

Market Report

> FranceAgriMer's Economic analysis of the sugar market

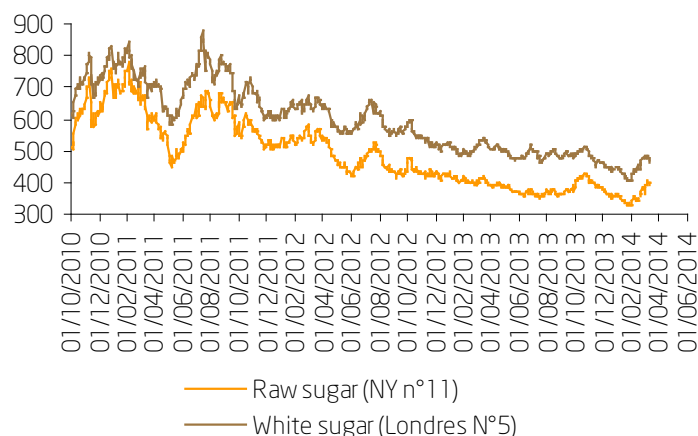


• number 23, March 2014 / **Sugar Market Report**

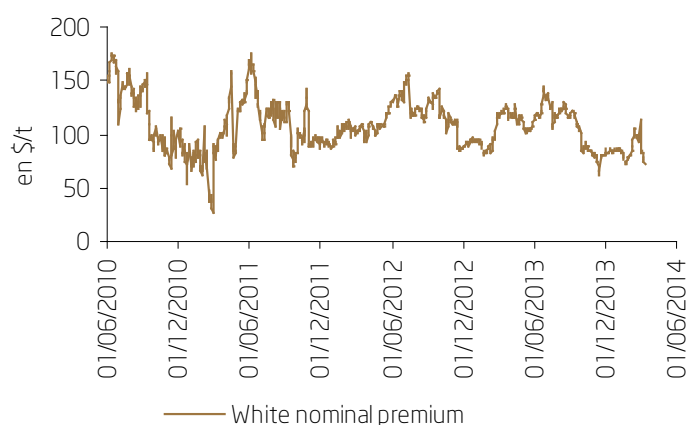
The global sugar market will remain in surplus for the 4th consecutive year.

According to ISO (International Sugar Organisation) latest estimate (February 2014), the 2013/14 campaign surplus has been revised downward and amounted to 4.2 Mt (4.7 Mt in November 2013). Since 2010/11 the market remained in surplus when sugar production increased due to higher prices. Then the sugar prices fell by 56 %. In 2013/14, the production could reach 181.3 Mt and sugar consumption 177.1 Mt. The weather factor in Brazil continues to influence the global market. January was obviously the driest month in the last six decades. The significant speculative positions triggered by drought in Brazil raised prices by 6% in February, which was the biggest monthly rise since September 2013. During the first two weeks of March the sugar futures showed the upward trend. Brazil remains the main driver of the global market. On the 6th of March, the May contract for raw sugar in NY was traded at \$ 403.9/t. The May contract for white sugar in London was traded at \$ 485.70/t. In India, the government decided to subsidize the raw sugar exports for 2 campaigns starting from March in order to alleviate the internal market and to pay the sugar factories debts that they own to sugar producers. In the EU, the volume of imports estimated at 3.3 Mt could be lowered, given the uncertainties related to the CXL imports from Brazil (0.33 Mt); in early March, unlike previous campaigns, it still remains nearly untouched. Despite these uncertainties on the volume of imports for the 2013 /14 campaign, the greater sugar stock in the beginning season ensures supply of the EU market avoiding any market pressure; therefore exceptional measures would not be necessary. In France, the beet sugar production remains stable compared to the previous year and amounts to 4.53 Mt due to higher surfaces and better than expected yields. In contrast, in 2013/14, the production of sugar cane in the French DOM will decrease.

World sugar prices (\$/t)



White nominal premium (\$/t)

