

# Market Report

> FranceAgriMer's Ecomic analysis of the **sugar** market



• Number 24 / July 2014 / **Sugar Market Report**

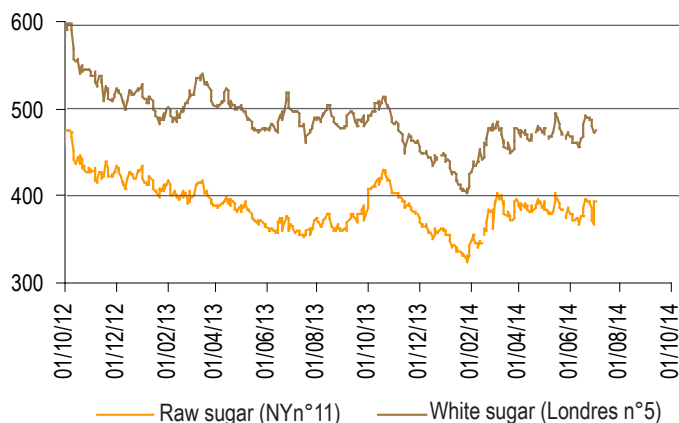
Since April, no clear trend emerges on world sugar market for both raw and white sugar. The raw sugar futures remain between 16.5 cents / lb and 18.25 cents / lb per pound, while scoring a relatively high volatility within this corridor. This price situation show a surplus cycle transition which ends in 2013/14 spreading to the new 2014/15 campaign. So the return of a deficit could be declared for the first time since 2010/11 due to unfavorable weather conditions in Brazil and the possible impact of El Niño on crops in India and southeast Asia.

On the EU market prices show a significant downward trend reflecting a broad market supply especially from high stocks early in the 2013/14 season. Higher surfaces and good yield potential in the end of June might be the main reason for production growth in 2014/15.

The replenishment of stocks in the EU in 2013/14 weighed on French exports with the EU as main destination preventing the decline of 2013/14 ending stock. The 2014 beet harvest may exceed the 2013 results due to the current conjuncture as well as weather conditions: 3 % increase of sown area, early sowing and good weather in the spring.

World sugar prices

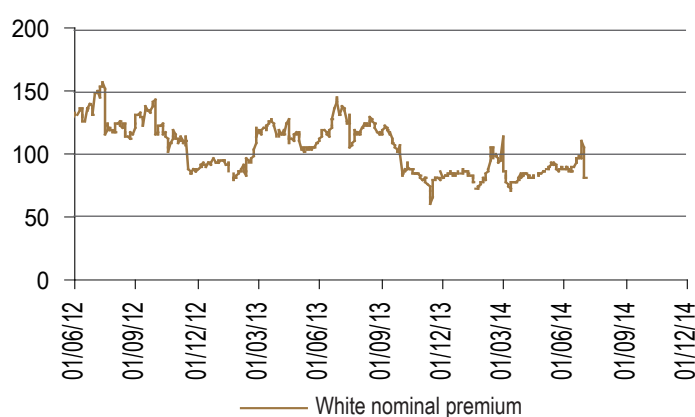
\$/t



Sources : LIFFE / NYSE

White nominal premium

\$/t



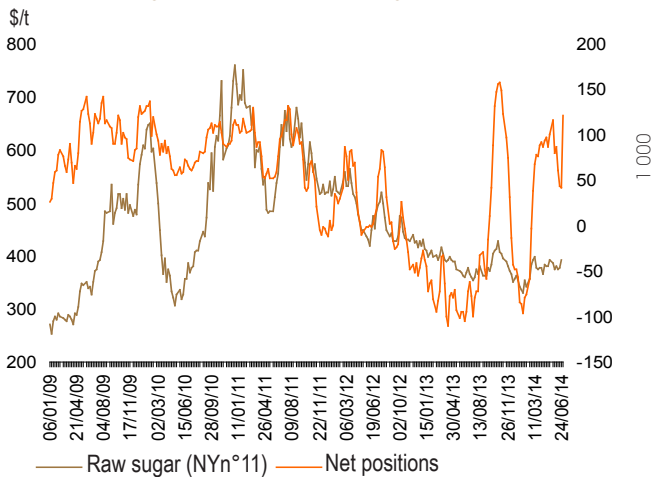
Sources : LIFFE / NYSE

> Prices: no obvious trend on the futures markets

On July 10, the NY October futures' contract for raw sugar was traded at 17.29 cents / lb which was the mid-March level. The London contract for white sugar (n°5) was traded at \$ 453.5 / t which was also very close to mid-March level. In the meantime, the world prices of raw sugar have fluctuated from 16.56 cts / lb (15/04) to 18.25 cts / lb (14/05). The white sugar trading over the same period went from 423.2 USD / t in mid-April to \$ 494.4 / t in mid-May. In recent months, particularly since mid-June, the upward movements go along with downward adjustments.

In recent months, the price dynamics has been heavily influenced by speculative activity, the increase phases coincided with increased net long positions of hedge funds and decrease phases coincided with the reduction of this net long positions. Remember that since March, the hedge funds took the net long positions which was the opposite compared to the beginning of the year. According to CFTC data, during the 2nd half of June, hedge funds purchased the equivalent of 3.3 Mt of raw sugar.

