

Market Report

> FranceAgriMer's Economic analysis of the sugar market



• Number 29 / November 2015 / Sugar Market Report

Current forecasts for 2015/16 campaign indicate that world sugar production is expected to significantly decrease and reach 169.4 Mt (the ISO). Given the decline in production and the gradual increase in consumption globally, the market would be in deficit in 2015/16 for the first time in 6 years. Sugar prices increase rapidly supported by the latest data from Brazil on the rainy weather in the South Central region.

The Australian agency "Green Pool Commodities" announced that the phenomenon "El Nino" would be one of the most powerful in 20 years and is expected to damage the sugarcane crop in India and China.

According to those Australian experts, in 2015/16, supply should be lower than the demand by 5.6 Mt. "El Niño", which would reach its peak towards the end of the year could reduce sugar production in India, South Asia and Central America.

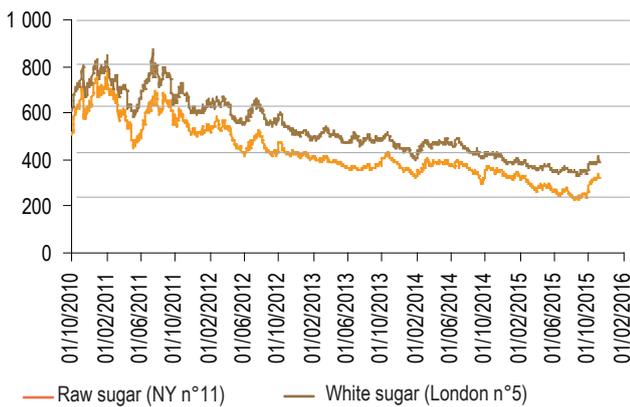
The EU sugar production in 2015 is expected to decrease by 2.3 Mt to 17.7 Mt. Seeding in the EU had started early but was interrupted by rains in many countries at the end of March and early April.

Regarding the 2014/15 French production, its decline should be less than expected and so the production could reach 5.1 Mt.

> World sugar market

Chart 1

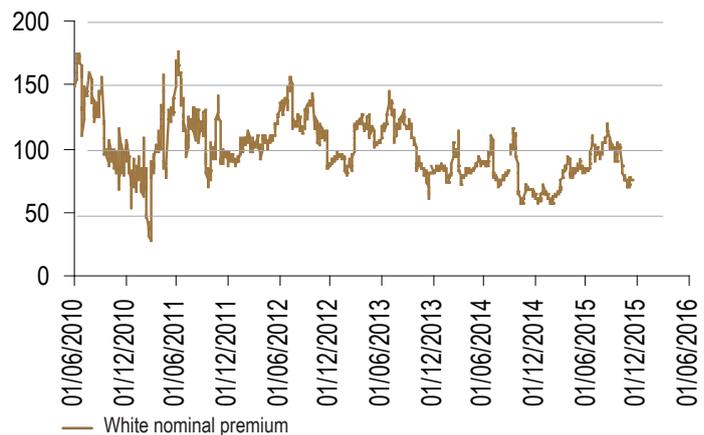
World sugar prices (\$/t)



Sources : LIFFE / NYSE

Chart 2

White nominal premium (\$/t)



> **An upward trend in prices supported by fundamentals**

The world sugar prices began to firm up in the first half of September amid worrying weather forecasts in the major producing countries like Brazil and India.

In mid-September, a further weakening of the Brazilian real (BRL) and the decision of India to export 4 Mt in 2015/16 weighed on world sugar prices.

The 6% price increase of Brazilian gasoline has resulted in higher ethanol prices accentuating the rise in sugar prices.

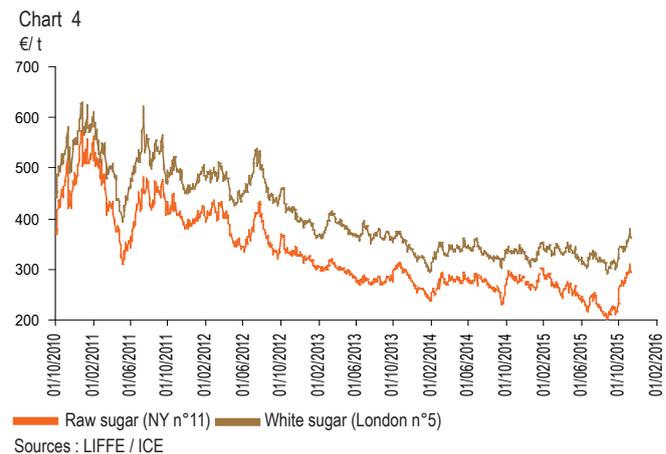
Due to the expiration of the October contract N° 11 prices increased. On September 30, the last day before October contract expiration the price was \$ 12.17 cents / lb and increased to 13.26 cents / lb, on October 1 for March delivery.

As for the prices in London on September 30, the December contract was trading at \$ 370 / t and increased to \$ 378 / t on October 1. We can consider that the upward correction in London prices reflected the trend of contract No. 11 since there was no delivery month change for the contract N° 5. In the beginning of November, prices in New York reached 15.49 cents / lb (November 3) for the March contract which was a new increase since February 2015. The March contract N°5 was traded at \$ 418.5 / t which was the first significant increase for this contract since November 2014.

