

WORLD SUGAR MARKET AND PERSPECTIVES



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International Sugar Organization**



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Agenda

- Notable 2024/25 sugar market dynamics:
 - Production
 - Consumption
 - Trade
 - Prices
 - 2025/26 Outlook
- Longer Term Perspective: Production & Consumption
- Ethanol Market Interplay



NO LONG TERM GROWTH IN GLOBAL SUGAR PRODUCTION

Notable Dynamics



2024/25 world production forecast to fall by 6.5 mln tonnes to 174.8 mln tonnes.

Production averaged 174.5 mln tonnes since 2017/18.

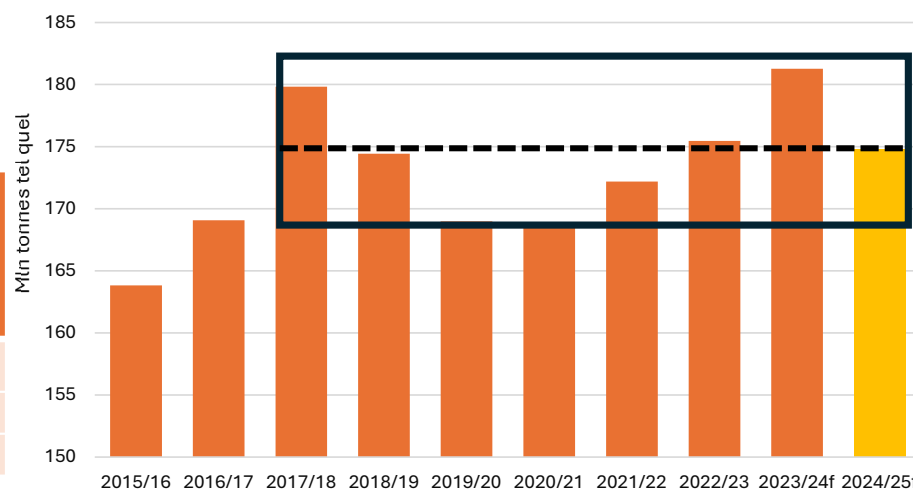
Rises	Changes from 2023/24 in mln tonnes, tel quel	Falls	Changes from 2023/24 in mln tonnes, tel quel
Thailand	+1.275	India	-6.115
China	+1.050	Brazil	-3.990
EU	+1.008	Pakistan	-1.104

The world sugar market is exposed to adverse events in Brazil.

Weather already impacting 2025/26 CS Brazil cane crush and ATR.



World Sugar Production



Production capacity has stagnated, partly fuelled long-term industry prospects while capacity can be underutilised by the escalation of unfavourable weather conditions.

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2024/25 Production - Major Regional Drivers



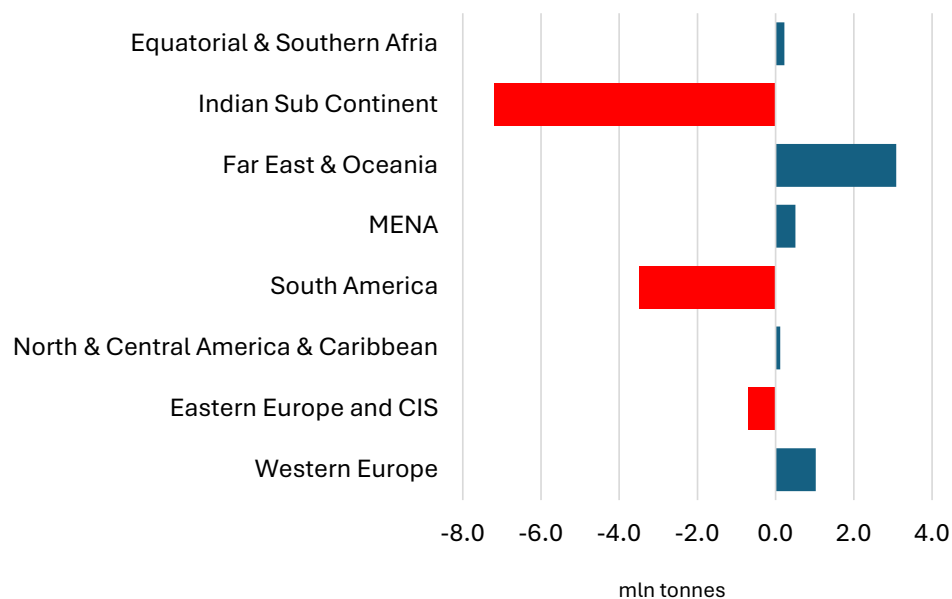
Key feature:

- Declines in **Indian Subcontinent** and **South America** outweigh gains elsewhere around the globe.
- Indian Subcontinent – a five-season low.
- South America – slump focused on 4 mln tonne drop in Brazil.

