

# SUGAR

FAO's forecast for world sugar production in 2022/23 (October/September) is pegged at 177.5 million tonnes, up 1.9 million tonnes, or 1.1 percent, from the 2021/22 outturn. The foreseen increase is largely attributed to prospects of a significant recovery in production in Brazil, the world's largest sugar producer and exporter. However, this forecast is below FAO's preliminary expectations due to lower-than-earlier-anticipated outputs in China, the European Union, India, Mexico and Thailand.

Global sugar consumption is forecast to continue increasing for a third successive season in 2022/23, up 1.6 million tonnes, or 0.9 percent, from the previous season. Overall, the year-on-year growth is expected to mostly originate in Africa and Asia, driven by population and income growth. However, the increase in world sugar consumption forecast was limited by the projected deceleration in global economic growth in 2023 and high world sugar prices. The anticipated growth in world sugar intake, combined with the downward revision to the global production forecast, should reduce the world sugar production surplus to 1.4 million tonnes from the 4.9 million tonnes previously expected.

The forecast for the world sugar trade in 2022/23 stands at 60.7 million tonnes, which corresponds to a 1 percent drop from the estimated volume for 2021/22. The contraction is the result of an anticipated reduction in exportable supplies in the European Union, India and Mexico, more than offsetting foreseen larger shipments from Brazil. On the import side, slower global economic growth, coupled with high world sugar prices, is anticipated to curb global demand for sugar. In particular, in China, the largest international sugar buyer, imports are forecast to decline for the second consecutive season amid high world sugar prices and adequate domestic availabilities. By contrast, sugar imports by the European Union are set to increase sharply from last year on the back of high domestic prices and lower production.

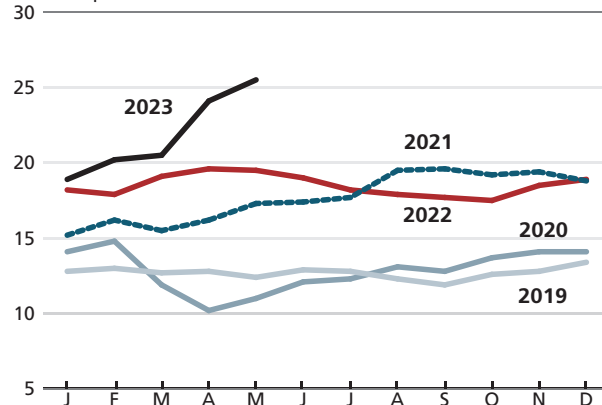
International sugar prices have overall increased since November 2022, and in May 2023 they were at their highest level since October 2011. The price increases were mainly the result of tightening global supplies. Further upward pressure on prices was exerted by the slow start of the 2023 harvest in Brazil, caused by heavy rains. In addition, the Brazilian real has generally appreciated against the United States dollar since December 2022, affecting exports and contributing to higher world sugar prices.

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## INTERNATIONAL SUGAR PRICES\*

US cents per lb.



\* as measured by the International Sugar Agreement (ISA)

## WORLD SUGAR MARKET AT A GLANCE

|  | 2020/21        | 2021/22<br>estim. | 2022/23<br>f'cast | Change:<br>2022/23<br>over<br>2021/22                      |
|--|----------------|-------------------|-------------------|--|
|  | million tonnes |                   |                   | %  |
| <b>WORLD BALANCE</b>                         |                |                   |                   |  |
| <b>Production</b>                            | 169.1          | 175.6             | 177.5             | 1.11   |
| <b>Trade*</b>                                | 60.8           | 61.3              | 60.7              | -1.00  |
| <b>Total utilization</b>                     | 170.0          | 174.5             | 176.1             | 0.93   |
| <b>Ending stocks</b>                         | 111.8          | 112.6             | 113.8             | 1.03   |
| <b>SUPPLY AND DEMAND INDICATORS</b>          |                |                   |                   |  |
| <b>Per caput food consumption:</b>           |                |                   |                   |  |
| World (kg/yr)                                | 21.7           | 22.1              | 22.1              | 0.09   |
| LIFDC (kg/yr)                                | 12.8           | 13.0              | 12.9              | -0.61  |
| <b>World stocks-to-use ratio (%)</b>         | <b>65.7</b>    | <b>64.5</b>       | <b>64.6</b>       | <b>0.10</b>  |
| <b>ISA DAILY PRICE AVERAGE (US cents/lb)</b> |                |                   |                   |  |
|  | 2021           | 2022              | 2023<br>Jan-May   | Change:<br>Jan-May<br>2023<br>over<br>Jan-May<br>2022<br>% |
|  | 17.67          | 18.49             | 21.83             | 15.87  |

\* Trade figures refer to exports