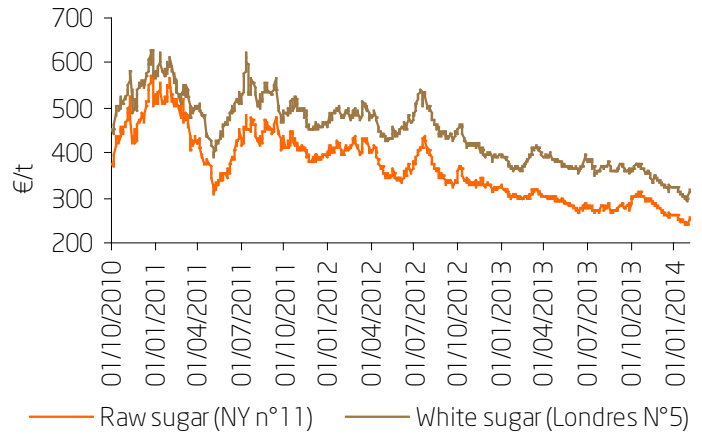


Source : LIFFE/ICE

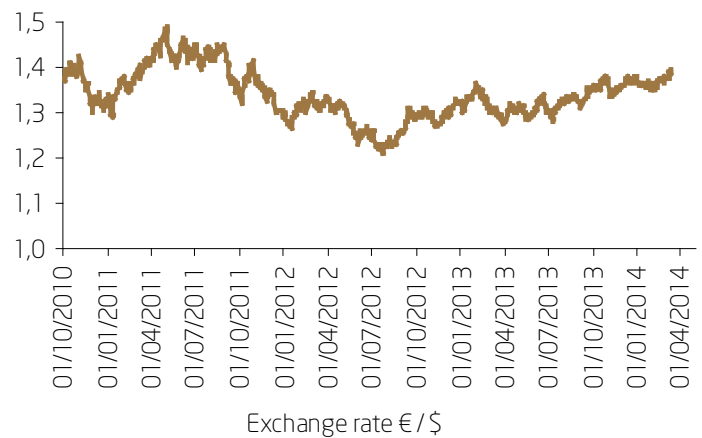
(¹) ISO (International Sugar Organization)

A significant increase in prices marked the world sugar market in February

Since November, the prices on the world market have undergone fundamental pressure affected by the campaign surplus. In late November, the price of raw sugar reached 17.75 cents / lb (November 18) and dropped below 15 cents / lb in late January for the first time since June 2010. In February, the raw sugar price has undergone upward correction. In the end of February, the price of raw sugar was 17.44 cents / lb (February 27) and reached 18.22 cents / lb in early March (March 10). White sugar followed a similar trend. Prices went down from \$ 480 /t in early November to \$ 405.30 / t in the end of January (January 23). Then, there was an upward correction. In the beginning of March the sugar was traded at \$ 485.70 / t (March 6). Since October there was a significant reduction in the white sugar premium: less than \$ 90 / t. According to ISO this significant decrease can be attributed to the change in the structure of the surplus. Whereas in August most of the surplus was allocated to the segment of raw sugar, in November there was a distribution of surplus between raw sugar and white sugar. A recent review shows a continued growth of the white sugar surplus. Low prices for raw sugar observed since November can be explained in large part by the greater number of hedge fund short positions for sugar N° 11. A short position held by hedge funds is considered as an indication of the downward trend for prices. The surplus market is defined by three key elements such as a production higher than consumption, the export availability that exceeds the import demand and a high stock vs. consumption ratio. According to ISO, there is a very slight possibility that these fundamentals would strengthen the market in the coming months. The price recovery would be mitigated by the stocks accumulated since the beginning of the excess phase in 2010/11, assuming that in 2014/15 the global market enters a phase of deficit. However in the beginning of March, there has been a reversal of the trend caused by increased number of long positions which could possibly trigger a price increase.

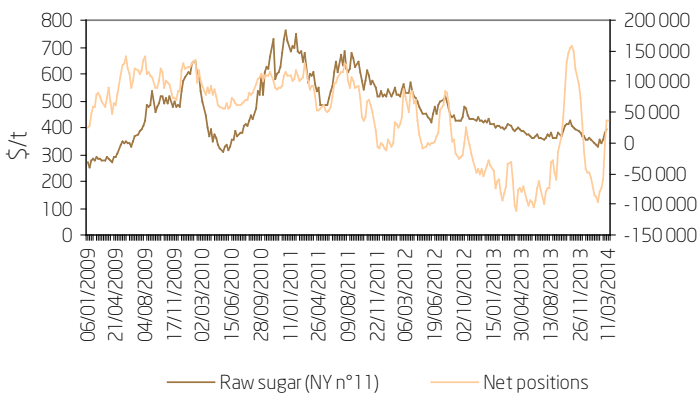


Source : LIFFE/ICE



Source : LIFFE/ICE

Prices of raw sugar and net positions of hedge funds



Source : CFTC (Commodity Futures Trading Commission) / ICE

As for exchange rates, the rising dollar is a factor of falling sugar prices. There was a decline of the dollar versus other currencies of key sugar exporters that started in mid-February, in contrast to the period from August to mid-February when the dollar gained 5.3% against the THB (Thai Baht), 5.2% against the BRL (Brazilian Real) and 2.5 % against the Indian rupee (INR). Significant currency depreciations were also observed for the South African rand (ZAR), the Argentine peso (ARS) and the Colombian peso (COP). In February 2014, the price of raw sugar in real was only 8 % lower than two years ago, though the raw sugar price in dollar has lost 32% of its value. The devaluation of the Indian rupee maintains the raw sugar price at the level from one year ago. As for key importers, in February, the Indonesian rupee lost 15 % of its value against the dollar, while the Russian ruble devaluated by 6% since August. Since the beginning of February, the euro strengthened against the dollar, which could hamper EU exports