North America:

- US – 2024/25 cane sugar production a five-season low; beet sugar production a decade high.
- Mexico – 2024/25 sugar production sees partial recovery but remains below 5 mln tonnes.

Regional Production Changes:
2024/25 vs 2023/24



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Beet vs Cane Sugar Production



Units: mln tonnes

2024/25^f

cane=134.9

beet = 39.9

2023/24

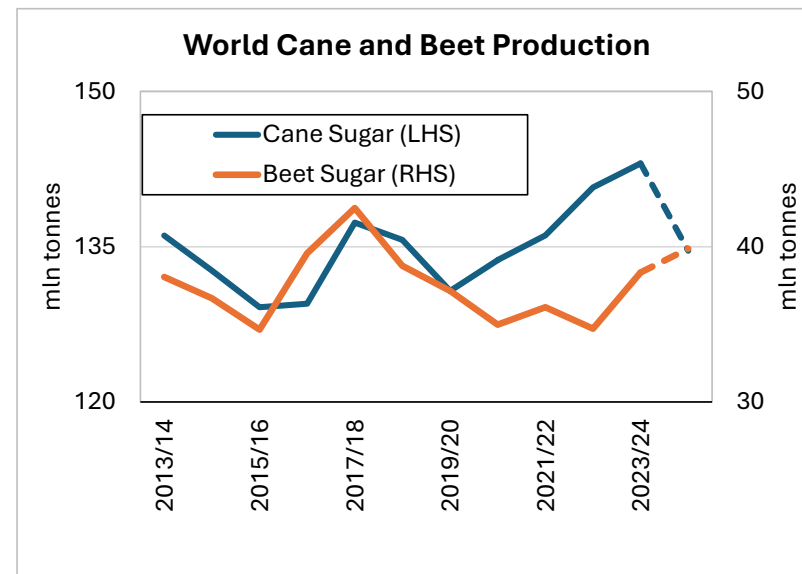
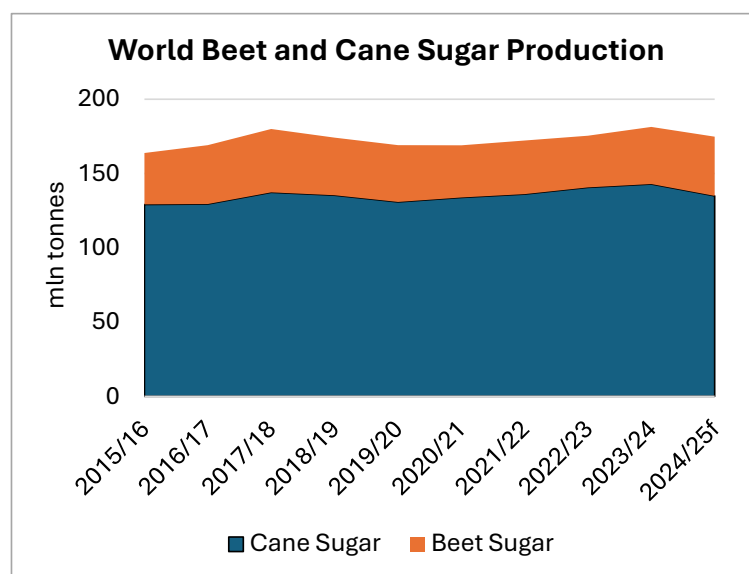
cane=142.9

beet = 38.4

2022/23

cane=140.7

beet = 34.7



- High-Low variance bigger in beet, but stuck in a range.
- Cane growth is predominantly a function of yields and weather.
- 2024/25 – Cane 77%; beet 23% of world production.