According to the CFTC data, non-commercial funds continue to increase their long position on raw sugar during the second half of October which reached 113 917 lots, representing the most important position since July 2014. At the same time, they reduced their long position for futures and options of white sugar to 16 985 lots.

The long position reduction may indicate that non-commercial funds assume that raw sugar prices will increase especially due to the rainy weather in Brazil and other climatic disturbances related to the El Nino phenomenon.

World sugar prices (€/t)

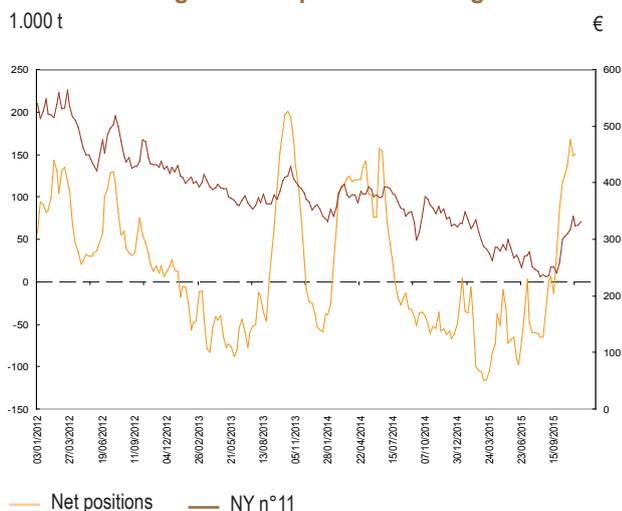


Currencies developments

The USD remains supported by expectations of tightening of the US monetary policy. A strong dollar would hamper an already weak recovery in commodity prices, weighing primarily on Latin American currencies.

The weak CNY could provoke an increased volatility of emerging markets currencies. According to experts, there's a stabilization of the CNY, but its August devaluation continues to spread around the key emerging markets currencies.

Chart 3
Prices of raw sugar and net positions of hedge funds



Source : CFTC (Commodity Futures Trading Commission)

The BRL is still under pressure fed by a deep economic recession and unstable political environment in Brazil. The only positive aspect of the weak BRL is that it could increase the export competitiveness of the Brazilian economy.

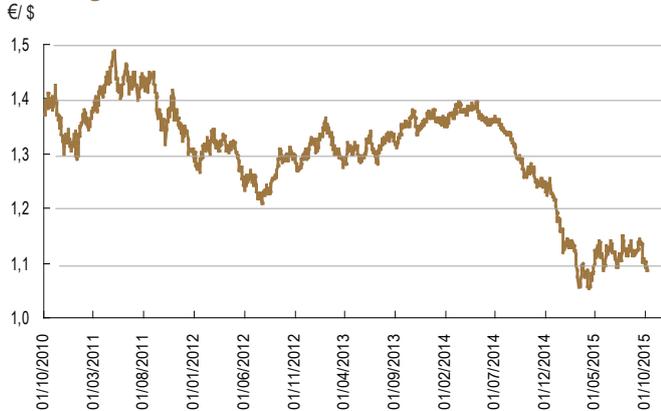
As for the euro zone, according to experts, too low inflation could lead to quantitative easing initiated by ECB which could weigh on the euro later in the year. Experts predict a growth of around 0.4% q / q in the third quarter which is related to the improvement in industrial production, retail sales and exports in the EU.

The Indian rupee (INR) was in decline vs the US dollar (USD). As the US Federal Reserve could tighten monetary policy, emerging markets might face increased currency volatility which could prevent the Reserve Bank of India to conduct a monetary policy easing in order to revive the economy and limit the weakening of the INR.

The Thai Baht (THB) is facing a weakening due to the instability of world markets. According to experts, the Thai monetary authorities could let the depreciation of THB continue as a mean of support to local exporters.

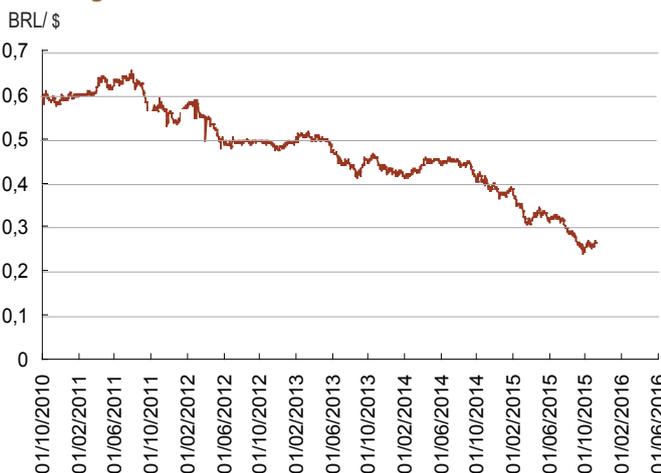
The Russian ruble (RUB) found some stability against the US dollar (USD) in September. Nevertheless, the RUB has lost about half its value against the US dollar since July 2014, and the outlook remains pessimistic given the current oil prices.

Chart 5
Exchange rate



Source : Reuters

Chart 6
Exchange rate



Source : Reuters

2015/16 campaign: first imbalance between supply and demand in 6 years

In 2015/16, the ISO forecasts a significant reduction in global production of 2 Mt compared to the 2014/15 that could reach 169.4 Mt.

According to F.O. Licht, production in 2015/16 could reach 177.9 Mt vs 182.3 Mt in 2014/15.