Decline in production of 1.6 Mt in 2013/14

According to ISO second estimate for the 2013/14 campaign, world production would decrease by 0.135 Mt and would amount to 181.35 Mt (181.03 Mt by FO Licht and 177.71 Mt by Kingsman). According to ISO, world consumption is expected to increase by 2.32 % compared to the average of 10 years estimated at 2.34% which is 177.13 Mt (175.83 Mt by FO Licht) leading to a surplus of 4.213 Mt. The current situation is influenced by a decline in production in the European Union (1.1 Mt down compared to 2012/13) and Ukraine (- 1.1 Mt). A decline is expected in Mexico (- 0.85 Mt), India (- 0.8 Mt) and Brazil (- 0.8 Mt). In Brazil, January was the driest month in the last six decades, which adversely affected the yield of all crops, particularly sugar cane. According to the Unica's latest figures, the volume of cane crushed in 2013/14 amounted to 596.2 Mt and sugar production to 34.3 Mt. At the same time a record production is expected in Thailand (+1.3 Mt) and an improved production is expected in Pakistan (0.6 Mt). There is also a slight improvement in production in Australia, Colombia, El Salvador and Guatemala. Despite the unchanged cane plantings, it is expected that 2013/14 sugar production in India would be smaller than last season and would amount to 25.9 Mt (white value). The latest figures by ISO on 2012/13 sugar export indicate that world exports reached a record 58 Mt (raw value), an increase of 1.6 Mt from previous 56.4 Mt in 2011/12. In 2013/14, the global import demand is expected to decrease by 1.8 Mt to 53.8 Mt (55.6 Mt in 2012/13). Once again, volume available for export will exceed the imports demand by 3.5 Mt (November trade surplus was estimated at 4.3 Mt). It is possible however that this surplus would strengthen importers' stocks as in the previous two seasons.

The availability for export of raw sugar should reach 33.9 Mt, which is 0.5 Mt more compared to the previous season. In 2013/14 global import demand for raw sugar should remain stable amounting to 32.2 Mt from 32.3 Mt in the previous season. A significant decline in export availabilities of 1.4 Mt is expected in Brazil due to lower production and low stocks.

Evolution of production in major exporting countries (Mt raw)

Exporting countries	Production			Consumption			Surplus/déficit (1)		
	2013/14 (for)	2012/13	2011/12	2013/14 (for)	2012/13	2011/12	2013/14 (for)	2012/13	2011/12
Brazil	40,1	40,9	34,6	13,6	13,4	12,9	26,5	27,5	21,7
India	26,5	27,3	28,6	25,8	25,3	24,3	-0,7	2	4,3
Thailand	11,3	10	10,7	3,1	2,8	2,9	8,2	7,2	7,8
Mexico	6,6	7,4	5,3	5,1	4,9	4,5	1,5	2,5	0,8
Australia	4,4	4,2	3,6	1,1	1,1	1	3,3	3,1	2,6
Pakistan	6	5,4	5,2	5,1	5	4,9	0,9	0,4	0,3
Total	94,9	95,2	88	53,8	52,5	50,5	39,7	42,7	37,5

Sources : ISO, FranceAgriMer (February 2014)

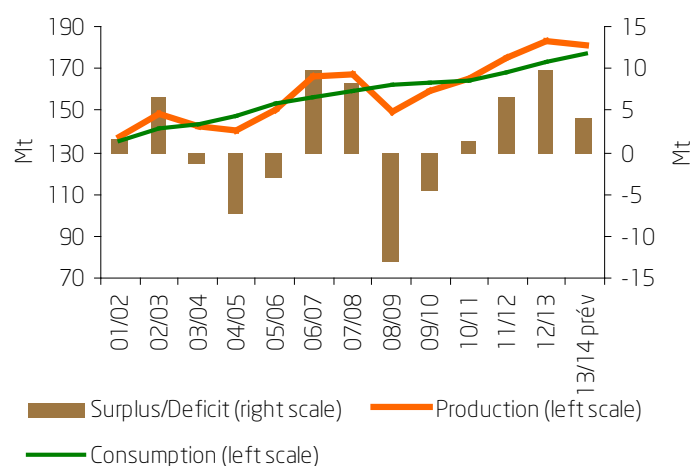
Evolution of production in importing countries (Mt raw)