NEW GLOBAL CONSUMPTION RECORD

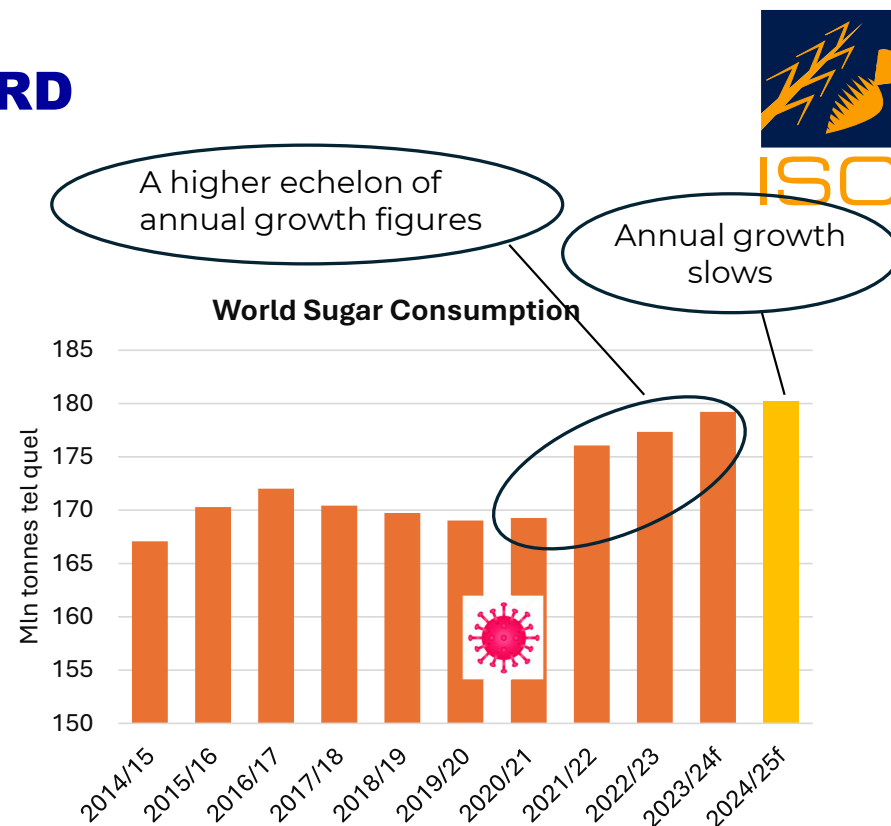
Notable Dynamics

The post-COVID period, since 2021/22, saw consumption growth averaging 4.0 mln tonnes annually, which is over 2.2% per annum.

Forecast 2024/25 global consumption reaches new record – 180.3 mln tonnes **BUT** growth slows to only 0.58% (1.0 mln tonnes).

Consumption Drivers:

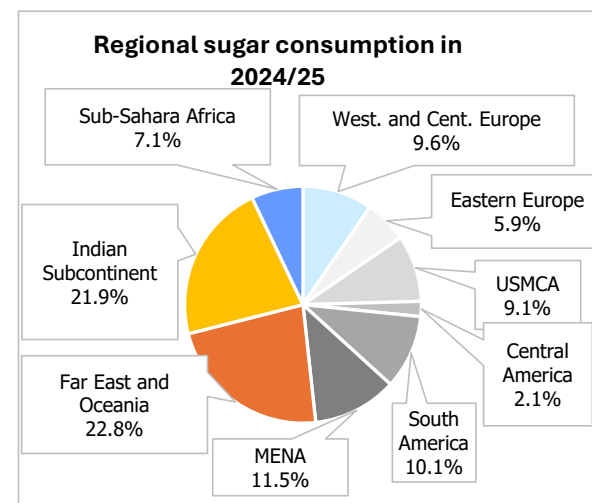
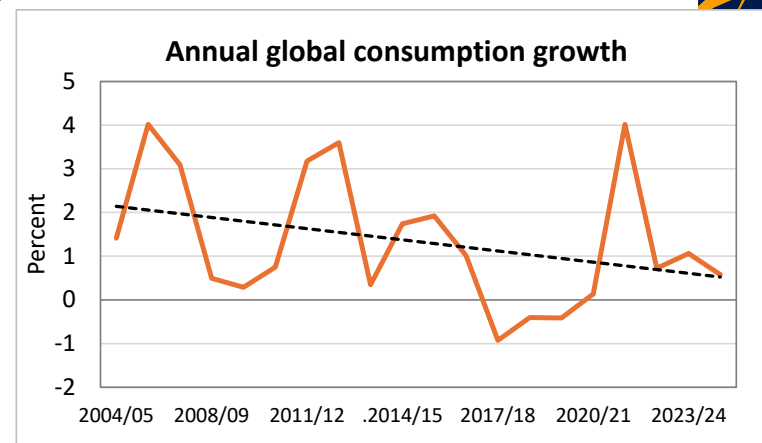
- Population growth;
- Retail price sensitivity as cost-of-living impacts;
- Sugar prices can contribute to economic inflationary pressures as a consumer essential.



