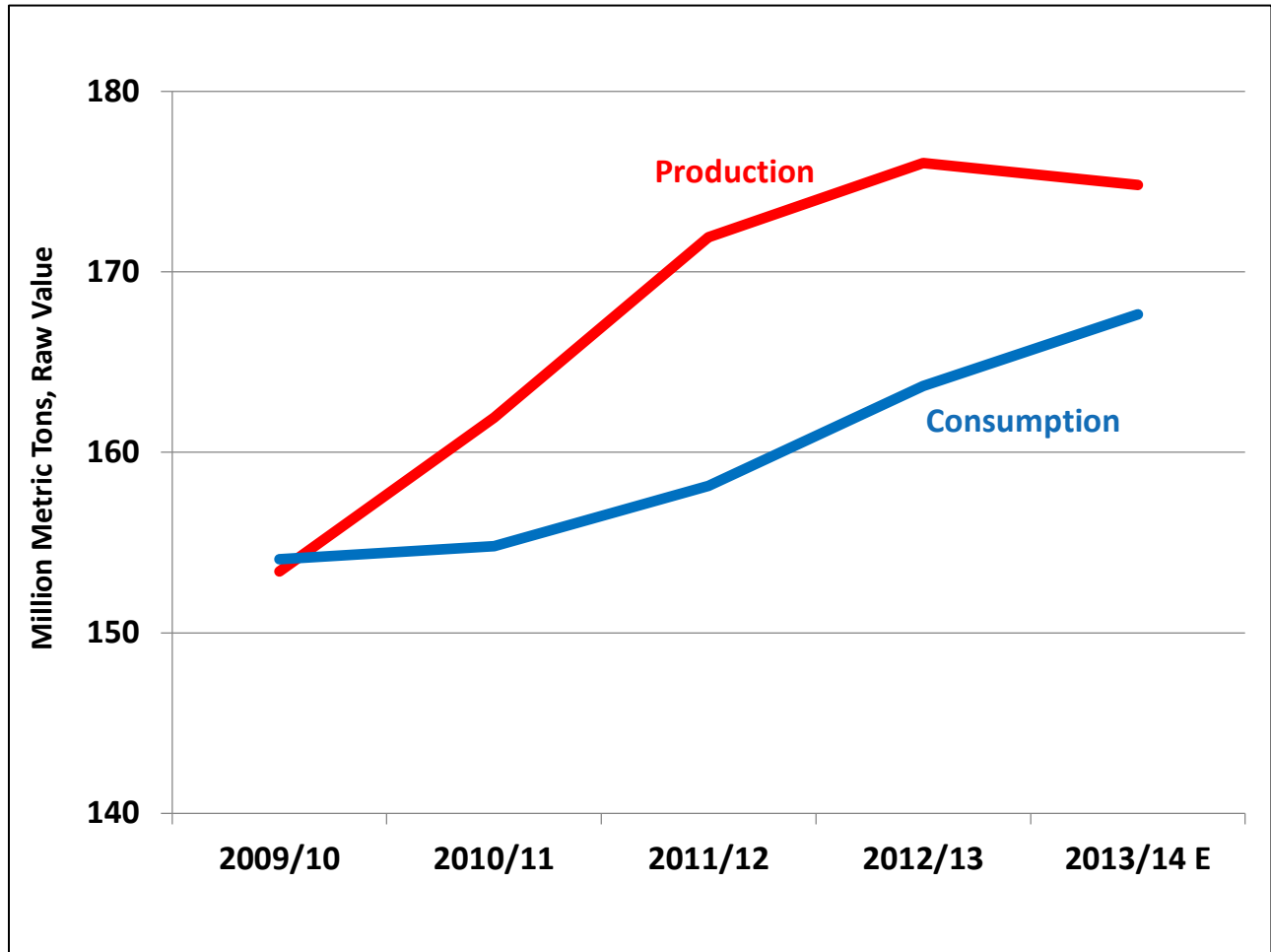




Sugar: World Markets and Trade

Global Production Is Estimated To Outpace Consumption Although at Lower Rate



Global sugar production for 2013/14 is estimated at 175 million (metric) tons, down over 1 million from last year as sharply lower production in India and Russia is somewhat offset by growth in China and Thailand. With abundant supplies continuing to weigh on the market, low prices are expected to stimulate global consumption and trade.