Importing countries	Production			Consumption			Surplus/déficit (1)		
	2013/14 (for.)	2012/13	2011/12	2013/14 (for)	2012/13	2011/12	2013/14 (for)	2012/13	2011/12
Russia	4,6	4,9	5,5	5,8	5,8	5,7	-1,2	-0,9	-0,2
Algeria	0	0	0	1,4	1,4	1,3	-1,4	-1,4	-1,3
Indonesia	2,8	2,7	2,7	5,9	5,7	5,5	-3,1	-3	-2,8
China	14,2	14,2	12,5	16,3	15,8	15,2	-2,1	-1,6	-2,7
Malaysia	0	0	0	1,6	1,6	1,5	-1,6	-1,6	-1,5
USA	7,9	8	7,7	10,9	10,6	10,4	-3	-2,6	-2,7
EU	16,5	17,6	19,2	20,4	20	19,8	-3,9	-2,4	-0,6
Total	46	47,4	47,6	62,3	60,9	59,4	-16,3	-13,5	-11,8

(1) Production - Consumption

Sources : ISO, FranceAgriMer (February 2014)

A decline in imports is expected in India (-0.85 Mt) and China (-0.20 Mt). According to ISO, this should be compensated by higher demand from the EU (+ 0,650 Mt) and Russia (+ 0,525 Mt). In 2013/14, the global availability of white sugar exports is expected to reach 23.4 Mt (24.6 Mt in 2012/13). This difference is due to a lower availability of white sugar in Brazil (-1.5 Mt) and Mexico (- 0.4 Mt). In Thailand, white sugar exports are expected to increase significantly (0.7 Mt) due to a record production and high availabilities. According to ISO, world imports of white sugar should reach 21.7 Mt, 1.7 Mt less compared to 23.3 Mt expected in 2012/13. Annual imports from Indonesia are expected to decrease and would be less than 0.8 Mt.



Source : European Commission/FranceAgriMer

India: export subsidies

The main factor affecting the sugar production in India was the lack of consistency between the prices on the internal market and the price of the cane. Between 2009/10 and 2012/13, sugar prices have remained at a very high level. Nevertheless, following the decline in world market prices, domestic sugar prices began to decline rapidly, though the increase in cane prices persisted. The cane prices in India followed the upward trend in perfect disconnection with sugar prices due to the accumulation of debts for cane producers. This had previously forced farmers to switch to other crops.

Up until 2012/13, the sugar prices stayed above the cane prices. Some analysts predict that starting from 2013/14 the average sugar prices could experience a significant decline. The government has recommended a price for the cane (FRP) of 2 100 INR which is 24% more than in 2012/13. The government has also approved another increase in price for cane (FRP) for 2014/2015 season which amounts to 2 200 INR per tonne. The debts of cane processing industry have reached a high level. According to ISMA, their amount is estimated at \$ 1, 935 billion (\$ 1.612 last year).

It seems unlikely that in 2014/15 the farmers will partly abandon the sugar sector because:

- the cane prices rising faster than the prices of alternative crops,
- the government has taken measures to help the processing industry to finance cane purchasing in 2014.

The Indian government recently approved an export subsidy of 3.333 INR per tonne (\$ 54 / t) for raw sugar for February and March. The consultation on further subsidy is scheduled for April. The export subsidy is provided for a tonnage of 4 Mt of raw sugar for a period of two years in order to provide funding to processors.

According to ISO, India will strengthen its position as a supplier of raw sugar in the regions of Middle and Far East reducing the sugar deficit in these regions. This year, the Indian sugar exports are expected to reach 2.5 Mt (1.5 Mt of raw sugar and 1Mt of white sugar).

The EU sugar market

A better 2013/14 production than expected: 16.3 Mt (17.4 Mt in 2012/13)

In most EU countries, last autumn climate conditions have prolonged beets growth and increased yields per hectare (root weight). However, the average sugar content remains well below the last year level.

According to FranceAgriMer estimates, the 2013/14 production could reach 16.3 Mt for the EU-27, which is 0.2 Mt more than the January estimation of the European Commission (16.1 Mt).

The production could decline significantly in Italy, Greece and Germany as a result of lower surfaces. Moreover, the production levels are very close to those of last year or even higher in the case of United Kingdom.

Production 1000 t	2012	2013	Country	2012	2013
Belgium	762	774	Hungary	112	124
Czech Republic	565	530	Netherlands	968	952
Denmark	480	462	Austria	469	513
Germany	4 007	3 550	Poland	1 803	1 730
Greece	158	35	Romania	259	207
Spain	532	411	Slovakia	229	156
France (Met)	4 223	4 529	Finland	140	74
France (DOM)	412	248	Sweden	366	378
Italy	546	264	United Kingdom	1 144	1 280
Lithuania	190	109	Total UE 27	17 370	16 270

Source : European Commission/FranceAgriMer

Total availability of sugar would be lower by 1.1 Mt from the previous season, given a less significant carry forward early in the season (674,000 t vs 802,000 t),