According to a forecast by Czarnikow (September 29), the global deficit would be greater because of the less optimistic forecast in Brazil and in the EU and it would amount to 4.1 Mt vs 3 Mt announced in June 2015. The decline in global sugar production is expected by most analysts. It is due to a significant drop in European production of beet sugar accompanied by modest declines in cane production all over the world.

In mid-September the Australian agency ABARES released its forecast for the new 2015/16 campaign estimating global production (October / September) at 182 Mt (raw value). Global consumption could reach 184.7 Mt. Another Australian agency Green Pool sees a global deficit in 2015/16 at 5.6 Mt given the smaller productions in China and India.

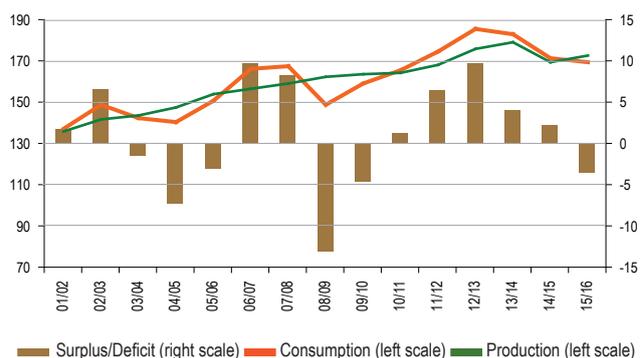
In 2015/16, Rabobank forecasts a deficit that could reach 4.8 Mt on the basis of unfavorable weather forecasts in Brazil and India.

2014/15	Production	Consumption	Surplus/deficit
Czarnikow	187,5	183,7	3,8
F.O. Licht	182,3	179,1	2,1
ISO	171,3	169,2	2,2
KINGSMAN	183	181	2
USDA	174,3	170,6	0,3

2015/16	Production	Consumption	Surplus/Déficit
Czarnikow	183,2	187,3	-4,1
F.O. Licht	177,9	181,7	-5,2
ISO	169,4	172,9	-3,5
KINGSMAN	182	184,7	-2,7
USDA	173,4	173,4	-3,8

Source : ISO (october 2015)

World sugar balance (Mt)



Source : ISO / F.O. Licht

Evolution of production in major exporting countries

Exporting countries	Production			Consumption			Surplus/deficit		
	2014/15 (for.)	2013/14	2012/13	2014/15 (for.)	2013/14	2012/13	2014/15 (for.)	2013/14	2012/13
Brazil	35,5	37,4	38,5	12,0	11,9	11,9	23,5	25,5	26,6
India	26,0	23,0	26,9	24,1	22,9	22,9	1,9	0,1	4,0
Thailand	9,3	9,8	10,0	2,8	2,8	2,8	6,5	7,0	7,2
Mexico	6,3	6,6	5,5	4,3	4,2	4,1	2,0	2,4	1,4
Australia	4,7	4,2	4,4	1,1	1,0	1,0	3,6	3,2	3,4
Pakistan	6,2	5,2	4,7	4,7	4,6	4,5	1,5	0,6	0,2
Total	88,0	86,2	90,0	49,0	47,2	47,2	39,0	38,8	42,8

Evolution of production in importing countries

Importing countries	Production			Consumption			Surplus/deficit		
	2014/15 (for.)	2013/14	2012/13	2014/15 (for.)	2013/14	2012/13	2014/15 (for.)	2013/14	2012/13
Russia	4,6	4,4	4,8	5,4	5,6	5,6	-0,8	-1,2	-0,8
Algeria	0,0	0,0	0,0	1,4	1,3	1,3	-1,4	-1,3	-1,3
Indonesia	2,5	2,6	2,6	6,1	5,8	5,4	-3,6	-3,2	-2,8
China	12,5	13,1	12,0	15,0	14,6	14,1	-2,5	-1,5	-2,1
Malaysia	0,0	0,0	0,0	1,6	1,6	1,5	-1,6	-1,6	-1,5
USA	7,2	7,4	7,6	10,1	10,3	9,7	-2,9	-2,9	-2,1
UE	17,8	16,3	17,0	19,2	18,5	18,1	-1,4	-2,2	-1,1
Total	44,6	43,8	44,0	58,8	57,7	55,7	-14,2	-13,9	-11,7

Source : ISO (September 2015)

> Market Key Actors : weather factor

El Niño has a serious impact on the new 2015/16 production. Because of the heavy rains in the South Central region of Brazil the grinding operations were interrupted. The South Central region is approaching the end of the 2015/16 crushing campaign in the context of seasonal quality deterioration of the cane. The amount of recoverable sugar per ton of cane in the first half of October was at 139.9 kg vs 145.6 kg of the previous estimation and vs 145.7 kg in the same period a year ago.

Excessive rainfall hampered harvesting operations in some areas such as Parana and Mato Grosso do Sul. According to the Unica about 100 Mt of cane are to be treated until the end of the campaign. In the beginning of November, the treated volume reached 480.4 Mt, almost the same level compared to the same period last year (480.9 Mt). Sugar production was down by 2 Mt and reached 25.3 Mt vs 27.4 Mt a year ago, while ethanol production was slightly up, 21.9 billion liters vs 21.6 billion liters a year ago.