Prices of raw sugar and net positions of hedge funds



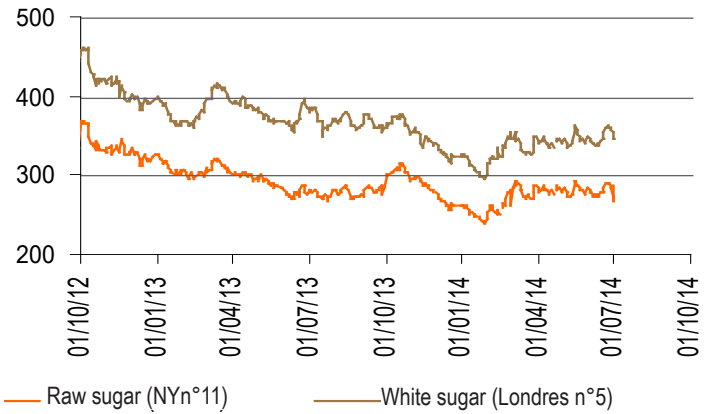
Sources : CFTC (Commodity Futures Trading Commission / NYSE

The current level of the white sugar premium is significantly lower than the long-term average (3 years) of \$ 103.20 / t. Since March, the white sugar premium has decreased significantly to \$ 57.46 / t (April 14). Having risen to nearly \$ 100 / t in the end of June, the white sugar premium has dropped below \$ 80 / t in early July.

Since early June, the USD shows a mixed trend against major currencies. During the same period of time there has been a decline of the euro as the European Central Bank (ECB) cut interest rates. However the recent Federal Reserve policy has limited the decline.

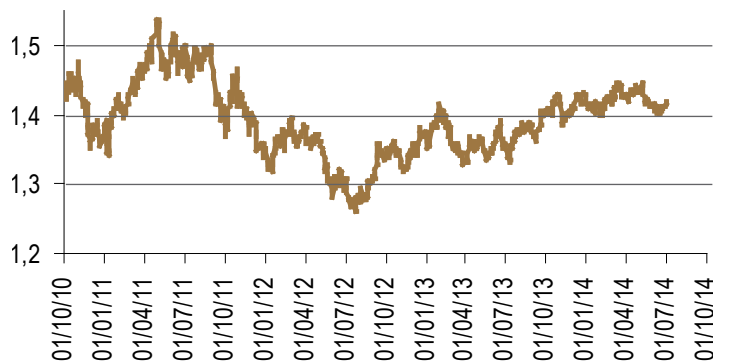
The Indian Rupee (INR) keeps downtrend. The THB (Thai Baht) has strengthened recently. The USD-BRL pair was traded at a level of 2.20 - 2.29 since mid-April following the intervention of the Central Bank of Brazil (BCB) to fight against the volatility of its currency. In June, the BCB announced that the intervention program would be extended for another 6 months as inflation concerns continue to dominate the country's economic agenda.