2013/14 Sugar Overview

Production in the **United States** is estimated at 8.1 million tons, down 90,000 from the previous year, on smaller sugar beet area and lower yields. Consumption which exceeds production continues to rise, while imports of nearly 3.1 million tons are estimated up over 130,000 tons. Stocks continue to expand at nearly 2.2 million tons, although any Commodity Credit Corporations disposals would lower them.

Brazil's production is estimated level at 38.8 million tons, as the share of the sugarcane crop for sugar is estimated at 47 percent, as opposed to the 50/50 split between sugar and ethanol the prior year. Consumption holds steady; exports are estimated at 27.3 million tons. A fire in the largest sugar export terminal at the Port of Santos caused extensive damage in October and will further complicate Brazil's already complex logistics. Although repairs are estimated to take a year or more to complete, traders believe that the remaining export terminals will likely absorb the lost capacity. With the 2013/14 sugarcane harvest nearing conclusion, mills will crush as much as possible before seasonal rainy weather halts activity.

Thailand's production is estimated up 900,000 tons, to a record 10.9 million, based on a rise in area and yield. Consumption continues to trend higher, driven by growing household and industrial use. Exports are estimated to jump to a record 8.7 million tons on growing Asian demand, particularly from Indonesia and Cambodia.

India's production is estimated to drop by 1.8 million tons, to 25.5 million, due to drought related sugarcane shortfall even as consumption continues to trend higher. Exports are expected to

reach 2.0 million tons because of large sugar inventory and demand in African markets.

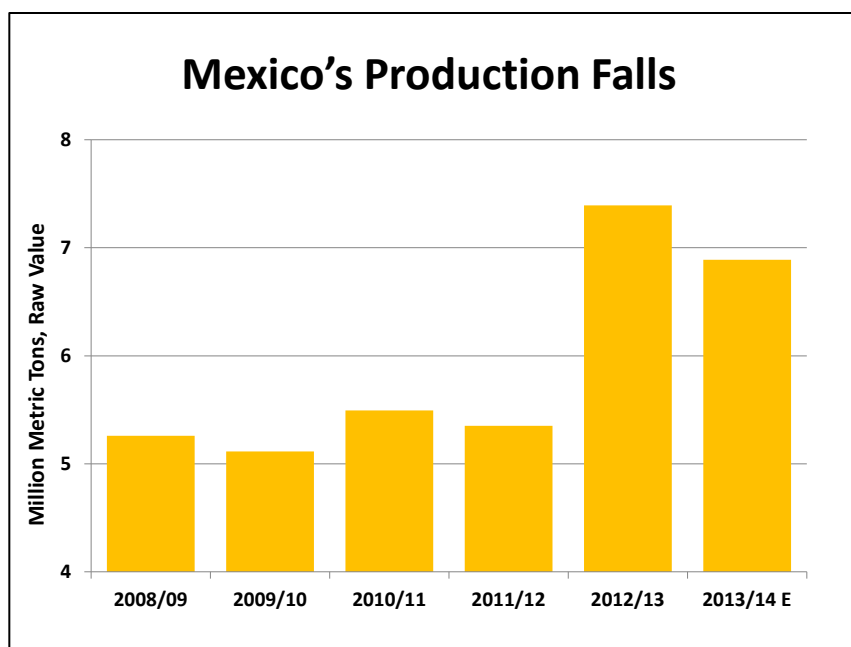
EU production is estimated at 16.0 million tons, down almost 600,000, on lower sugar beet plantings and a decline in yields. Consumption is nearly unchanged, lower imports are estimated at 3.7 million tons, while exports, limited by the EU's WTO sugar export ceiling, remain at 1.5 million tons.