According to estimates of a Brazilian analyst Datagro, sugar production in 2015/16 could reach 31.4 Mt (tel quel) in the CS area (released October 15). Datagro has not changed its forecast for this region since August 2015 according to which cane production could reach 604.6 Mt. The ethanol production is estimated at 28.2 billion liters.

According to Indian Sugar Manufacturers Association (ISMA), because of the dry weather in the regions of Maharashtra and Karnataka, 2015/16 production could fall by approximately 5% over the year to reach 27 Mt (white value).

In mid-October, the Indian Ministry of Food published its forecast for sugar production for the 2015/16 campaign. According to the ministry, the production could reach 26 Mt vs 28.3 Mt in 2014/15, a decrease of 9% compared to the previous season. Despite this decline, domestic demand remains lower than production and reaches 25 Mt.

In September 2015, the stocks totaled 9.6 Mt vs 7.5 Mt last year. The high stocks' level indicates that the country could export a significant amount of sugar. In the second half of September, due to a bearish environment, the government defined targets for each factory based on their average production for the last three years. In order to reduce stocks, the Indian Ministry of Food defined the sugar exports goal at 4 Mt for the 2015/16 campaign. According to the ISO, in 2015/16, Indian exports could reach 2.9 Mt of which about 900 000 tons of white sugar are refined from imported raw sugar. The ISO believes that due to these exports stocks could decline by about 0.5 Mt.

In mid-September, the Office of the Thai Cane and Sugar Board (OCSB) reported that adverse weather situation since the beginning of the year could cause delays in the new crushing season. Nevertheless, the production forecast remains almost identical to last year and amounts to 110 Mt of cane (111 Mt in 2014/15). As for sugar production, it could reach 11.5 Mt vs 11.3 Mt in 2014/15.

In September 2015, China imported 662 044 tons of sugar (raw value). The country has more than doubled the volume compared to the previous month (281 195 t). The principal supplier of sugar

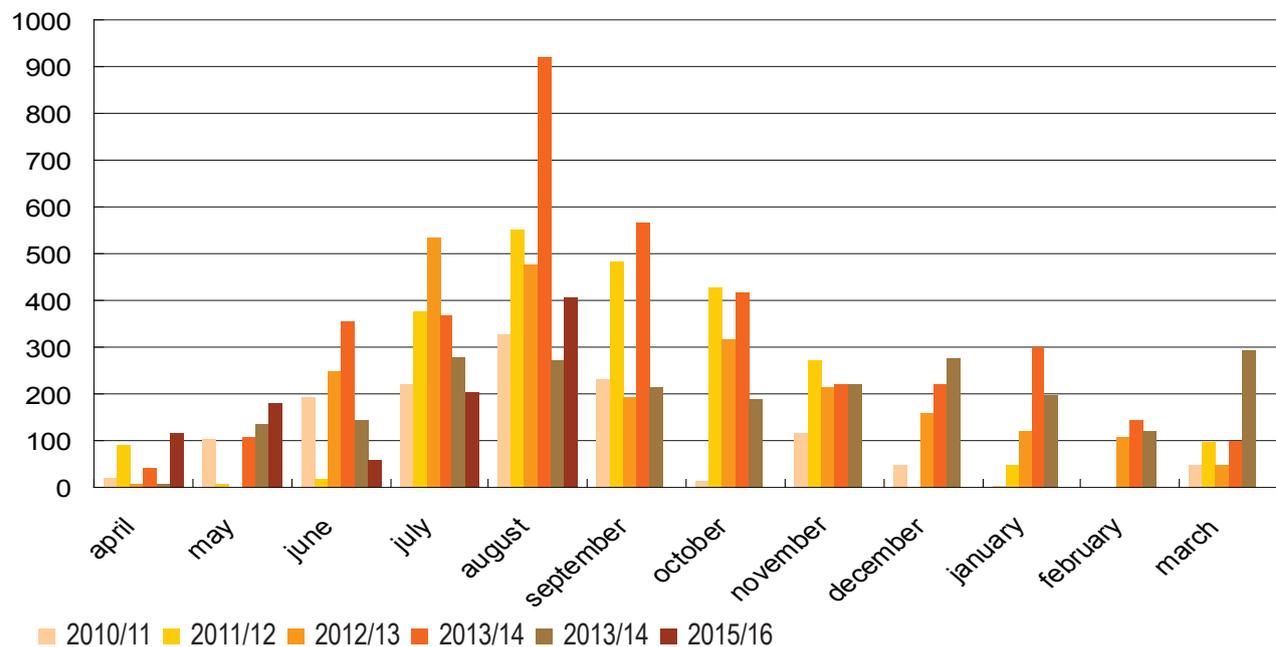
to China is Brazil (85%), followed by Thailand (8%) and Australia (4%). Total imports of the 2014/15 campaign (October / September) reached a new record of 4.87 Mt vs 4.05 Mt in 2013/14. The previous imports record was in 2011/12 and amounted to 4.29 Mt. In 2015/16, China is likely to remain the world's largest sugar importer. Imports could increase given the decline in domestic production and a large gap between international and domestic prices. Sugar imports in recent years have far exceeded the annual quota of 1.95 Mt and artificially high domestic prices make the price of imported sugar even more competitive despite a tariff rate of 50% for the out of quota sugar. Thailand could become a major supplier of sugar to China. The country which is also the second largest exporter in the world, exported 0.8 Mt of sugar to China between October 2014 and July 2015 (China Customs Statistics).