NEW GLOBAL CONSUMPTION RECORD

Notable Dynamics

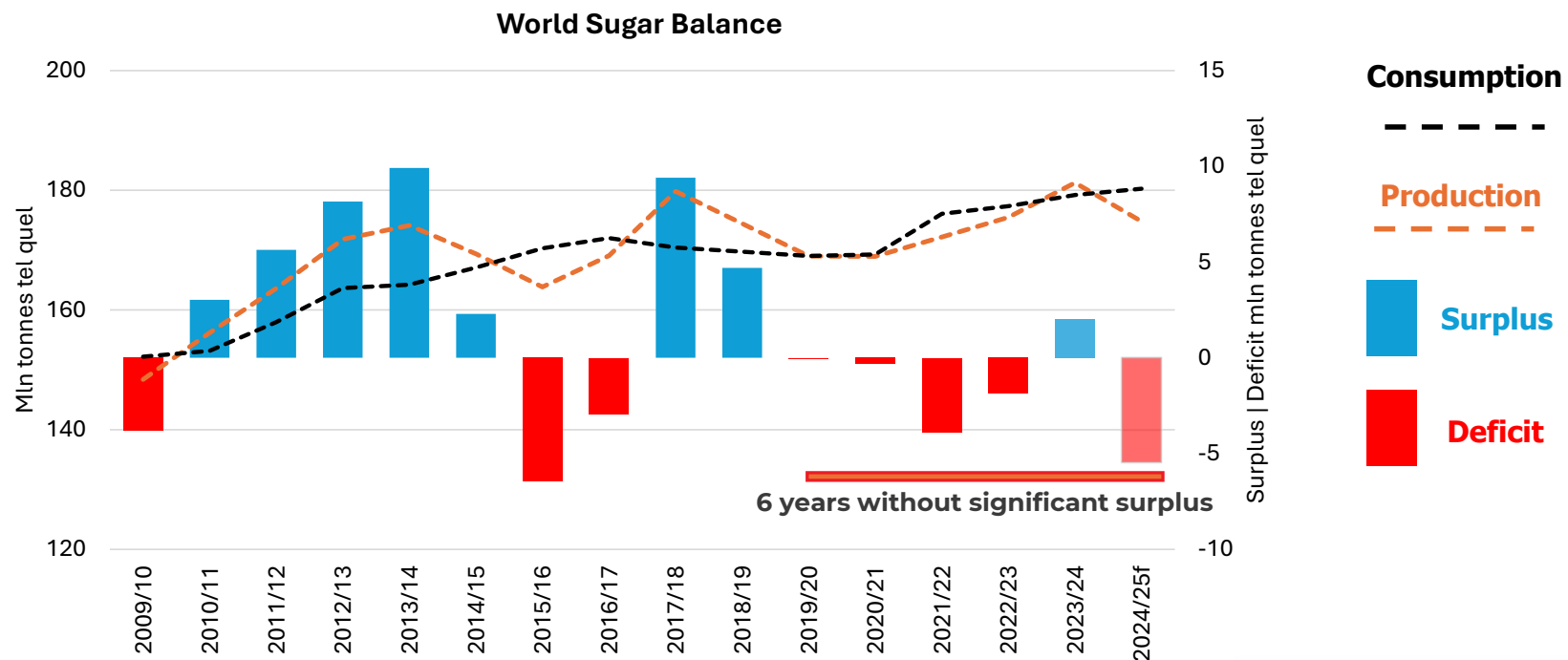
- Population growth is underlying driver, while trend in consumption growth is down.
- Global per capita average at 22.1kg in 2023.
- Consumption is shifting towards developing country regions.
- Population and wealth effect are significant.
- GLP-1 receptor agonists used by around 50 mln individuals.
- Consumption dynamics remains an enigma – GLP-1 receptor agonists, ultra-processed food, reformulations and regional population growth.



