



# Sugar Market situation

AGRI G 4

COMAGRI extraordinary meeting, Strasbourg 11 November 2018

Agriculture  
and Rural  
Development



## Main facts (1)

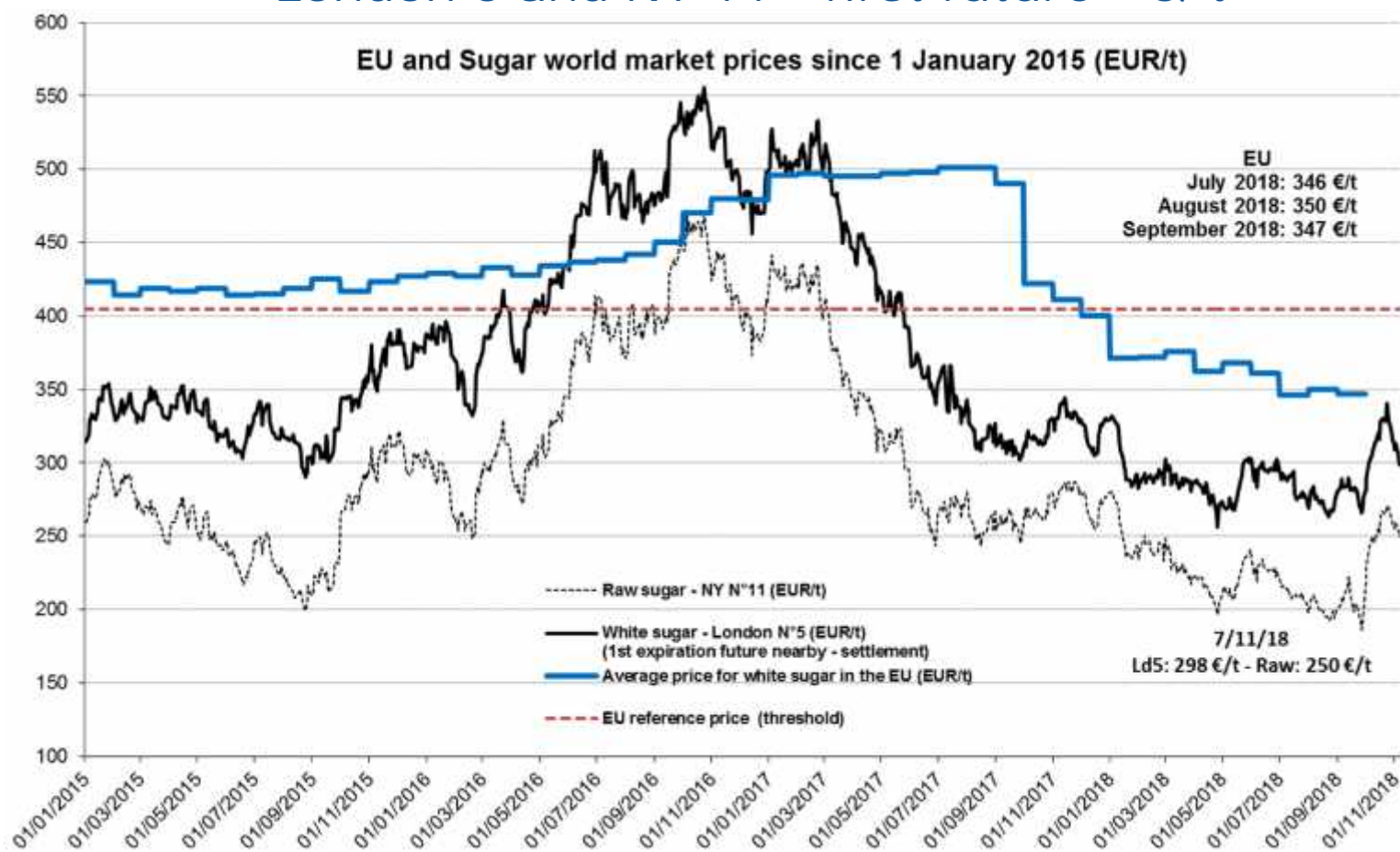
- EU recorded average price for white sugar:
  - Record low in July 2018: 346 €/t
  - 347 €/t in September (- 147€/t since end of quotas)
- EU production:
  - 2017/18: record production at 21.1 million tonnes (provisional)
  - Increase mainly took place in major producer MS
  - 2018/19: forecast at 18.7 mt (-11%)
- Current EU stocks (end August) above 2 previous marketing years, but largely below 2015
- First signs of beet area reduction in EU for 2019/20