So far, Brazil remains the largest supplier of raw sugar for China. The increase in imports was driven by a strong difference between local and international prices. Another reason for the increase in imports is a possible low sugar production in China in 2015/16 compared to previous season. Russia, the largest producer of beet sugar in the world, began a new campaign in August and its early results indicate that the harvest would be higher than in 2014/15. According to the Russian Union of Sugar Manufacturers (Soyuzrossakhar), on October 25, 32.9 Mt of beet with an average yield of 37.9 t/ha were harvested vs 29.6 Mt of beet and 36.6 t/ha in the same period last year. According to the Russian Ministry of Agriculture, the sugar production could reach 5.0 Mt (4.7 Mt in 2014/15).

Chart 8

Brazilian sugar exports to China

1 000 t



Sources : UNICA

> The Community sugar market (EU 28)

According to the European Commission, on September 1, the quota sugar stock amounted to 3.9 Mt vs 4.8 Mt in 2014/15. The carry forward estimated at 2.7 Mt is the result of record 2014/15 production. At this stage, the Commission does not plan an opening of the second tranche of exports for the 2015/16 campaign above 650 000 t already allocated.

2015/16 campaign: a fall in production because of the drought

According to the EC estimates of October 2015, fresh production in the EU-28 amounted to 10.55 Mt (excluding carry forward) vs 12.62 Mt (excluding carry forward) in 2014/15. Out of quota production is also estimated to be lower than in 2014/15 and would amount to 4.2 Mt vs 6.5 Mt respectively.

Large areas in the south of the EU as well as in Central and Eastern regions have been affected by drought during the summer (June-August). The dry conditions have limited the growth of sugar beet.

The weather conditions in northern Europe and the northern part of the UK were colder than the seasonal average, accompanied by a precipitation surplus.

Therefore, the EU monitoring service MARS estimated sugar beet yield in the EU at 70.54 tons per hectare which represents a 8.5% decrease compared to the previous season (77.08 tons per hectare).

2014/15 imports

Over the first 11 months (October / August) of the 2014/15 campaign, imports are estimated at 2.9 Mt (excluding Inward Processing Regime) which is a lower level compared to the 2013/14 campaign (3.2 Mt). As for IPR imports, their volume is estimated at 275 915 t which represents a significant drop compared to the same period in 2013/14 (445 000 t).

As for the TRQ certificates demands for industrial sugar during the 2014/15 season, 3 000 t were used of the total volume of 397 000 t.

from October to August Mt (white value)	2013/14	2014/15
Total	3,7	3,2
IPR	0,5	0,3
Non-IPR	3,2	2,9

Sources : European Commission / FranceAgriMer

Chart 1

Quota sugar stock Mt

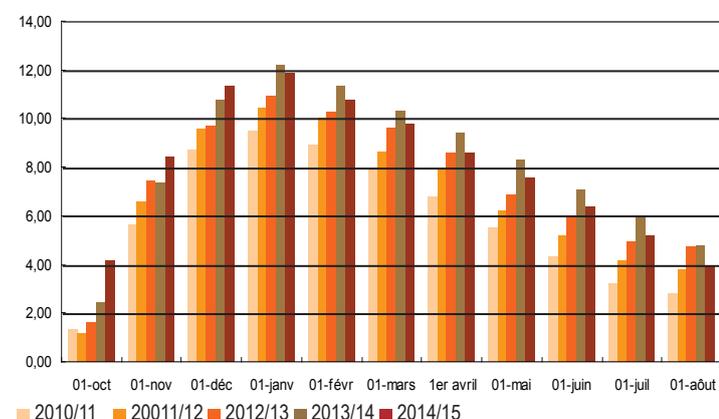
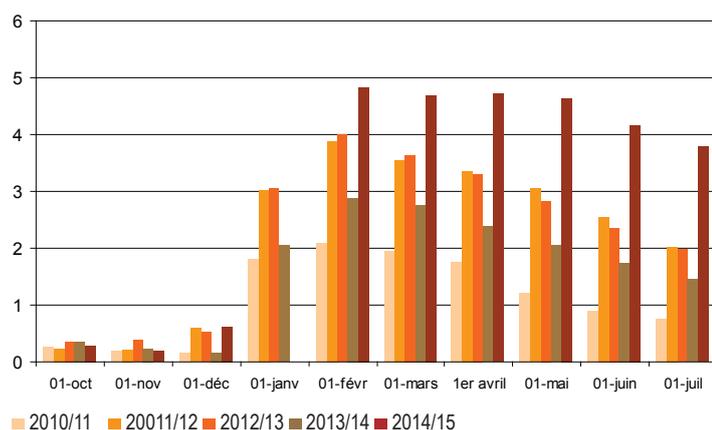


Chart 2

Out of quota sugar stock Mt



Sources : European Commission / FranceAgriMer

Imports licences (delivered licences/end of October 2015)

t	Quota (tel quel)	2014/15 (raw eq)
CXL	676 925	334 299
Balkans	201 167	30 991
Industrial sugar	400 000	3 300
Moldova (2015 civil year)	34 000	7 874,9
Andean countries total	260 760	141 552,9

Source : European Commission

CXL imports (end of June 2015)

t	Quota (tel quel)	2014/15 (raw eq)
Australia	9 925	9 676,9
Brazil	334 054	-
Cuba	68 969	67 244,8
Erga Omnes	253 977	247 627,5
India	10 000	9 750
Total	676 925	334 299

Source : European Commission

Balkans Imports

The Balkans quota use reached 15%. 27 991 tons were delivered to Serbia / Kosovo and 3000 t to Bosnia Herzegovina.