THE WORLD SUGAR BALANCE 2024/25

Notable Dynamics

- The ISO world market balance shows a projected **deficit** of 5.5 mln tonnes in the 2024/25 year, which started in October 2024 - follows a modest surplus of 2.0 mln tonnes in 2023/24.
- Downgrades to India's production increased the 2024/25 estimated deficit higher to a 9-season record.

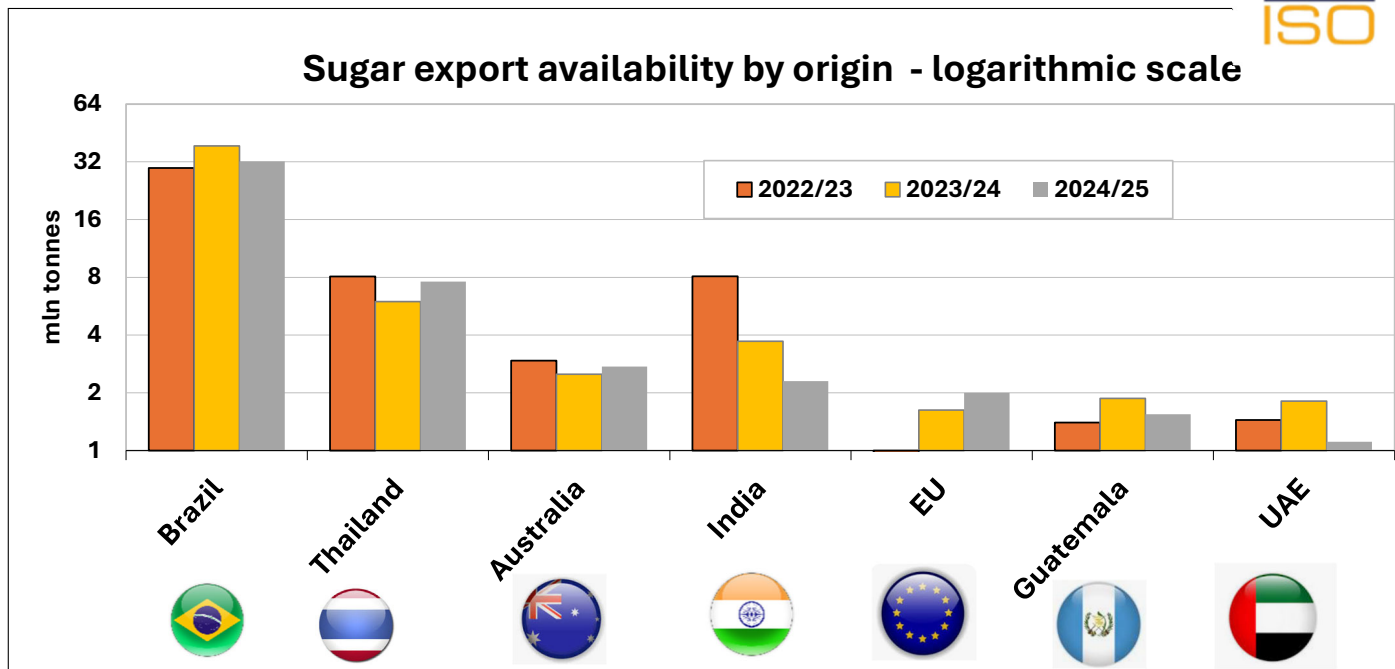


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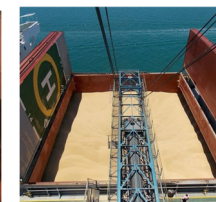
Notable Dynamics



- The estimated volume of global exports in 2024/25 is 63.3 mln tonnes, down 5.4 mln tonnes on last season.