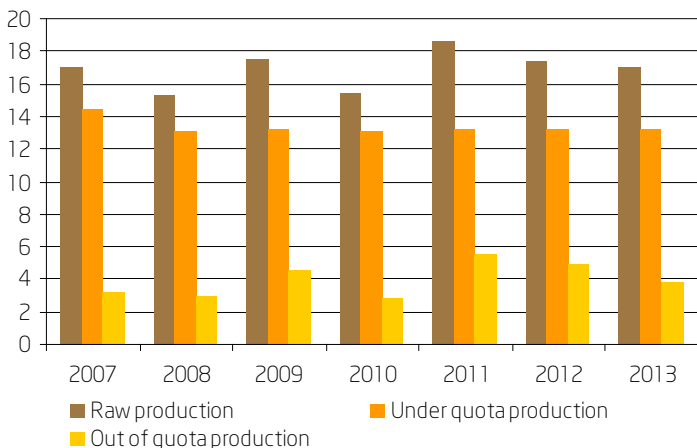
Mt	2007	2008	2009	2010	2011	2012	2013*
Raw sugar production	17,1	15,3	17,5	15,5	18,7	17,4	16,3
Carry Forward	14,46	13,13	13,28	13,15	13,31	13,31	13,23
Under quota production	3,16	2,91	4,64	2,78	5,52	4,86	3,77

*EU-27 FranceAgriMer

** Carry forward + Travail à façon

Source : European Commission/FranceAgriMer

EU-27 Mt



Source : European Commission/ FranceAgriMer

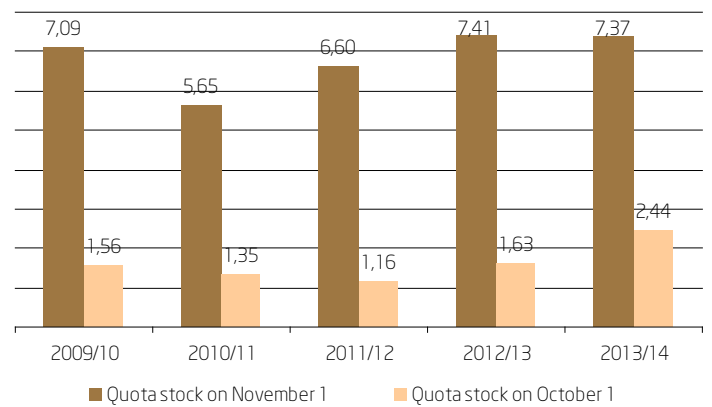
A quota production of 13.23 Mt, subject to 0.5 Mt of 'travail à façon'

As in previous campaigns, the under quota production should be close to the quota production (13.34 Mt for the EU-27 and 13.53 Mt for the EU-28 including Croatia), however this involves production of 0.50 to 0.55 Mt of quota sugar within the framework of 'travail à façon' contracts between the manufacturers of different EU countries.

Stocks: a high quota stock at the beginning of the season

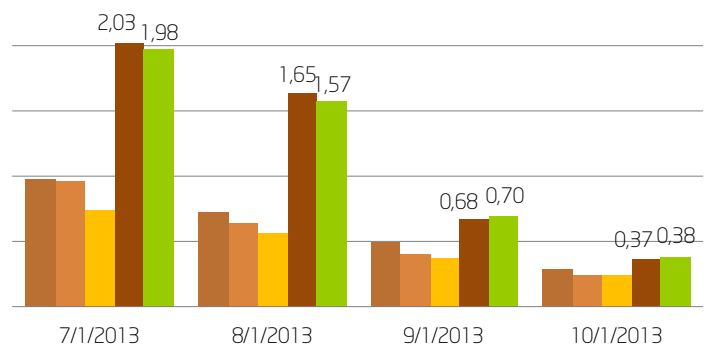
In 2013/14, a possible decline in imports should not impact the sugar supply of the EU market as the quota stock reached a record level of 2.5 Mt, which is the highest level since 2006.

Given a late start of the 2013/14 season, the quota stock remained fairly high (EU27-UE28) and reached 7.4 Mt on the 1st of November 2013, the same level as in 2012/13 (7.4 Mt).



Source : European Commission/FranceAgriMer

Out-of quota stock



Source : European Commission/FranceAgriMer

2013/14 imports: uncertainties about the import volume from Brazil

In the first three months of the campaign, the imports of sugar lost 100 000 t compared to the previous year which is 737 000 t. vs 838 000 t. The sugar volume under the IP (Inward processing) is amounted to 137 000 t. As for quantities of sugar used for inward processing, its volume depends on the ease with which the operators can get an access to the market. Over the last two marketing years (2010/11 and 2011/12) 400 000 t and 173 000 t of raw sugar respectively were imported in the framework of inward processing.

Since October, the imports dynamics slowed down compared to the same period of the previous year partly due to the lack of imports of raw sugar from Brazil. Unlike any previous campaign no demand for the certificates has been made so far from this country. Possibly in relationship with a

decline in cane crop and in the sugar production in the North-Northeast region of Brazil, the sugar quota at reduced rate (98 € / t) was not used recently.