LDC-ACP imports

On 10/23/2015, the total imports certificates amounted to 128 781 t vs 277 197 t on 24/10/2014 and vs 172,135 t on 10/18/2013.

On September 1, over the first 11 months of the 2014/15 campaign, 2.46 Mt of sugar were imported into the EU-28. 1.88 Mt were imported from the LDC-ACP countries, 0.15 Mt from Balkans, 0.21 Mt from Central America, Peru and Colombia, 0.59 Mt from Brazil.

t	Delivered licences on 23/10/2015	Delivered licences on 24/10/2014	Delivered licences on 18/10/2013
LDC non ACP	20,0	23 419,2	2 160,0
LDC – ACP	36 634,0	61 492,0	41 986,1
LDC - ACP	89 147,0	192 285,4	127 989,2
Central Africa			
West Africa			
SADC	1 034,0	16 897,0	11 422,6
EAC			
ESA	59 569,0	91 516,3	39 566,6
Pacific		62 150,0	27 000,0
Cariforum	28 544,0	21 722,0	50 000,0
Total ACP	128 781,0	253 777,3	169 975,2
Total ACP + LDC non ACP	128 801,0	277 196,5	172 135,2

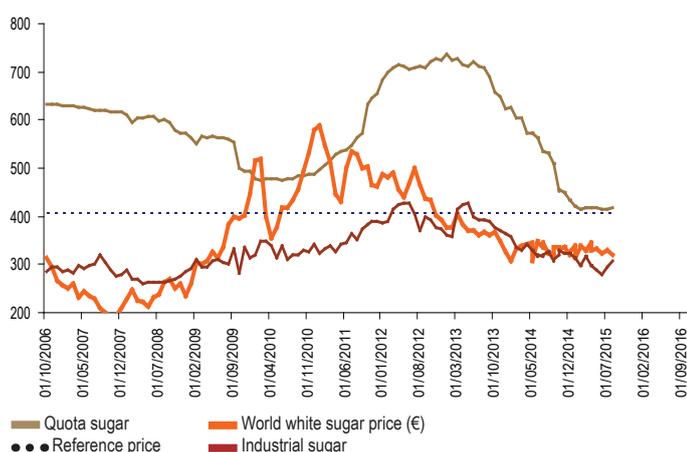
Source : European Commission

The EU sugar prices: price stabilization

The average price of quota sugar in August 2015 was € 419 / t (+ 4 € / t since July and + € 5 / t since June). The EU average selling price of out-of-quota sugar was 308 € / t (+ € 11 / t since July), while the average price of industrial sugar was 323 € / t (+ 1 € / t since July).

In August, the average LDC-ACP import price of white sugar reached € 410 / t, an increase of € 3 / t since July and of € 18 / t since June.

Chart 3
Sugar average price
€/t



Source : European Commission

2014/15 EU - 28 balance: faster destocking of sugar through lower imports

The final forecast of the 2014/15 campaign is affected by a slight decline in sugar imports that amount to 3.35 Mt (3.75 Mt in 2013/14). Since 2010/11, LDC-ACP imports gradually increased. World sugar prices were particularly high during the three following years and the EU market was therefore less competitive. LDC-ACP countries have preferred high prices on the local, regional and global markets.

However, according to the Commission the production and exports of LDC-ACP countries were lower than expected because of the delayed investments. In 2014/15, EU prices for ACP sugar decreased which resulted in a slowdown in imports. However, at the end of campaign there was an increase in LDC-ACP imports due to a drop in world market prices.

Quota sugar production is estimated at 12.62 Mt vs 12.94 Mt estimated in July (see previous report N° 28). This reduction would be offset by lower exports that could lead to 18,8 Mt of available resources. As for use, its volume reached 17.8 Mt. This figure is the result of new data on the ending stock which currently amounts to 1.05 Mt.

2014/15 quota sugar balance (Mt)

	2014/15	2013/14
Stock on 1/10	2,01	2,56
• market	2,01	2,56
• intervention	0,00	0,00
Carry forward	0,56	0,67
Fresh production	12,62	12,37
• of which travail à façon	0,29	0,46
Imports	3,35	3,75
• sugar	2,80	3,17
• specific quotas	0,55	0,58
Release on food market	0,00	0,00
Total ressources	18,83	19,81
Domestic use	16,28	16,45
Exports (sugar and processed products)	1,51	1,34
• sugar (tel quel)	0,13	0,08
Total Use	17,79	17,79
Stock on 30/09	1,05	2,01

Source : European Commission/FranceAgriMer

2014/15 out of quota sugar balance: carry forward estimated at 2.7 Mt

Exports of out-of-quota sugar would remain at their usual level of 1.35 Mt authorized by the WTO. As for the 2015/16 campaign carry forward, it could reach a record level of 2.66 Mt (0.56 Mt in 2013/14, 0.67 in 2012/13).