## Main facts (2)

- World price: raw sugar reached 10 years low at the end of September (9,9 \$cts/lb) but now recovered to 13,01 \$cts/lb
- Global Production: recently revised downwards compared to last year (-7 mt). 2018/19: first MY of deficit (-0.7 mt) after a MY of surplus (+ 6.7 mt)

## EU market price and world market prices London 5 and NY 11 - first future - €/t





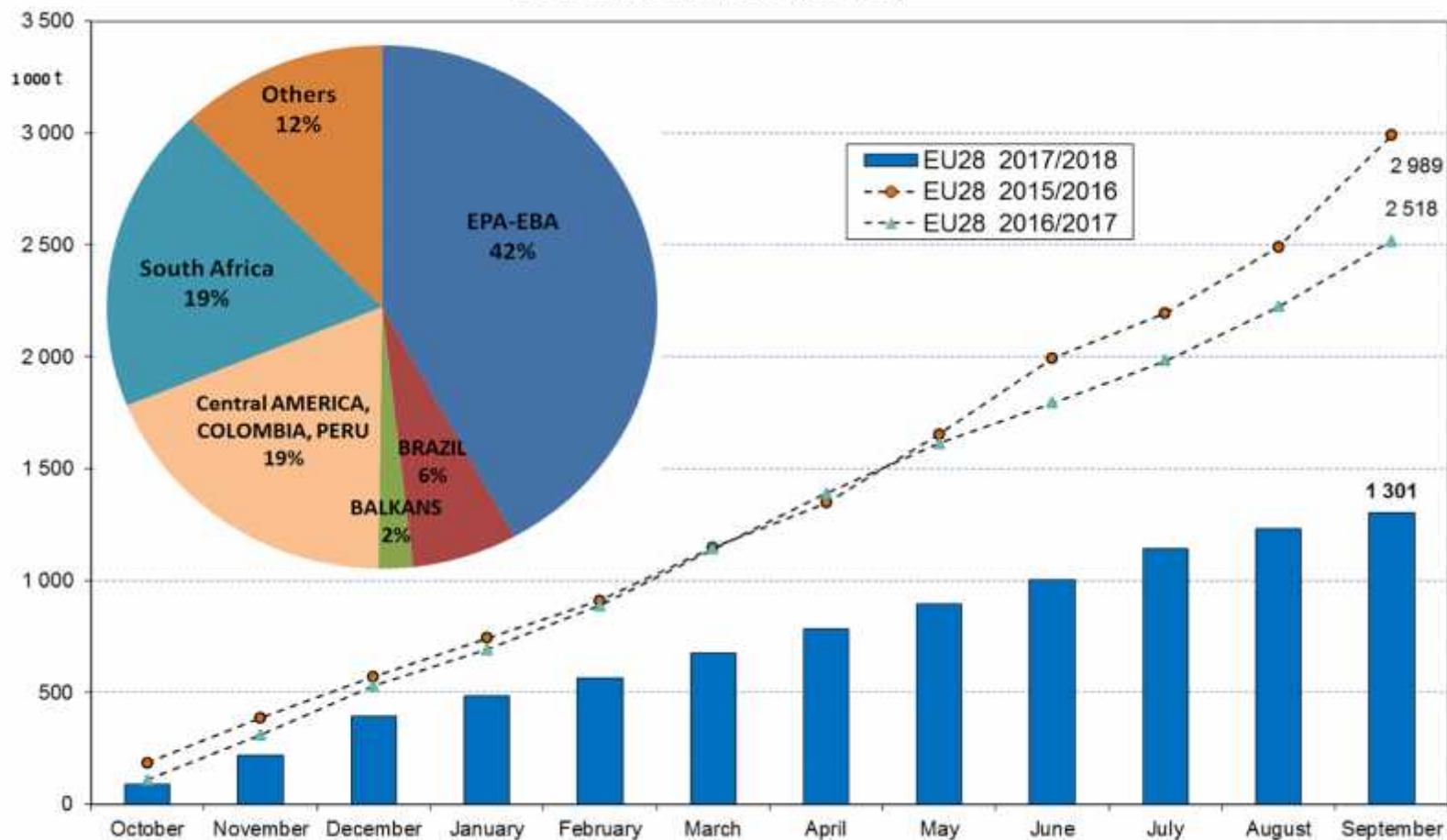
# 2017/2018 - Sugar Production

Provisional data August 2018

SUGAR Provisional production 2017/18					SUGAR Provisional production 2017/18				
<i>tonnes white sugar equivalent</i>	areas '000 ha (a)	yield t/ha (b)=(c)/(a)	Production of the campaign (c)	% increase compared to 2016/2017	<i>tonnes white sugar equivalent</i>	areas '000 ha (a)	yield t/ha (b)=(c)/(a)	Production of the campaign (c)	% increase compared to 2016/2017
BE	64.7	15.0	972 109	33%	HU	15.3	9.3	142 000	
BG					NL	86.2	15.4	1 325 501	52%
CZ	58.1	11.3	655 468	10%	AT	42.8	10.9	467 735	
DK	34.4	11.5	396 893		PL	231.7	10.0	2 312 844	18%
DE	384.8	13.4	5 161 378	45%	PT (Continent)				
EL	6.4	5.7	36 514		PT (Açores)	0.1		0	
ES	36.8	14.6	536 390	15%	RO	27.8	7.9	218 477	28%
FR (Met.)	442.9	13.8	6 096 118	35%	SK	22.5	8.0	179 591	-19%
FR (Dom.)			233 836		FI	10.5	6.1	64 181	-53%
HR	22.3	10.3	229 143	-37%	SE	30.8	10.0	306 906	
IT	38.0	8.0	305 254	-19%	UK	107.0	14.8	1 363 546	49%
LT	15.2	9.3	140 615	-14%	<b>TOTAL</b>	1 678	13.1	21 144 497	26%