China's production is estimated at 14.8 million tons, up 800,000 on higher yields. Consumption, which outpaces production, continues to expand yet stocks continue to build.



Mexico's production is estimated at 6.9 million tons, down 500,000 on lower yields. With greater consumption and exports, stocks are expected to fall. The United States is by far the largest market but Mexico is also expected to continue to export more to non-U.S. markets.

Russia's production is estimated to decline 600,000 tons, to 4.4 million due to a sharp drop in planted area as low world prices and high global stocks have reduced incentives to invest in the sector. To meet domestic demand, imports are estimated to nearly double to 1.1 million tons.



Revised 2013/14 From May Forecast

- Global ending stocks are revised 5.2 million tons higher to 43.4 million.
 - o China is raised 2.9 million tons to 8.3 million with favorably priced imports and larger beginning stocks.
 - o Thailand jumps 1.5 million tons to 2.8 million on lower than expected consumption and a drop in 2012/13 exports.
 - o European Union climbs 785,000 tons to 3.9 million.
- Global production is virtually unchanged as it declines 27,000 tons to 174.8 million.
 - o Brazil is lowered 1.7 million tons to 38.8 million as more sugar cane is used for ethanol.
 - o Argentina is reduced 550,000 tons to 1.8 million as a result of drought and frost.
 - o Russia drops 500,000 tons to 4.4 million on reduced area.
 - o China is up 750,000 tons to 14.8 million on increased area and yields.
 - o Mexico increases 650,000 tons to 6.9 million on higher yields.
- Global exports are lowered 513,000 tons to 58.7 million.
 - o Brazil is revised down 2.1 million tons to 27.3 million on lower available exportable supplies.
 - o India is up 1.4 million tons to 2.0 million on high African demand and exportable supplies.

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World Centrifugal Sugar
1,000 Metric Tons, Raw Value

	2009/10	2010/11	2011/12	2012/13	May 2013/14	Nov 2013/14
Production						
Brazil	36,400	38,350	36,150	38,600	40,400	38,750
India	20,637	26,574	28,620	27,200	25,320	25,450
European Union	16,897	15,939	18,320	16,591	15,940	16,000
China	11,429	11,199	12,341	14,000	14,050	14,800
Thailand	6,930	9,663	10,235	10,000	10,500	10,900
United States	7,224	7,104	7,700	8,144	7,787	8,054
Mexico	5,115	5,495	5,351	7,393	6,240	6,890
Pakistan	3,420	3,920	4,520	4,780	4,540	4,970
Russia	3,444	2,996	5,545	5,000	4,900	4,400
Australia	4,700	3,700	3,683	4,250	4,540	4,300
Guatemala	2,340	2,048	2,499	2,600	2,600	2,600
Philippines	1,800	2,520	2,400	2,450	2,500	2,500
South Africa	2,265	1,985	1,897	2,020	2,175	2,450
Colombia	2,294	2,280	2,270	2,210	2,400	2,400
Turkey	2,530	2,274	2,262	2,130	2,200	2,200
Indonesia	1,910	1,770	1,830	1,970	2,080	2,080
Egypt	1,820	1,830	1,980	2,000	2,020	2,020
Argentina	2,230	2,030	2,150	2,300	2,350	1,800
Ukraine	1,382	1,540	2,300	2,100	1,700	1,700
Cuba	1,250	1,150	1,400	1,510	1,600	1,600
Other	17,386	17,556	18,478	18,785	19,011	18,962
Total	153,403	161,923	171,931	176,033	174,853	174,826
Human Dom. Consumption						
India	22,500	23,050	23,993	24,685	26,000	26,200
European Union	17,610	18,040	18,200	18,250	18,100	18,300
China	14,300	14,000	14,200	15,100	16,604	16,000
Brazil	11,800	12,000	11,500	11,200	11,260	11,260
United States	9,861	10,171	10,106	10,419	10,487	10,523
Russia	5,700	5,523	5,700	5,500	5,700	5,400
Indonesia	4,700	5,000	5,050	5,135	5,200	5,200
Mexico	4,615	4,142	4,288	4,544	4,516	4,743
Pakistan	4,100	4,250	4,300	4,400	4,500	4,450
Egypt	2,629	2,800	2,850	2,840	2,820	2,820
Other	56,266	55,818	57,958	61,600	62,160	62,744
Total	154,081	154,794	158,145	163,673	167,347	167,640
Ending Stocks						
India	6,223	6,299	7,350	10,425	9,750	9,475
China	2,355	1,621	4,140	6,790	5,475	8,345
European Union	1,433	1,974	3,303	4,044	3,109	3,894
Thailand	2,343	2,983	2,810	3,240	1,310	2,790
United States	1,359	1,250	1,795	1,980	2,037	2,175
Indonesia	750	602	409	814	1,394	1,394
Mexico	973	806	1,024	1,548	1,129	1,044
Philippines	730	934	932	887	738	827
Pakistan	830	1,470	1,350	639	900	729
Ukraine	80	212	644	812	209	617
Other	11,683	11,679	12,230	11,983	12,176	12,089
Total	28,759	29,830	35,987	43,162	38,227	43,379