2014/15 out of quota sugar balance

Mt	2014/15	2013/14
Fresh production	6,50	4,36
Travail à façon	- 0,29	- 0,46
Imports	0,004	0,004
Total	6,51	3,91
Chemical-pharmaceutical industry	0,80	0,77
Alcohol – Bioethanol	1,70	1,22
Exports	1,35	1,35
Total Use	3,85	3,35
Carry forward	2,66	0,56

Source : European Commission/FranceAgriMer

2015/16 campaign: production revised down since June

On October 29, the Commission revised its June production forecast from June 2015. According to the Commission the 2015/16 production could reach 17.7 Mt (18.6 Mt in June 2015). This decrease is related to adverse weather conditions and a drop in planted areas throughout the EU. The increase in planted areas in 2014/15 resulted in better crop.

2015/16 quota sugar balance

Quota sugar production in 2015/16 is estimated at 10.55 Mt representing a decrease compared to the previous campaign (12.62 Mt).

There could be an increase in imports which could rise to 3.73 Mt vs 3.35 Mt in 2014/15, as for exports, they could drop to 0.46 Mt vs 1.51 Mt in 2014/15.

2015/16 quota sugar balance

Mt	2015/16
Stock on 1/10	1,05
• market	1,05
• intervention	0,00
Carry forward	2,66
Fresh production	10,50
• of which travail à façon	0,29
Imports	3,73
• sugar	3,18
• specific quotas	0,55
Total ressources	18,28
Domestic use	16,28
Exports (sugar and processed products)	1,46
• sugar (tel quel)	0,08
Total Use	0,55
• market	
• intervention	
Stock on 30/09	0,55

Sources : Commission européenne / FranceAgriMer

2015/16 out of quota sugar balance: carry forward estimated at 1.4 Mt

The out-of-quota sugar production in 2015/16 is declining compared to the previous campaign (4.21 Mt vs 6.5 Mt in 2014/15), which could reduce the carry forward.

Thus the carry forward could reach 1.4 Mt, due to lower total use compared to the previous campaign (3.85 Mt vs 2.8 Mt respectively).

2015/16 out of quota sugar balance

Mt	2015/16
Production fraîche	4,21
Travail à façon	-0,29
Importations	0,004
Total ressources	4,22
Chemical-pharmaceutical industry	0,80
Alcohol – Bioethanol	1,35
Exports	0,65
Total Use	2,80
Carry forward	1,42

Source : European Commission/FranceAgriMer

› French sugar market

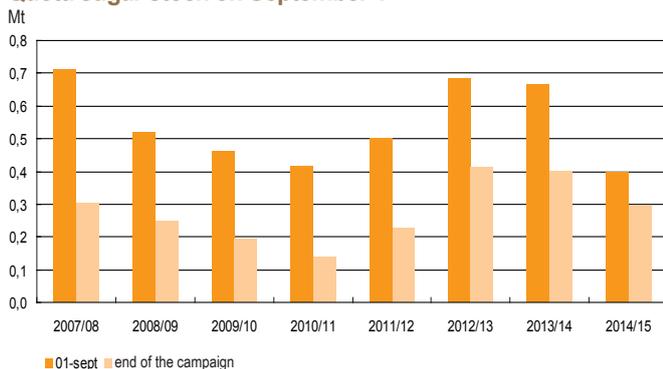
2014/2015 campaign: ending stock reduced

A month before the end of the campaign, the stock of quota sugar of 01/09/2015 totaled 0.397 Mt, a level close to 2010/11 (0.412 Mt) (see Chart 1). According to FranceAgriMer estimates, by the end of the 2014/15 campaign, the stock of quota sugar could reach 0.1 Mt and the out-of-quota sugar stock would rise to 0.2 Mt.

As for the new 2015/16 campaign, stocks are limited because of the low yields. According to the data of the CGB, the beet yield is expected to reach 86 t / ha at 16 °. Uncertainties in yield forecasts are mainly linked to a strong heterogeneity between regions.

Because of the falling prices, producers reduced the surfaces by 5% over the previous campaign. As for the prospects of 2015/16 marketing campaign there could be an increase in the ethanol production and the out-of-quota sugar exports.

Chart 1
Quota sugar stock on September 1



Source : FranceAgriMer

FranceAgriMer estimated that the under quota sugar production in 2014/15 could reach 3.43 Mt vs 3.42 Mt in 2013/14.

The out of quota sugar production is estimated at 1.66 Mt which represents an increase of 0.5 Mt from the previous campaign.

The fresh production of the metropolis is estimated at 4.59 Mt (4.14 Mt in 2013/14) and the DOM production is estimated at 0.49 Mt (0.43 million tons in 2013/14).

Production 1 000 t	2010	2011	2012	2013	2014
Beet sugar production (including EU and DOM TAF)	4 345	5 059,30	4 528,60	4 530,6	5 114,5
EU TAF	119,3	126,2	146,4	212,9	283,0
DOM TAF	0,0	158,2	159,4	176,9	240,4
Beet sugar production (excluding TAF)	4 225	4 774,90	4 222,80	4 140,9	4 591,1
DOM raw production (including TAF)	258	416,9	412,2	432,8	493,9
Total production (including carry forward)	4 507	5 202,90	4 732,8	4 592,6	5 085,0
Under quota production	3 263	3 421,7	3 417	3 435,9	3 428,3
Out of quota production (before carry forward)	1 245	1 781,2	1 315,8	1 156,7	1 656,7