- Brazil to remain largest exporter by far in 2024/25 – 32.1 mln tonnes.
- Thailand exports recover to 7.6 mln tonnes.
- Australia to export 2.74 mln tonnes.
- India exports to contract to 2.3 mln tonnes.
- World market is extremely dependent on Brazil for raw sugar supply.



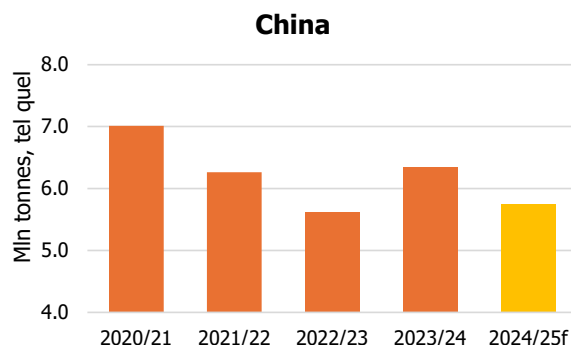
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Notable Dynamics



2024/25 GLOBAL IMPORTS TO EASE

- The estimated volume of imports in 2024/25 are anticipated to decline to 63.1 mln tonnes, down 6.2 mln tonnes on last season.
- The biggest importers in 2024/25 season remain China and Indonesia.
- China: Imports to contract due to higher local output.
 - Liquid sugar imports sharply lower, increasing dependence on raws arrivals.
- Indonesia: Imports supported by growing demand.



	24/25f	23/24
US	2.5	3.0
EU+UK	1.5	2.2
MENA	15.5	18.0
China	5.8	6.4
Indonesia	5.3	5.2

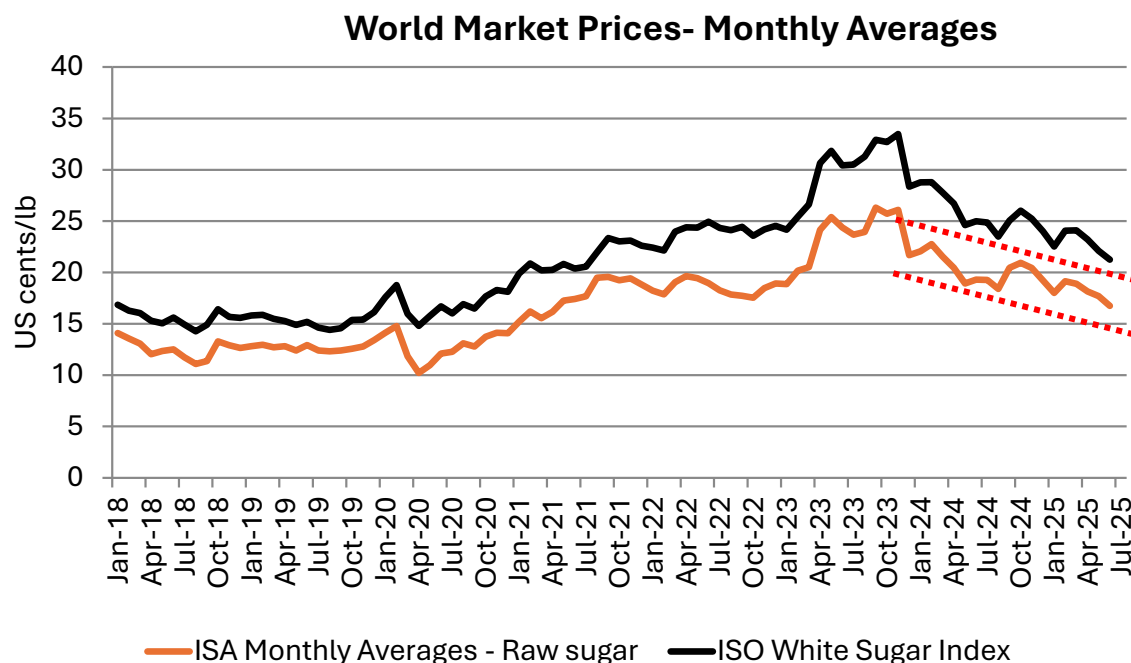
- Preferential trade into US and EU down.
- MENA down with more local output and reduced interest by toll refiners with weakening of the white premium arbitrage.