World sugar prices  
€/ t



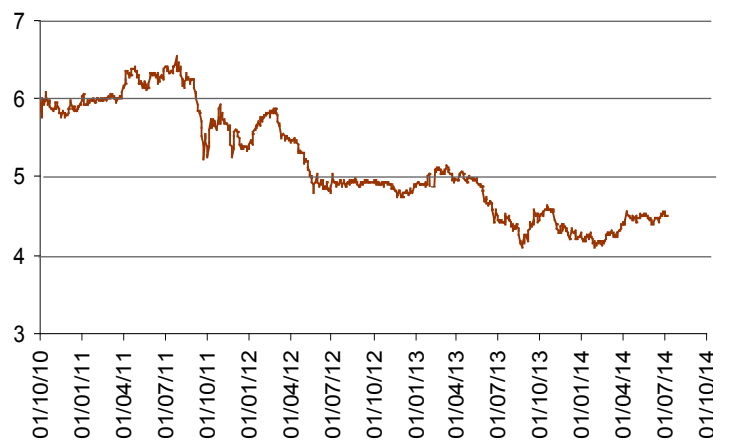
Sources : LIFFE / ICE

Exchange rate  
€/ \$



Sources : LIFFE / ICE

Exchange rate  
BRL / \$



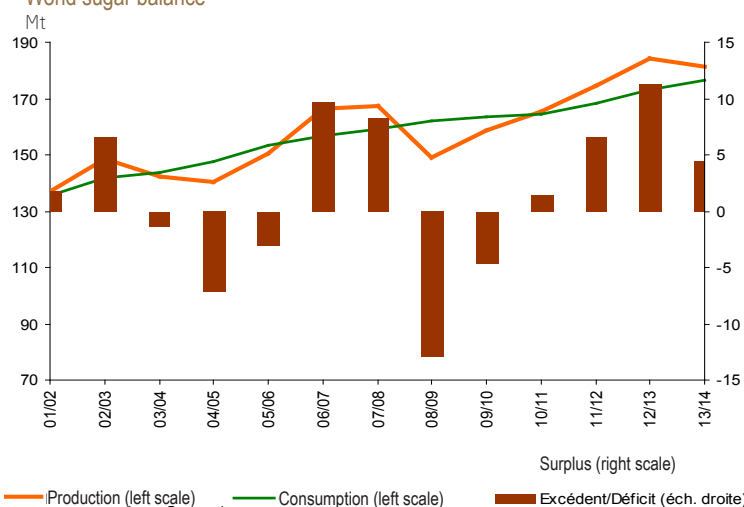
Sources : LIFFE / ICE

> 2013/14 campaign: latest estimates show the decrease in surplus

According to the F.O. Licht June estimate, the 2013/14 surplus could reach 3.1 Mt (3.6 Mt according to previous estimate) against 8.3 Mt in 2012/13. F.O. Licht has slightly adjusted its world sugar production estimate (181 Mt against 181.2 Mt previously). The most important revisions concern Brazil

(-1.0 Mt), Mexico, China and the United States (-0.2 Mt each). Production in Brazil is estimated at 39.6 Mt, 1.3 Mt down from last year (40.9 Mt). This estimate could be explained by the prospect of lower cane production in the Southern and Central Brazil in 2014/15. China's sugar production is estimated at 14.5 Mt (+0.3 Mt compared to last year), while its domestic consumption is estimated at 16.2 Mt (+0.4 Mt from last year). According F.O. Licht, in 2013/14, Thai production would reach 11.6 Mt. The world sugar consumption estimate was increased by 0.7 Mt to 175.6 Mt. The global imports are estimated at 61.3 Mt (63.2 Mt in 2012/13). China will remain a major importer with 3.3 Mt, staying ahead of the United States (3.25 Mt). According to F.O. Licht, Indonesia could become the first largest importer in 2013/14 reaching 3.5 Mt. In 2013/14, global sugar exports could reach 63.8 Mt. Brazil on its own could export 25.9 Mt, lower volume than in 2012/13 (28.5 Mt) taking into account the reduction in crops.

World sugar balance



Sources : F.O. Licht / ISO

Evolution of production in major exporting countries (Mt raw)

Exporting countries	Production			Consumption			Surplus/deficit (1)		
	2013/14 (for.)	2012/13 (prov.)	2011/12	2013/14 (for.)	2012/13 (prov.)	2011/12	2013/14 (for.)	2012/13 (prov.)	2011/12
Brazil	39,6	40,9	34,6	13,6	13,4	12,9	26	27,5	21,7
India	26	27,5	28,6	25	24,7	24,3	1	2,8	4,3
Thailand	11,6	10,4	10,7	3,1	3	2,9	8,5	7,4	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
<b>Total</b>	<b>94,2</b>	<b>95,8</b>	<b>88</b>	<b>53</b>	<b>52,1</b>	<b>50,5</b>	<b>41,2</b>	<b>43,7</b>	<b>37,5</b>

Source : F.O. Licht (June 2014)

Evolution of production in importing countries (Mt raw)

Importing countries	Production			Consumption			Surplus/deficit (1)		
	2013/14 (for.)	2012/13 (prov.)	2011/12	2013/14 (for.)	2012/13 (prov.)	2011/12	2013/14 (for.)	2012/13 (prov.)	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	14,6	14,2	12,5	16,3	15,8	15,2	-1,7	-1,6	-2,7
Malaysia	0	0	0	1,6	1,6	1,5	-1,6	-1,6	-1,5
USA	7,9	8,1	7,7	10,9	10,7	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
<b>Total</b>	<b>46,4</b>	<b>47,5</b>	<b>47,6</b>	<b>62,3</b>	<b>61</b>	<b>59,4</b>	<b>-15,9</b>	<b>-13,5</b>	<b>-11,8</b>

(1) Production - Consumption

Source : F.O. Licht (June 2014)

FO Licht estimation	2012/13 (June 14)	2013/14 (Feb 14)	2013/14 (June 14)
Production	184,6	181,0	181,2
Consumption	176,3	177,4	175,6
Surplus/deficit	8,3	3,6	3,1
Ending stocks	73,0	76,1	76,1

Sources : F.O. Licht / ISO

> 2014/15 campaign: the possible return of a deficit ?

According to some major analysts (Datagro, KINGSMAN, USDA) in 2014/15, there could be a possible return to a deficit while the ISO or ABARES (Australian Bureau for Agriculture) estimate that the global balance will be even. As for expected deficit, all eyes are focused on Brazil, particularly on early 2014 drought outcome evaluation as well as on the harvest that began in early April. All the current estimates of the 2014/15 cane harvest are lowered by about 20 Mt compared with the 2013/14 cane harvest (576 Mt against 596 Mt in the South Central region). According to F.O. Licht a further decrease in 2014/15 sugar production in the South Central region to 31.1 Mt (34.3 Mt according to the first estimate) confirms further stagnation of sugar production.

Any decision of the Brazilian government to increase the maximum allowable ethanol share in fuel to 26 % could also affect the sugar production in Brazil.