Import certificates (delivered quantities on March 1, 2014)

t	Quota (tel quel)	2013/14 (white eq)
CXL	676 925	343 074,2
Balkans	380 000	152 802,0
Transitional measures (Croatia)	40 000	39 999,9
Industrial sugar	400 000	4 000
Moldova (2013 civil year)	34 000	366
Total Andean countries	253 380	24 314,2

Source : European Commission

CXL imports

t	Quota (tel quel)	2013/14 (white eq)
Total	676 925	343 074,2
Australia	9 925	9 676,9
Brazil	334 054	8 775
Cuba	68 969	67 244,8
Erga Omnes	253 977	247 627,5
India	10 000	9 750

Source : European Commission

Since the beginning of the 2013/14 campaign 343 074.2 CXL certificates were awarded, of which 247 627.5 were Erga Omnes certificates. This quota is about a defined volume of raw cane sugar for refining with a reduced duty of 98 €/t. The preferential import quotas amounted to 334 054 t for Brazil and 68 969 t for Cuba. Both of them are also subject to reduced duty of 98 € / t.

ACP-LDC imports: at the end of February the demands are higher than last year

In January, the certificate demand was quite low (55 000 t), but in February, the total request was identical to that of the previous year.

30 % of demands for ACP-LDC certificates were from the UK, 22% from Germany, 14 % from Portugal and another 14 % from Spain. As for their origins, 18% come from Mauritius, 14% from Mozambique, and 10% from Fiji, Guyana and Zambia each.

2013/14 ACP-LDC Import certificates

	Delivered certificates on 06/03/14	Delivered certificates on 08/03/13	Delivered certificates on 28/02/12
LDC non ACP	55 535,6	1 166,0	
LDC - ACP	343 153,0	293 047,8	259 055,0
ACP - non LDC	644 123,9	691 898,1	627 855,1
Central Africa			
West Africa		112,5	
SADC	109 889,00	157 389,2	159 693
EAC			
ESA	282 162,4	307 937,4	240 365,90
Pacific	90 074,6	100 000,0	86 400,00
Cariforum	161 997,8	126 458,9	141 396,20
Total ACP	987 276,8	984 945,9	886 910,20
Total ACP + LDC non ACP	1 042 812,4	986 111,9	886 910,20

Source : European Commission

Imports from Balkans

The certificates for 152 802 t were awarded to the Balkans of which 106 802 t were attributed to Serbia. There's a decline in imports from Balkans due to the removal of the zero duty quota following the entry of Croatia into the EU.

Imports from Central America, Peru and Colombia

In 2013/14, 246 000 t of additional duty-free sugar may be imported into the EU from 6 countries of Central America as well as from Colombia and Peru in the context of free trade agreements. In 2012, the EU signed a trade agreement for duty free sugar import with Colombia and Peru. This agreement entered into force in 2013. It opens a duty free tariff import quota for 84 000 t of sugar to be distributed between Colombia (62 000 t) and Peru (22 000 t). In 2012, another trade agreement was signed between the EU and six Central American countries (Guatemala, El Salvador, Nicaragua, Honduras, Costa Rica and Panama). This free trade agreement between the EU and six Central American countries provides the allocation of the duty free annual quota for 162 000 t of sugar with a following distribution: 65 000 t for Guatemala, 24 000 t for El Salvador, 22 000 t for Nicaragua, 19 500 t for Honduras and Costa Rica each, and 12 000 t for Panama. As for Honduras, Nicaragua and Panama, the agreement entered into force on the 1st of August 2013. Since October 1, 2013, the free trade agreement applies to Costa Rica and Nicaragua. The certificates of 24 314. 2 t were awarded to the Andean countries.

Given this situation, FranceAgriMer estimated the volume of imports in 2013/14 between 3.02 Mt and 3.32 Mt excluding exceptional imports. Most of these imports are allocated to LDC & ACP countries (2.05 Mt). A variation of 300 000 t could be explained by the uncertainties on the CXL exports from Brazil, since no import of raw sugar from this country was registered. The expected volume for CXL imports would be estimated between 352 000 t and 656 000 t.