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World Price Dynamics



- Prices have retreated since late 2023 highs.
- June average a 36% decline from Nov'23.
- The weaker sugar prices in 2024/25 occurred despite a fall in global production which led to a considerable global market deficit.
- Stocks drawdowns, speculative market behaviour, currency movements, shifts in ethanol diversion and broader economic factors contributed to weaker sugar prices despite the constructive fundamental of a market deficit.



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2025/26 Outlook



- Outlook for 2025/26 is a small surplus of 0.588 mln tonnes, while production is projected to increase by 7.702 mln tonnes (+4.41 percent) and consumption is due to rise by 1.648 mln tonnes (+0.91 percent).
- Production in India projected to rise by 4.495 mln tonnes. Thailand production to add a further 1.450 mln tonnes.
- C/S Brazil: Expect 590 mln tonnes of cane (622 last season); 139 kg/tonne yield (141 last season) and 50% allocation to sugar (48.05% last season) for a sugar total of 39.08 mln tonnes (40.17 last season).
- Trade total will be around 63 mln tonnes.
- Stock to use ratio declines further, due to higher consumption.

2025/26 balance in surplus, driven by robust production estimates in Asia and CS Brazil, outpacing global consumption increase

	2025/26f	2024/25f	Change
Production	182.497	174.795	7.702
Consumption	181.909	180.261	1.648
Surplus/Deficit	0.588	-5.466	6.054
Import Demand	62.754	63.133	-0.379
Export Availability	63.372	63.323	0.049
Stocks/Cons Ratio (%)	51.62	52.11	-



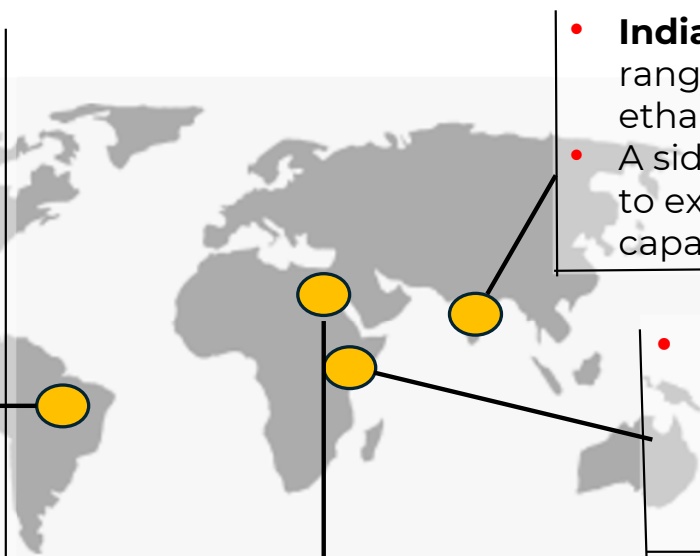
NO LONG TERM GROWTH IN GLOBAL SUGAR PRODUCTION

Where is there capacity investment?



Sustained higher prices needed to drive investment in sugar production and logistics around the world

- Crystallisation capacity in **Brazil's** Centre-South (CS) region has seen a **notable expansion** over the past few years, driven by strong global sugar prices and a strategic shift away from ethanol production.
- Mills had earlier announced projects to add over 2 mln tonnes of crystallisation capacity between 2023 and 2025.
- Number of mills little changed since 2022 after significant consolidation during previous decade.
- Higher sugar production is via higher sugar mix.
- At >20 US cents/lb expect idle capacity to be reactivated or crystallisation capacity to further increase.



- **India's** government has offered a range of incentives to increase ethanol distillation capacity.
- A side effect of this has been for mills to expand their crystallisation capacity.

- **Tanzania** – Modest expansion with two new mills commissioned since 2022 and significant expansion at Kilombero Sugar.

- **Egypt:** targets sugar self sufficiency by 2026 with expansion in beet cultivation and processing capacity - Canal Sugar start-up (750,000 tonnes by 2026).