# EU Total imports (provisional for 2017/18)

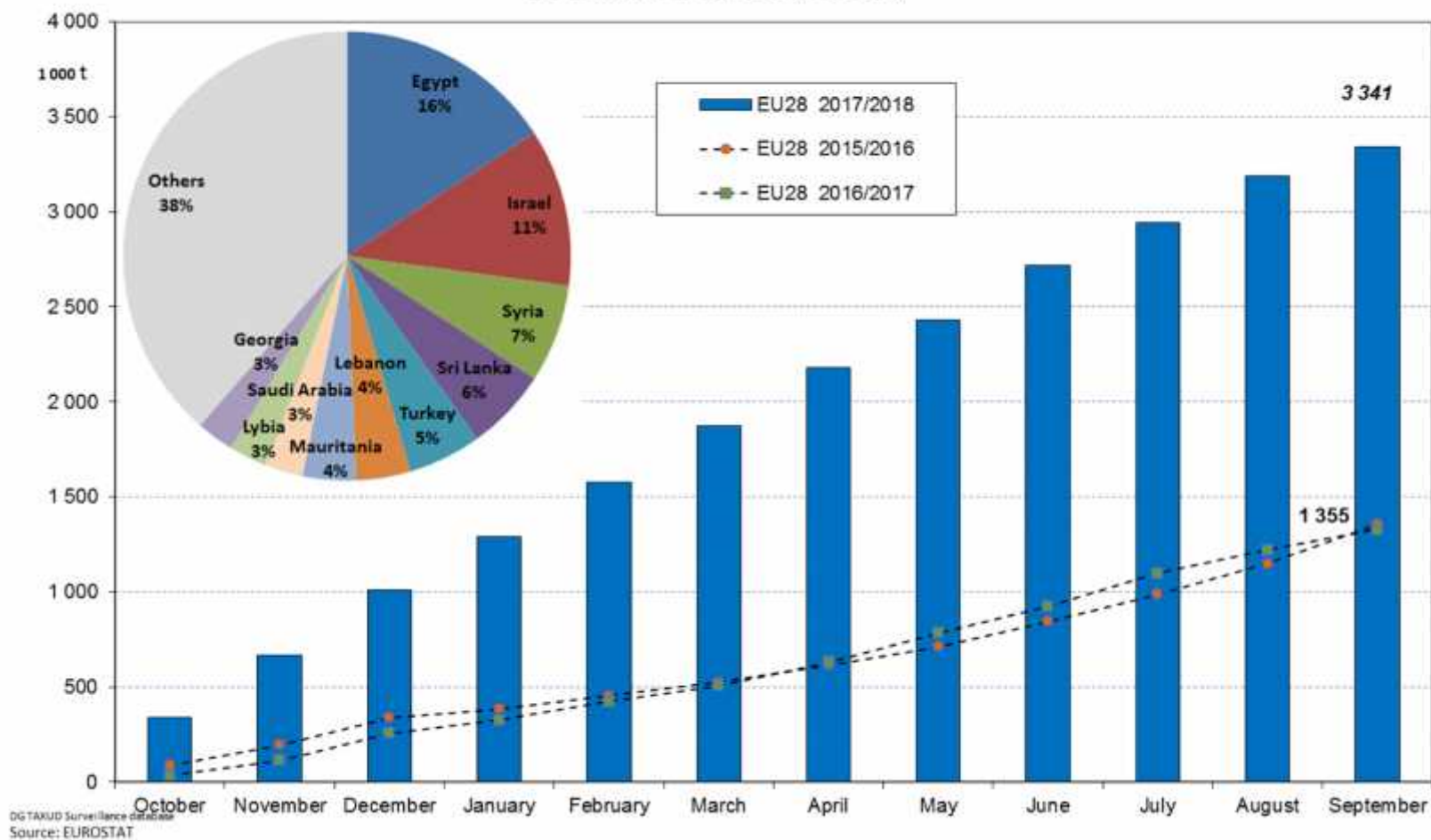
EU cumulated imports (CN 1701)



Source: EUROSTAT

# EU Total exports (provisional for 2017/18)

EU cumulated exports (CN 1701)