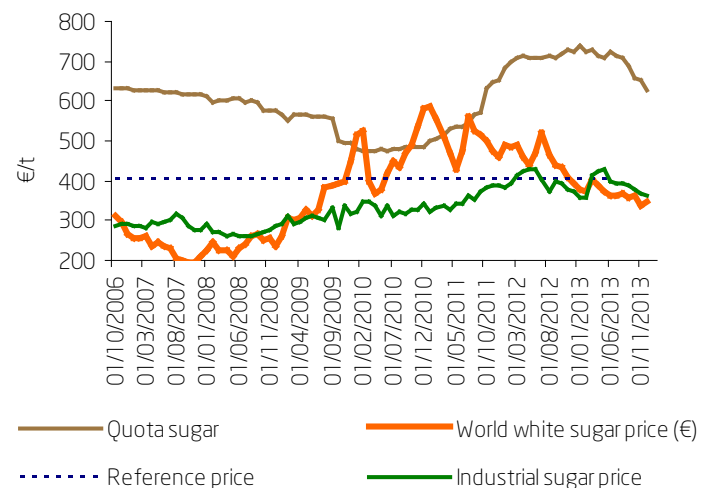
EU market: EU sugar prices continue to decline

In December 2013, the price of quota sugar continued to fall sharply. In November 2013, the average price of quota sugar was € 651 / t, € 8 / t down compared to October 2013. In December 2013, the price has fallen to € 627 / t, - € 24, which was almost identical level as in October 2011 (€ 633 / t).

The Commission found that the average price of imported ACP and LDC raw sugar was slightly higher (492 € / t) whereas the white sugar price has fallen to € 630 / t (- € 27 / t, for a quantity of 32 267 t).

The selling price of industrial sugar reached € 347 / t (+ € 9 / t) against the users' purchase price which was € 364 / t (- € 5 / t).

Average sugar price



Source : European Commission

2013/14 quota balance: a guaranteed supply free from any tension with the record level of stock in the beginning of campaign

The 2013/14 campaign will start with a record stock of quota sugar close to 2.5 Mt and imports of sugar would rise to at least 3 Mt, assuming that the CXL import quota from Brazil was not used, and to 3.32 Mt otherwise. In the first case (imports equal to 3 Mt), the balance shows the availabilities equal to 19.3 Mt and utilisations equal to 17.3 Mt (including 1.6 Mt for the internal market) thus leading to an ending stock of 2 Mt. In the case of 3.32 Mt imports, the ending stock of the campaign would reach at least 2.3 Mt. In all cases, the stock at the end of the 2013/14 season would be more than 2 Mt which would be a historically high level.

This level reflects the absence of any difficulties on the EU food sugar supply, and the stock is high enough to deal with lower than expected imports. So, exceptional management measures are not necessary at all.

2013/14 out of quota balance

Concerning the out-of quota of quota balance, FranceAgriMer estimates that the volume of supplies could reach 3.77 Mt (3.5 Mt by the Commission). This volume could provide the domestic market with industrial sugar and exports of 1.35 Mt.

2013/14 quota sugar balance EU-27 (Mt)

	2012/13	2013/14		2012/13	2013/14
Stock on 1/10	1,59	2,44	Domestic use	15,90	16,00
market	1,59	2,44			
intervention	0,00	0,00	Exports	1,28	1,28
			quota sugar	0,06	0,06
Carry forward	0,80	0,67			
Raw production	12,51	12,56	Total Use	17,18	17,28
of which travail à façon	0,39	0,45			
Imports	4,12	3,84			
sugar	3,60	3,32	Stocks	2,44	2,23
proceeded products	0,52	0,52	market		
Out of quota sugar release	0,60	0,00	intervention		
Total	19,62	19,51	Stocks au 30/09	2,44	2,23

Source : European Commission/ FranceAgriMer

2013/14 out of quota sugar balance EU-27 (Mt)

	2012/13	2013/14		2012/13	2013/14
Stock on 1/10	0,00	0,00	Chemical-pharmaceutical industry	0,65	0,65
			Alcohol - Bioethanol	1,59	1,40
Raw production	4,86	4,22	Exports	1,35	1,35
Travail à façon		- 0,45	Release on food marke	0,60	
Imports	0,005	0,005			
			Total Use	4,19	3,40
Total	4,86	3,77	Report	0,67	0,37

Source : European Commission/ FranceAgriMer

The French sugar market

2013/14 production is better than expected

The 2013/14 campaign offered better yields than expected with an average root yield of 85.3 t/ha at 16% (73 t/ha according to first estimates) and average sugar content at 17.67 %, 0.33 % lower than the average of 18 % observed since 2000.

The progression of root yield at the expense of sugar content gave a longer duration to the season (104 days against 92 days previously planned).

The beet crop is estimated at 33.4 Mt, almost identical level to 2012/13 campaign. The beet sown area is estimated at 346 000 ha (341 000 ha in 2012/13). These sown area's estimates include the beet for ethanol production.

Production 1 000 t	2009	2010	2011	2012	2013
Fresh production/beet sugar	4 691	4 345	5 059	4 528	4 529
EU TAF	47	119,3	126,2	146,4	0,190
DOM TAF	184	0,0	158,2	159,4	0,170
Metropole fresh production (excluding TAF)	4,460	4,225	4 774	4,222	4 169
DOM fresh production (including TAF)	449	258	416	412,2	417,5
Total production (including carry forward)	4,952	4 507	5 202	4 732	4 776
Under quota production	3,387	3,263	3,421	3,417	3,422
Out of quota production (before carry forward)	1,565	1,245	1,781	1,315	1,353

Sources : European Commission / FranceAgriMer

2013/14 quota sugar balance

On the 1st of October, the quota sugar stock reached 0.43 Mt, its highest level since 2006 (0.22 Mt in 2012/13 and 0.14 Mt in 2011/12).