The situation in the Indian market in 2014/15 will be influenced by high stocks from previous campaigns. 3 % decrease in sown areas in 2014/15 will also have an impact on sugar production in India. Nevertheless the production could be enhanced by an extension of export subsidies until September 2015.

### The EU sugar market (EU 27)

In recent months the EU market is primarily influenced by the sharp decrease in the price of quota sugar reflecting an oversupply of the domestic market in 2013/14 primarily due to high inventories in the beginning of the season. This could possibly explain the low use of Brazilian CXL quota imports.

#### > 2013/14 campaign: a significant increase in production compared to earlier forecasts

According to the latest data from the European Commission, the sugar production in the EU-27 is estimated at 16.63 Mt, 0.3 Mt higher than the March estimate and 1 Mt higher than the last fall estimate. As for travail à façon sugar, 460 000 t of out of quota sugar might be converted into quota sugar.

#### Production in the EU countries

Production 1000 t	2012	2013	Country	2012	2013
Belgium	762	782	Hungary	112	116
Czech Republic	565	539	Netherlands	968	948
Denmark	480	462	Austria	469	482
Germany	4 007	3 428	Poland	1 803	1 713
Greece	158	160	Romania	259	246
Spain	532	456	Slovakia	229	218
France (Met)	4 223	4 162	Finland	140	116
France (DOM)	412	420	Sweden	366	378
Italy	546	501	United Kingdom	1 144	1 324
Lithuania	190	172	Total EU 27	17 366	16 630

Source : European Commission/FranceAgriMer

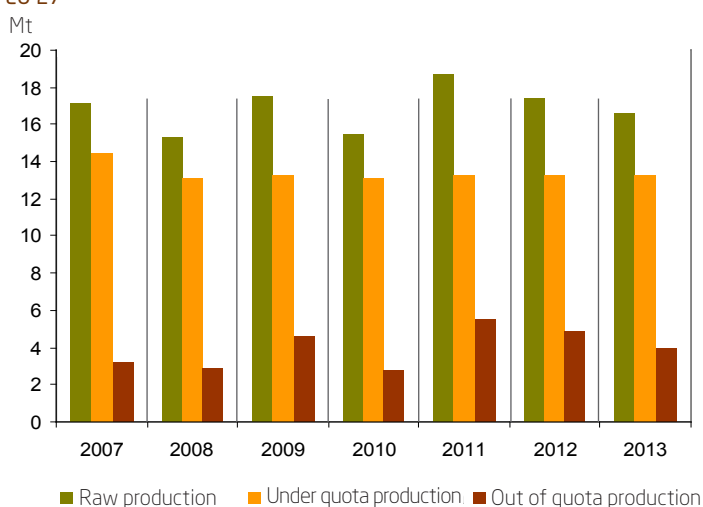
#### EU sugar production

Mt	2007	2008	2009	2010	2011	2012	2013*
Raw sugar production	17,1	15,3	17,5	15,5	18,7	17,4	16,63*
Carry Forward	0,7	0,4	0,6	0,6	0,2	0,8	0,7
Under quota production	14,46	13,13	13,28	13,15	13,31	13,31	13,31
Out of quota production	3,16	2,91	4,64	2,78	5,52	4,86	3,99

Source : European Commission/FranceAgriMer

\* EU-27

#### EU 27



\* EU-27

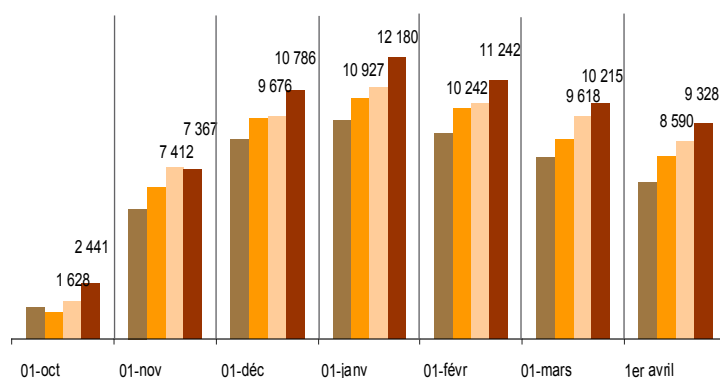
Source : European Commission/FranceAgriMer

#### > Stocks of quota sugar: on March 31 stocks are still higher than the previous campaigns.

On March 31, the stock of sugar quota for the EU-28 amounted to 9.3 Mt against 8.6 Mt for the EU-27 on 31/03/2013; the difference between the two campaigns is close to 0.6 Mt (taking into account the Croatian stock on 31/03/2014). Therefore the difference between the two campaigns' stocks is reduced. If this trend continues the ending stock on 30/09/2014 will be lower than last year (2.5 Mt).