World Centrifugal Sugar: Imports and Exports

1,000 Metric Tons, Raw Value

	2009/10	2010/11	2011/12	2012/13	May 2013/14	Nov 2013/14
Imports						
Indonesia	3,200	3,082	3,027	3,570	3,700	3,700
European Union	2,561	3,755	3,552	3,900	3,800	3,650
United States	3,010	3,391	3,294	2,925	3,119	3,059
China	1,535	2,143	4,430	3,800	2,600	2,800
United Arab Emirates	2,100	1,969	2,154	2,583	2,700	2,700
Algeria	1,260	1,193	1,594	1,940	2,000	2,000
Malaysia	1,527	1,813	1,720	1,966	1,900	1,900
Korea, South	1,617	1,688	1,668	1,806	1,820	1,820
Iran	1,643	1,292	1,079	1,700	1,805	1,805
India	2,431	455	188	1,800	1,500	1,800
Bangladesh	1,361	1,537	1,700	1,547	1,550	1,550
Nigeria	1,431	1,495	1,399	1,450	1,600	1,475
Saudi Arabia	1,277	1,173	1,454	1,402	1,450	1,400
Japan	1,199	1,331	1,230	1,330	1,215	1,365
Egypt	978	1,120	1,480	1,050	1,200	1,200
Canada	1,114	1,135	1,103	1,157	1,195	1,195
Russia	2,223	2,510	510	600	1,030	1,100
Morocco	762	891	936	1,000	1,050	1,050
Iraq	315	456	918	1,003	1,035	1,035
Sudan	804	467	467	900	750	945
Other	16,221	16,461	14,888	14,899	15,286	14,996
Total	48,569	49,357	48,791	52,328	52,305	52,545
Exports						
Brazil	24,300	25,800	24,650	27,650	29,300	27,250
Thailand	4,930	6,642	7,898	7,000	8,500	8,700
Australia	3,600	2,750	2,800	3,100	3,400	3,190
Mexico	751	1,557	985	2,090	1,610	2,485
India	225	3,903	3,764	1,240	600	2,000
Guatemala	1,815	1,544	1,619	1,950	1,655	1,850
European Union	2,647	1,113	2,343	1,500	1,500	1,500
Cuba	538	577	830	750	850	850
United Arab Emirates	673	1,228	935	564	750	650
Colombia	870	830	876	600	880	600
Other	8,307	8,757	9,002	10,117	10,146	9,603
Total	48,656	54,701	55,702	56,561	59,191	58,678