The estimates for sugar imports in the EU are identical to those of 2012/13 and amount to 1.11 Mt (1.12 Mt in 2012/13).

In 2013/14 the total sugar availabilities will be higher than in 2012/13, even in the absence of requalification measures, given the level of stock in the beginning of the campaign.

2013/14 quota sugar balance: higher stocks than in 2012/13

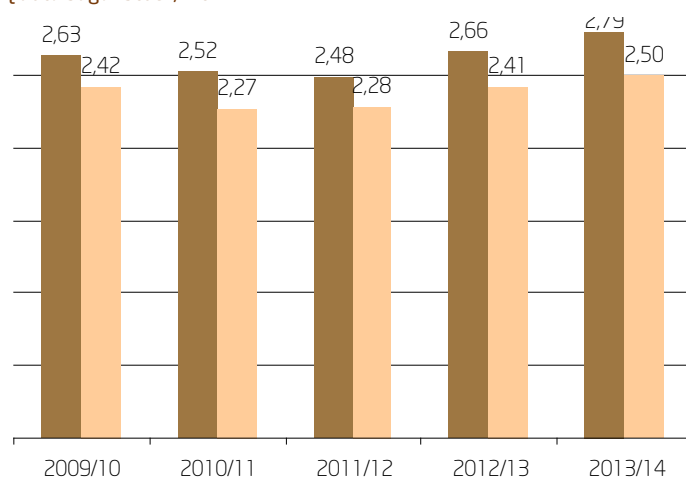
Since the beginning of the campaign, the quota stocks remain higher than last year even if the gap between the two campaigns is getting smaller.

2013/14 quota sugar balance (France) (Mt)

	2012/13	2013/14		2012/13	2013/14
Stock on 1/10	0,22	0,44	Domestic use	2,23	2,10
market	0,22	0,44			
Carry forward	0,10	0,02	Exports EU	1,43	1,86
Raw production	3,32	3,40	Exports of co-products	0,77	0,77
Imports	1,12	1,11	Total Use	4,43	4,73
sugar	0,36	0,35			
Out of quota sugar release on food market	0,11	0,00			
Total	4,87	4,97	Stocks au 30/09	0,44	0,24

Source : European Commission/ FranceAgriMer

Quota sugar stock, Mt



Sources : European Commission / FranceAgriMer

The sugar exports to the EU market declined in December in comparison with November exports (108,941 t vs 127,539 t). This level is also lower than the exports' level in December 2012 (117,207 t).

For the first three months of the campaign (October / December) the main destinations were Spain (75 480 t) and Italy (95 532 t), followed by the UK (61,953 t) and Germany (59 459 t). The direct non-EU exports of French sugar in this period amounted to 107,128 t, the same exports' level than the previous year (103,461 t in the same period in 2012).

These supplies are sufficient to meet the demand in the domestic market (2.1 Mt) and to export 1.86 Mt to the rest of the EU. The exports of processed products are estimated at 0.77 Mt, unchanged from the previous campaign.

2013/14 out of quota sugar balance

As overall, the 2013/14 forecasts are close to quota sugar balance of the previous campaign. The initial out of quota availability estimated at 1.54 Mt will allow to produce 0.36 Mt of "travail à façon" contract sugar in agreement with the French DOM (0.17 Mt) and the rest of the EU (0.19 Mt). The remaining volume of 1.23 Mt will be sufficient to cover 0.85 Mt for industrial use and 0.31 Mt for export to third countries.

In the current year, France was awarded with 147,594 t of white sugar within the first quota of 650 000 t which is 42.2% of acceptance of 350 000 t requested (from December 2 to 6, 2013). Regarding the second quota of 700 000 t, the country was awarded with 146,016 t, 41.7% of acceptance of 350,000 t requested.

The carry forward forecast in 2013/14 is estimated at 15 000 t.

2013/14 out of quota sugar balance

	2012/13	2013/14		2012/13	2013/14
Stock on 1/10	0	0	Chemical-pharmaceutical industry	2,26	0,27
			Alcohol – Bioethanol	0,58	0,57
Production without "travail à façon"	1,31	1,23	Exports (non EU)	0,27	0,31
Imports	0,00	0,00	EU Exports	0,07	0,06
			Delivery to EU (RUP)	0,01	0,01
			Release on food market	0,11	
			Total Use	1,30	1,22
Total ressources	1,31	1,23	Carry forward	0,02	0,01

Source : European Commission/ FranceAgriMer