#### Quota sugar stock

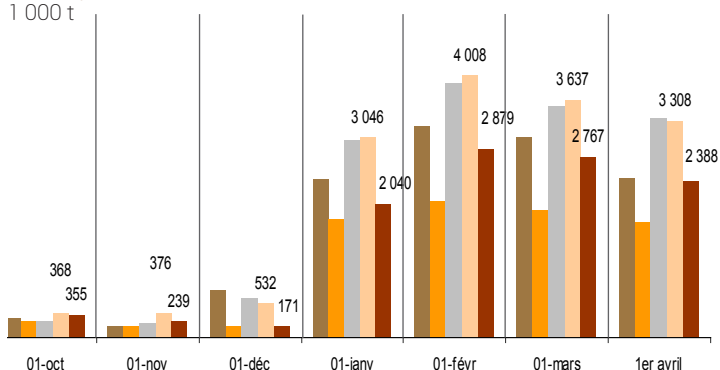
1 000 t



Source : European Commission

#### Out of quota sugar stock

1 000 t



Source : European Commission

#### > Imports: expected decrease in imports in late April

The total imports (excluding RPA) amounted to 1.68 Mt given the absence of exceptional imports for the first 7 months of the 2013/14 marketing year. This represents a decrease of 0.15 Mt compared to 2012/13 campaign (1.83 Mt). In 2013/14, the imports of raw sugar for refining amounted to 1.12 Mt (1.27 Mt in 2012/13).

EU -27 (Oct-April Mt)	2012/13	2013/14
Total	2,13	1,96
RPA	0,30	0,28
Non-RPA	1,83	1,68

Source : COMEXT

#### > Import licenses (issued quantities in the end of June 2014)

In the period from October 2013 to June 2014, the total number of CXL certificates reached 0.343 Mt in white value against 0.67 Mt in the same period in 2012/13.

#### Imports certificates (delivered certificates/end of juin 2014)

t	Quota (tel quel)	2013/14 (white eq)
CXL	676 925	343 069,9
Balkans	200 000	148 632,9
Transitional measures (Croatia)	40 000	39 999,9
Industrial sugar	400 000	4 000
Moldova (2014 civil year)	34 000	3 284,9
Total Andean countries	253 380	61 301,1

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

In the end of June, the certificates for the volume of 0.189 Mt were attributed to Balkans (1 38 882.9 t for Serbia, 10 500 t for Bosnia and Herzegovina). The sugar volume under the transitional measures for Croatia (40 000 t) was already fully delivered.

On April 4, the European Commission delivered 1.79 Mt from the ACP-LDCs against 1.56 Mt on 07/05/2013 and 1.37 Mt on 06/07/2012.

The main sources of imported sugar are Mauritius (19 %), Zimbabwe (10 %), Swaziland (10 %), Mozambique (10 %), Sudan (9%) and Guyana (8 %).

Based on data provided by the ACP-LDC countries the sugar exports potential from these countries is estimated at 2.3 Mt (2 Mt in 2012/13, white equivalent).

2013/14 LDC -ACP Import certificates

	Delivered certificates on 04/07/14	Delivered certificates on 05/07/13	Delivered certificates on 06/07/12
LDC non ACP	57 180,5	79 009	26 350
LDC - ACP	530 209,9	361 434,7	355 484,5
ACP - non LDC	1 199 978	1 123 312,5	992 636,1
Central Africa			
West Africa		9 962	
SADC	198 564,3	253 079,4	232 006
EAC			
ESA	511 517,9	433 407,5	366 959,9
Pacific	119 574,6	120 500	101 800
Cariforum	370 321,2	306 364	291 870
<b>Total ACP</b>	<b>1 787 368,5</b>	<b>1 563 759,3</b>	<b>1 374 470,7</b>
Total ACP + PMA non ACP	1 777 894,1	1 523 204	1 357 034

Source : European Commission

> Imports from Central America, Peru and Colombia

As for the Andean Pact and Central America, 0.157 Mt were imported since October 1 as part of free trade agreements. Between January 1 and June 20, 70 000 t of certificates were issued out of a total 2014 annual quota of 253 380 t. Peru has fully used its quota (22 660 t), Colombia took 23 159 t out of 63 860 t, Panama took 561.8 t out of 5 000 t, other Central American countries took 24 376 t out of quota of 154 500 t.

On April 30, the imports volume of attributed certificates for the entire campaign was estimated at 3.14 Mt. Most of the imports are allocated to ACP-LDC countries (2.2 Mt). The CXL quota is reduced to 342 000 t compared to 656 000 t in 2012/13 due to the absence of imports from Brazil the main source of CXL sugar. The Andean Pact and Central America would export 190 000 t.

