	1,757	1,864	1,999	1,926	1,900	1,955
Nigeria	1,820	1,870	1,870	1,890	1,880	1,930
Saudi Arabia	1,510	1,440	1,342	1,420	1,495	1,560
United Arab Emirates	1,880	2,797	1,571	748	1,370	1,420
Canada	1,139	1,238	1,268	1,248	1,310	1,330
Morocco	1,163	1,130	1,100	1,328	1,305	1,330
Vietnam	381	249	274	998	1,249	1,300
Sudan	647	1,079	1,042	1,528	1,088	1,110
Japan	1,232	1,240	1,187	1,142	1,026	1,106
Iraq	1,021	1,400	1,180	1,195	1,065	1,080
India	2,701	2,071	1,300	900	1,000	1,000
Yemen	677	876	664	770	1,015	975
United Kingdom	937	1,038	1,003	679	925	900
Egypt	830	990	860	830	830	830
Somalia	614	565	732	877	800	830
Iran	962	203	932	981	901	801
Sri Lanka	611	620	593	626	770	795
Cambodia	737	715	582	781	550	650
Other	13,302	14,180	12,412	12,009	11,567	11,433
Total	55,278	55,741	53,414	53,952	53,986	53,632

World Centrifugal Sugar: Ending Stocks

1,000 Metric Tons, Raw Value

	2016/17	2017/18	2018/19	2019/20	2020/21	May 2021/22
Ending Stocks						
India	6,570	14,214	17,614	14,614	15,374	16,574
China	7,811	6,567	5,408	4,639	4,384	4,029
Thailand	5,618	6,841	8,330	7,592	5,382	3,040
Pakistan	2,805	3,140	1,920	1,685	2,245	2,405
United States	1,702	1,822	1,618	1,468	1,637	1,363
Indonesia	1,743	1,793	2,300	1,952	1,787	1,287
Philippines	1,167	1,067	1,234	1,289	1,274	1,184
European Union	1,776	1,547	1,260	1,993	1,110	1,160
Mexico	1,062	1,479	1,239	910	965	965
Brazil	850	920	220	590	340	890
Iran	535	480	495	440	520	550
Bangladesh	430	525	510	495	510	515
Japan	505	510	495	495	465	480
Kenya	151	411	441	506	551	451
Vietnam	370	350	315	355	395	430
Algeria	350	380	425	435	420	420
Korea, South	370	390	415	405	390	400
Malaysia	350	370	395	375	370	380
Ecuador	395	388	389	351	326	361
Sudan	255	315	325	400	325	320
Canada	245	260	265	250	270	275
Russia	350	440	450	740	265	273
Morocco	260	265	250	260	260	265
United Arab Emirates	225	370	280	150	225	235
Saudi Arabia	240	220	200	200	215	225
Other	5,890	6,789	6,340	6,186	5,839	5,499
Total	42,025	51,853	53,133	48,775	45,844	43,976