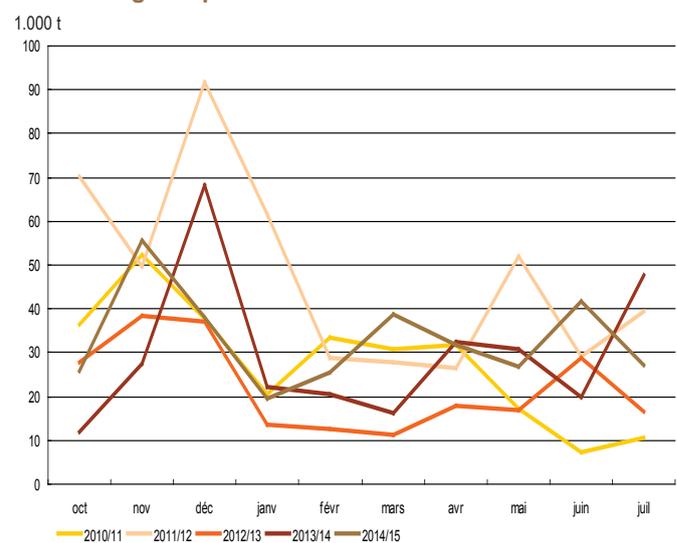
Source : FranceAgriMer

Over the first 10 months of the campaign (October / July), the French sugar supplies on the Community market amounted to 1.64 Mt vs 1.28 Mt in 2013/14. The level of exports on the first of august indicates good momentum due to the exceptional production. There was no slowdown during the campaign but rather stable export volumes. This stability of supplies to the EU is due to reconstituted French stocks at the beginning of the campaign.

The main destinations of French sugar in the EU are Spain (394 259 t), Italy (380,706 t), the UK (257 287 t), Germany (195 024 t), Belgium (194 021 t).

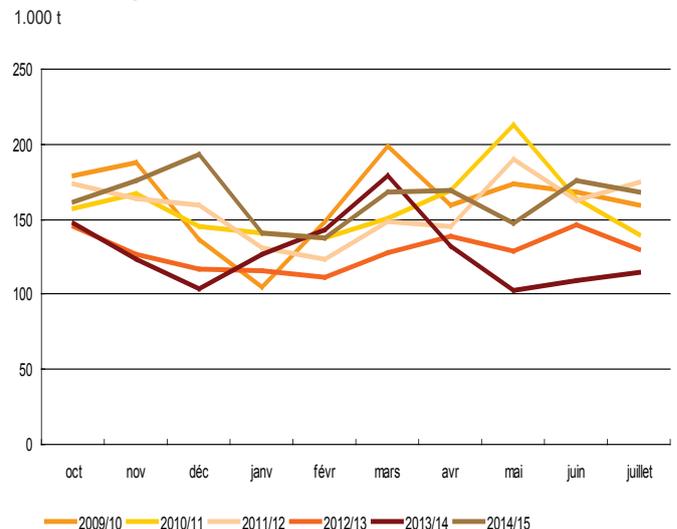
As for the French sugar exports to third countries over the first 10 months of the campaign, their volume amounted to 330 954 t vs 296 982 t in 2013.

Chart 2
French sugar exports to the EU



Source : FranceAgriMer

Chart 3
French sugar exports to third countries



Source : FranceAgriMer

2014/15 quota sugar balance

The beginning stock is expected to be at 0.4 Mt. The available production of quota sugar could reach 3.43 Mt which is close to 2013/14 level. The deliveries to the EU are estimated at 1.69 Mt which is an increase of 0.26 Mt from the previous campaign (1.42 Mt).

The high level of deliveries to the EU suggests that some member states had small stocks and so they imported more of French sugar.

Therefore, the stock on 30/09 is estimated at 0.1 Mt which represents a pronounced reduction compared to previous campaigns (0.4 Mt in 2013/14 and 0.41 Mt in 2012/13).

Quota sugar balance

Mt	2014/15
Stock on 1/10	0,40
• market	0,40
Fresh production	3,43
Imports	1,12
• sugar	0,24
Total	4,95
Domestic use	2,26
Exports to the EU	1,69
Exports to third countries	0,01
Exports of sugar and processed products	0,82
Total Use	4,85
Stock on 30/09	0,1

Source : FranceAgriMer

2014/15 out of quota sugar balance

According to the FranceAgriMer forecast, out of quota sugar production could rise to 1.66 Mt which is an increase of 0.5 Mt from the previous campaign and 0.34 Mt from 2012/13 campaign. This additional availability of out of quota sugar is absorbed by increased deliveries on the domestic market which are estimated at 1.11 Mt (0.78 Mt in 2013/14 and 0.84 Mt in 2012/13) with increased outlet to the production of alcohol and bioethanol.

Nevertheless, even if the total of use is growing at 1.46 Mt, the level of the carry forward should remain still high at 0.2 Mt vs 0.01 Mt in 2013/14 and vs 0.02 Mt in 2012/13.

Out of quota sugar balance

Mt	2014/15
Stock on 1/10	0
Fresh production (excluding travail à façon)	1,66
Metropolis production	0,00
Dom production	1,6
Imports	0,06
Total	1,66
Chemical-pharmaceutical industry	0,3
Alcohol – Bioethanol	0,8
Exports to third countries	0,28
Exports to the EU	0,06
Delivery to the EU (Ultra-peripheral regions - UMS)	0,02
Total Use	1,46
Carry forward	0,2

Source : FranceAgriMer