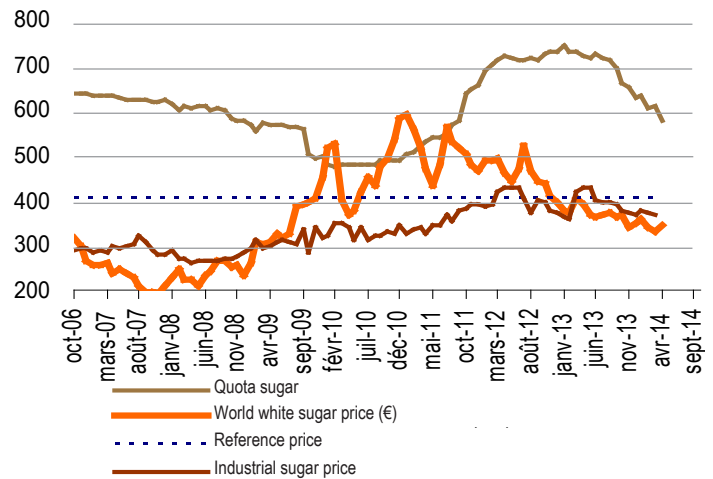
> Sugar prices on the Community market: sharp decline in April

In April, the average price of quota sugar was € 574 / t, a decrease of € 30 / t compared with February and March. The average price for refining raw sugar imported from LDC-ACP countries fluctuated between € 455 / t in March and € 480 / t in April. By adding the refining margin (€ 70 / t), the price of refined raw sugar settled at € 525-550 / t: so the gap with the average price in the EU was reduced.

In April, the out of quota sugar average selling price was € 345/ t (+€ 14 / t / March). Thus since October 2013, the decline in the price of out of quota sugar was limited to € 19 / t (against € 83 / t for quota sugar).

In April, the average import price of LDC-ACP white sugar was € 534 / t in (€ 574 / t in March).

Industrial sugar average price



Source : European Commission

> The guaranteed supply on the EU market in 2013/14

The adjustments of quota balance here below confirm a satisfactory supply of the domestic market in 2013/14. The balance reveals that this supply was ensured by the high level of stocks early in the season (2.5 Mt). By tapping into these stocks and using lower imports the EU demand would lead to a decline in the ending stock which nevertheless would remain at a high than 2 Mt level.

The available quota production (before travail à façon) is revised upwards to 12.85 Mt (12.78 Mt in March) following an increase in production in Spain. Imports are estimated at 3.135 Mt against 3-3.3 Mt previously. Travail à façon is estimated at 0.46 Mt.

Quota sugar sales in the EU are estimated at 16.1 Mt which is the average of the last 4 seasons. The ending stock for 2013/14 campaign is estimated at 2.1 Mt.

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

	2012/13	2013/14
<b>Stock on 1/10</b>	<b>1,59</b>	<b>2,49</b>
- market	1,59	2,49
- intervention	0,00	0,00
<b>Carry forward</b>	<b>0,80</b>	<b>0,67</b>
<b>Raw production</b>	<b>12,51</b>	<b>12,64</b>
- travail à façon	0,39	0,46
<b>Imports</b>	<b>4,16</b>	<b>3,66</b>
- sugar	3,64	3,14
- proceeded products	0,52	0,52
<b>Out of quota sugar release</b>	<b>0,60</b>	<b>0,00</b>
<b>Total</b>	<b>19,66</b>	<b>19,46</b>

	2012/13	2013/14
<b>Domestic use</b>	<b>15,88</b>	<b>16,10</b>
<b>Exports</b>	<b>1,28</b>	<b>1,28</b>
• quota sugar	0,06	0,06
<b>Total Use</b>	<b>17,17</b>	<b>17,38</b>
<b>Stocks</b>	<b>2,49</b>	<b>2,08</b>
• market		
• intervention		
<b>Stocks on 30/09</b>	<b>2,49</b>	<b>2,08</b>

Source : European Commission

> 2013/14 out of quota sugar balance: carry forward is estimated at 0.5 Mt

The out of quota production has been revised upwards (+ 220 000 t) to 4.45 Mt. Travail à façon (in the form of quota) was lowered (- 40 000 t) to 0.46 Mt. Out of quota sugar availabilities are estimated at 4 Mt and the total use at 3.5 Mt, 1.5 Mt of which is for ethanol.

Consequently, the next campaign's carry forward would amount to 500 000 t, a volume admittedly below the one of last two seasons but more significant than the initial estimates early in the season.

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

	2012/13	2013/14
<b>Raw production</b>	<b>4,86</b>	<b>4,45</b>
Travail à façon		- 0,46
Imports	0,005	0,005
<b>Total</b>	<b>4,86</b>	<b>4,00</b>

	2012/13	2013/14
<b>Chemical-pharmaceutical industry</b>	<b>0,65</b>	<b>0,65</b>
• Alcohol - Bioethanol	1,59	1,50
<b>Exports</b>	<b>1,35</b>	<b>1,35</b>
<b>Release on food market</b>	<b>0,60</b>	
<b>Total Use</b>	<b>4,19</b>	<b>3,50</b>
<b>Carry forward</b>	<b>0,67</b>	<b>0,50</b>