# SUGAR AND ISOGLUCOSE BALANCE SHEET 2017/18 – 2018/19 (October 2018)

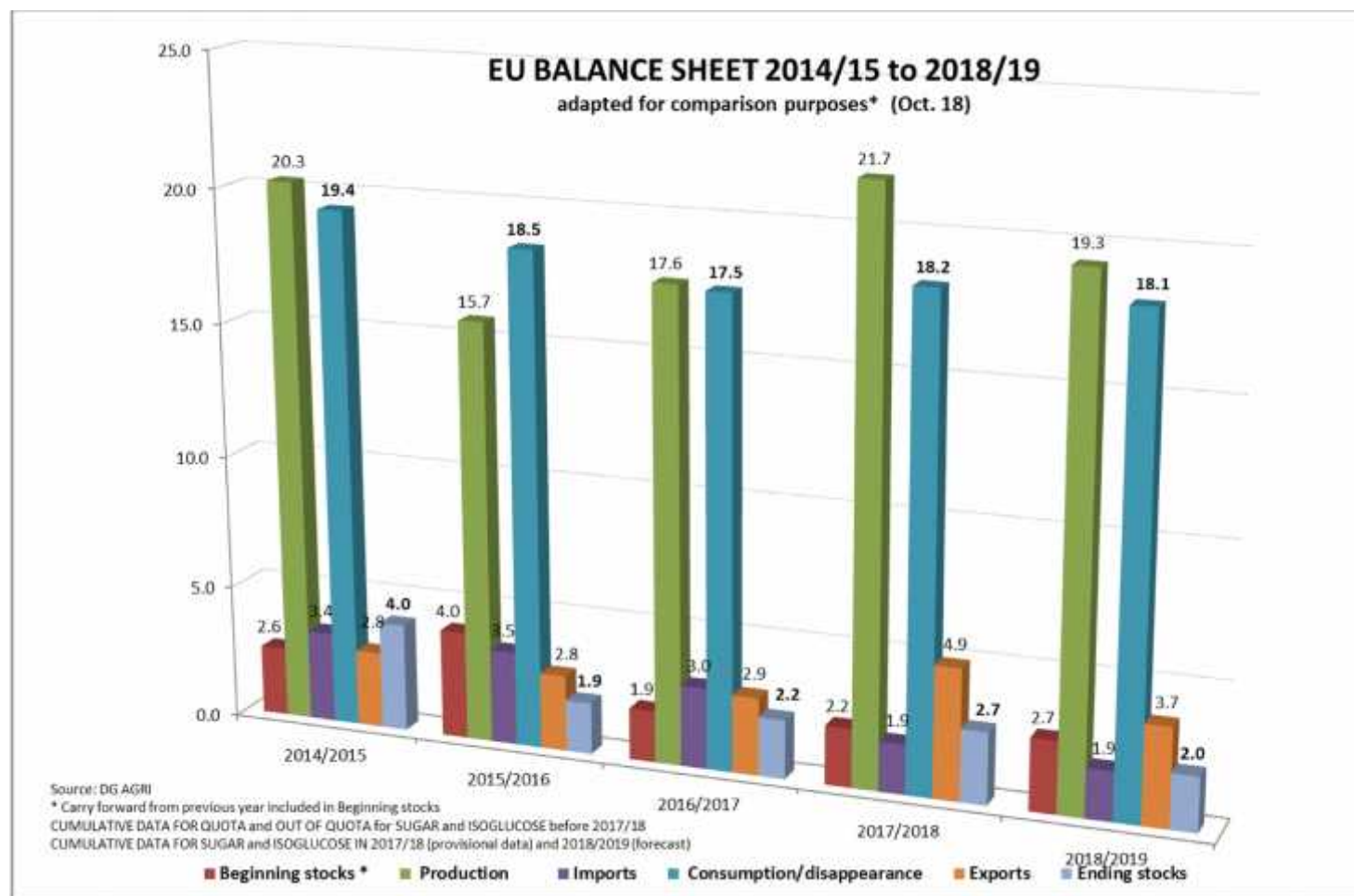
million tonnes October 2018	2017/18 (EU28) (provisional)		2018/19 (EU28) (forecast)	
	Sugar	Isoglucose	Sugar	Isoglucose
Beginning stocks	2.17	0.03	2.67	0.03
Production	21.14	0.60	18.70	0.60
Imports	1.85	0.01	1.85	0.01
as such	1.30		1.30	
in processed products	0.55		0.55	
Total availability	25.2	0.64	23.2	0.64
Consumption/disappearance	17.65	0.56	17.55	0.56
Exports	4.85	0.05	3.65	0.05
as such	3.30		2.10	
in processed products	1.55		1.55	
End stocks	2.67	0.03	2.02	0.03
Total outlets	25.2	0.64	23.2	0.64





European  
Commission

# SUGAR AND ISOGLUCOSE BALANCE SHEET 2014/15 – 2018/19 October 2018





## 2019/2020 - Beet areas

First signs of a reduction of total beet area in 2019

- Netherlands  
Suiker Unie advised its growers to sow less beet in 2019 to reduce beet harvest by 10-15%.
- France  
Tereos asks growers to reduce 2019 sugar beet plantings by 5%.
- United Kingdom  
ABSugar has cut the beet prices for 2019 by 9%.  
A possible impact is a reduced beet area planted.
- Belgium  
Reduction of area between 5% and 15%



## Conclusions

- The EU sugar sector is adapting its production strategies according to the market signals
- The market situation in 2017/18 was mainly due to both the substantial increase in EU production and a surplus situation at world level which brought prices down



## Conclusions

- In the short term first signs of recovery
  - EU production reduction in 2018/19 (18.7 mt -11%)
  - World surplus largely reduced for 2018/19
  - World deficit expected for 2019/20
  - World prices have regained levels of 4 months ago for white sugar and 10 months ago for raw sugar
  
- The Commission keeps a prudent approach with regard to the activation of any market measures to allow the sector to adapt to the new post-quota context



Thank you for your attention