Source : European Commission

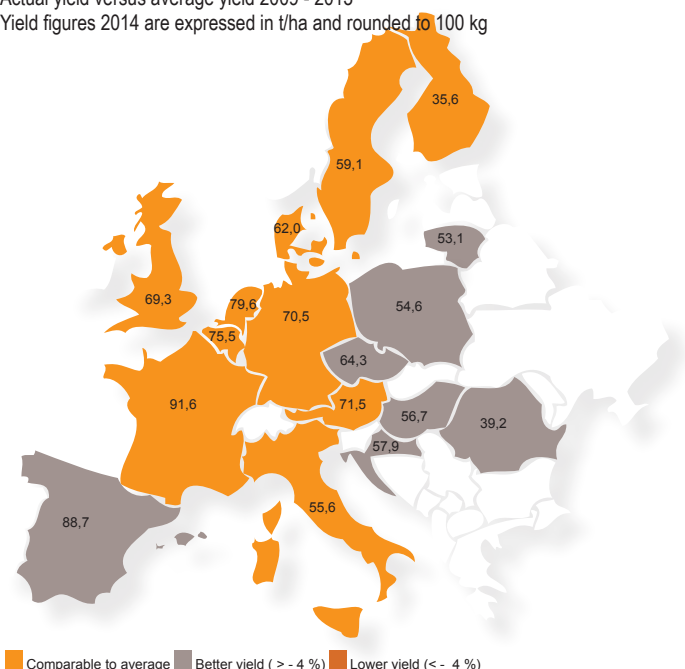
> 2014/15 campaign : Increase in sown area and high yield potential

According to the European Commission data, the new campaign would benefit from a 3.2% increase of the sown area allocated for sugar production mainly provided by Germany (356 700 ha in 2014 against 334 600 ha in 2013), France (371 600 ha against 360 700 ha), Italy (49 600 ha against 40 700 ha) and Poland (197 500 ha against 184 900 ha).

Sugar beets - yield forecast 2014

Actual yield versus average yield 2009 - 2013

Yield figures 2014 are expressed in t/ha and rounded to 100 kg



Sown area 1000 ha	2013	2014
Belgium	61,8	59,5
Czech Republic	64,6	63
Denmark	38	35,5
Germany	334,6	356,7
Greece	5,8	7,5
Spain	35,2	36
France (Met)	360,7	371,6
France (DOM)	25,8	26,5
Italy	40,7	49,6
Lithuania	17,8	16,2
Hungary	15,6	15,1
Netherlands	73,3	75,4
Austria	51	50,7
Poland	184,9	197,5
Romania	28,6	29,2
Slovakia	20,1	21,8
Finland	12	13
Sweden	35,4	34
United Kingdom	106	103
<b>Total EU</b>	<b>1 512,30</b>	<b>1 561,20</b>

Source : European Commission

According to the latest forecasts of the European Commission Research Centre (MARS), the increase of average yield of beet production is estimated at 6 % which is 72.3 t / ha against 68.1 t / ha in 2013 and 69.5 t / ha for the 2009 - 2013 average.

According to FranceAgriMer prior estimates, the sugar average yield might increase by 4 % (11.4 t / ha) and the fresh sugar production (including cane sugar) might exceed 18 Mt against 16.8 Mt. In the context of a general increase in production the use of travail à façon for quota filling would probably be lower than in 2012/13.



EU-28	2013	2014
Sown area (1000 ha)	1 512	1 561
Yield (t/ha)	11,0	11,4
Raw production (Mt)	16,83	18,00
Carry forward (Mt)	0,67	0,50
<b>Under quota production</b>	<b>13,50</b>	<b>13,50</b>
Out of quota production	4,00	5,00

Source : European Commission

#### > 2014/15 quota sugar balance in the EU-28 (Mt)

The new balance would incorporate 13.50 Mt of production including 0.27 Mt of travail à façon. The imports are estimated at 3.47 Mt which would form a good balance with ending stock of 2 Mt. The stock on October 1, 2015 would be lower than the previous one (October 1, 2014). Imports are estimated at 3.47 Mt, an increase of 0.34 Mt compared with the current season. The EU sales are estimated at 16.35 Mt. Total sugar availabilities are estimated at 19.64 Mt against 17.64 Mt of total use.

#### 2014/15 quota sugar balance (Mt)

2014/15	
Stock on 1/10	2,15
• market	2,15
Raw production	13,50
Imports	3,99
• sugar	3,47
Out of quota sugar release on food market	0,27
<b>Total</b>	<b>19,64</b>

2014/15	
Domestic use	16,35
Exports	1,28
• quota sugar	0,06
<b>Total Use</b>	<b>17,64</b>
Stock	2
<b>Stocks on 30/09</b>	<b>2</b>

Source : European Commission

#### > 2014/15 out of quota sugar balance: the surplus might exceed 1 Mt

In 2014/15, the out of quota sugar availabilities are estimated at 4.73 Mt (5 Mt of available production minus 0.27 Mt of travail à façon). The total use is estimated at 3.5 Mt, 1.5 Mt of which is for bioethanol, 0.65 Mt for the chemical-pharmaceutical industry and 1.35 Mt for exports to third countries. If estimates of a high volume of out of quota sugar as well as the surplus that exceeds 1 Mt are confirmed, the rapid opening of the second tranche of 2014/15 exports will be logical.

#### 2014/15 out of quota sugar balance (Mt)

2014/15	
Stock on 1/10	0
Raw production	5
Travail à façon	-0,27
<b>Total</b>	<b>4,73</b>

2014/15	
Chemical-pharmaceutical industry	0,65
Alcohol - Bioethanol	1,5
Exports	1,35
Total Use	3,5
<b>Carry forward</b>	<b>1,23</b>

Source : European Commission/ FranceAgriMer

### The French sugar market

#### > 2013-2014 campaign: production estimated at 4.54 Mt

In June, the output production of beet sugar was estimated at 4.54 Mt. This represents an increase of 0.01 Mt compared to 4.53 Mt in March (last FranceAgriMer's Sugar Report estimation).

Production 1 000 t	2009	2010	2011	2012	2013
Raw production/beet sugar( including EU TAF and DOM)	4 691	4 345	5 059	4 528	4 544
EU TAF	47	119,3	126,2	146,4	204,9
DOM TAF	184	0,0	158,2	159,4	176,9
Metropole raw production	4 460	4 225	4 774	4 222	4 163
DOM raw production	449	258	416	412,2	424,5
<b>Total production (including carry forward)</b>	<b>4 952</b>	<b>4 507</b>	<b>5 202</b>	<b>4 732</b>	<b>4 606</b>
Under quota production	3 387	3 263	3 421	3 417	3 429
Out of quota production (before carry forward)	1 565	1 245	1 781	1 315	1 177

Source : FranceAgriMer

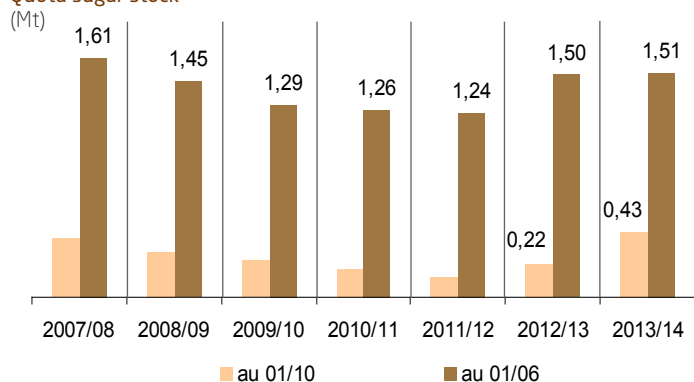
#### > Quota sugar stock on June 1 is at the same level as last year

On the 1st of June, the stock of sugar quota amounts to 1.51 Mt, which is almost the same level as on 01.06.2013 (1.5 Mt). This confirms the trend of the previous months based on the gap reduction between the two campaigns.

For the first 7 months of the campaign, French sugar exports to the EU market totalled 0.94 Mt against 0.88 Mt of the same period last year. The pace of exports could slow down in the coming months given good supply of the EU market.

The export volume of French sugar to third countries amounted to 1 98 662 t whose main destination is Algeria (100 440 t).

Quota sugar stock



Source : FranceAgriMer

> 2013/14 quota sugar balance

The downward revision of total sugar exports to the EU (1.7 Mt) leads to an upward revision of the ending stock to 0.38 Mt

2013/14 quota sugar balance (Mt)

	2012/13	2013/14
Stock on 1/10	0,22	0,44
• market	0,22	0,44
Carry forward	0,10	0,02
Raw production	3,32	3,40
Imports	1,10	1,10
• sugar	0,36	0,35
Out of quota sugar release on food market	0,11	0,00
<b>Total</b>	<b>4,85</b>	<b>4,96</b>

	2012/13	2013/14
Domestic use	2,21	2,10
Exports EU	1,43	1,70
Exports of co-products	0,77	0,78
<b>Total Use</b>	<b>4,41</b>	<b>4,58</b>
Stocks on 30/09	0,44	0,38

Source : FranceAgriMer

> 2013/14 out of quota balance

The availability of out of quota sugar amounted to 1.56 Mt minus 0.38 Mt of out of quota sugar converted into quota sugar in the form of travail à façon (0.18 Mt in the DOM, and 0.2 Mt in the rest of the EU).

2013/14 quota sugar balance

	2012/13	2013/14
Raw production	1,32	1,18
Imports	0,00	0,00
<b>Total</b>	<b>1,32</b>	<b>1,18</b>

	2012/13	2013/14
Chemical-pharmaceutical industry	0,26	0,25
• Alcohol - Bioethanol	0,58	0,55
Exports (non EU)	0,27	0,31
Exports to the EU	0,07	0,05
Delivery to the EU (RUP)	0,01	0,01
Release on food market	0,11	
<b>Total Use</b>	<b>1,30</b>	<b>1,17</b>
<b>Carry forward</b>	<b>0,02</b>	<b>0,01</b>

Source : FranceAgriMer

> Campaign 2014/15

The beet sown area in spring 2014 is estimated at 404 900 ha against 393 000 ha in 2013). As for the ethanol production the sown area also increase to 371 600 ha against 360 800 ha in 2013 excluding the one for 'green juice' beet. Based on a beet yield of 89 t / ha the beet harvest would exceed 36 Mt and sugar production would exceed 4.8 Mt subject to weather conditions in the months to come.

If this forecast confirms the availability of out of quota sugar would increase significantly as well as the carry forward potential of the 2015/16 campaign.

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