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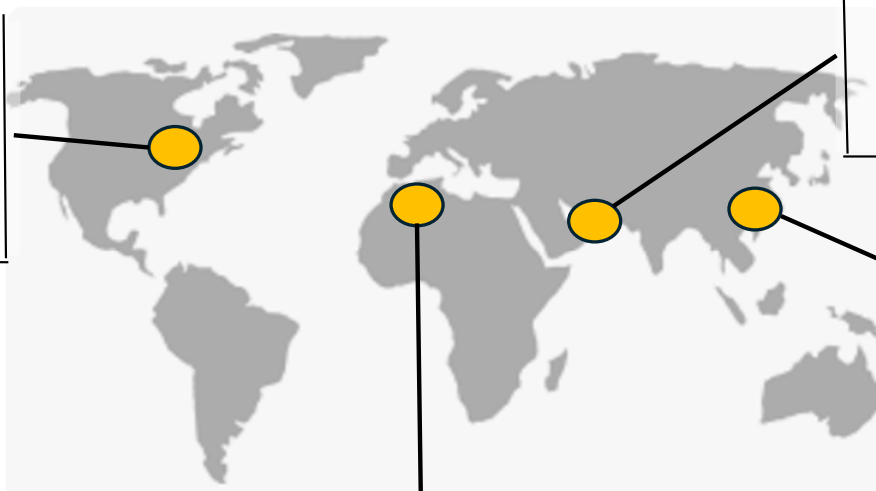
NO LONG TERM GROWTH IN GLOBAL SUGAR PRODUCTION

Investment in Refining Capacity Past 3 years?



Global destination sugar refining capacity is estimated to be **around 60–65 mln tonnes per year**

- **Canada** – Joint venture between SucroCan Sourcing and Parrish & Heimbecker building a new refinery in Hamilton.



- **Oman**– Oman Sugar Refinery Company, Sohar Port. Construction started September 2023.

- **China** – COFO – 500,000 tonne sugar refinery in Fujian province.

- **Algeria**: Tafadis sugar refinery, 2,000 tonnes/day.

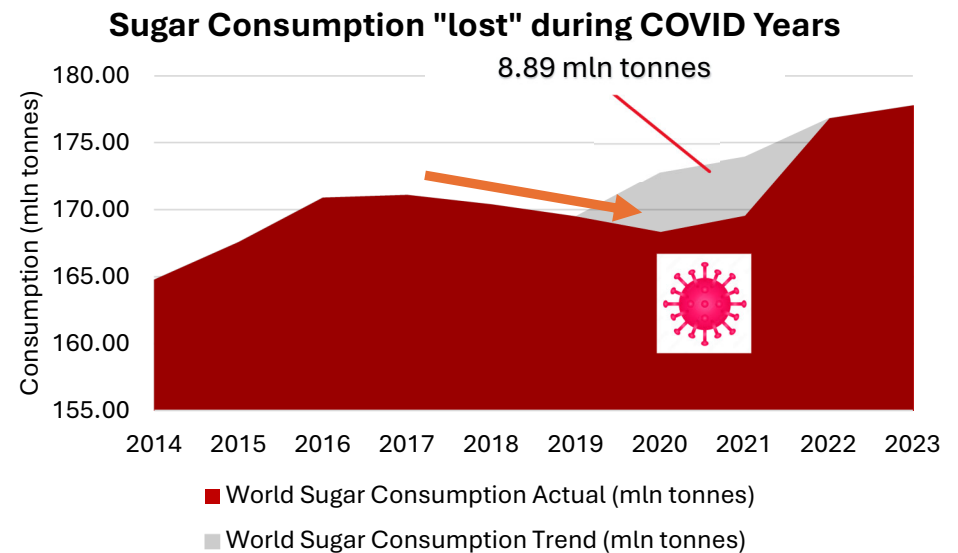


LONGER TERM CONSUMPTION PERSPECTIVES

Between 2016-2020 global consumption contracted:

- Further introduction of sugar taxes in multiple countries.
- Growing health concerns and influence on policy.
- Shifts in consumer preferences.
- Food and beverage manufacturers reformulated products to meet new labelling laws and nutritional targets.

8.89 mln tonnes of sugar consumption was 'lost' during the COVID pandemic



LONGER TERM CONSUMPTION PERSPECTIVES

What Shapes Sugar Consumption?



The Complex Reality

Economic factors: Income levels, price dynamics, purchasing power

Demographic drivers: Population growth, urbanization, age structure

Cultural influences: Traditional food practices, dietary preferences

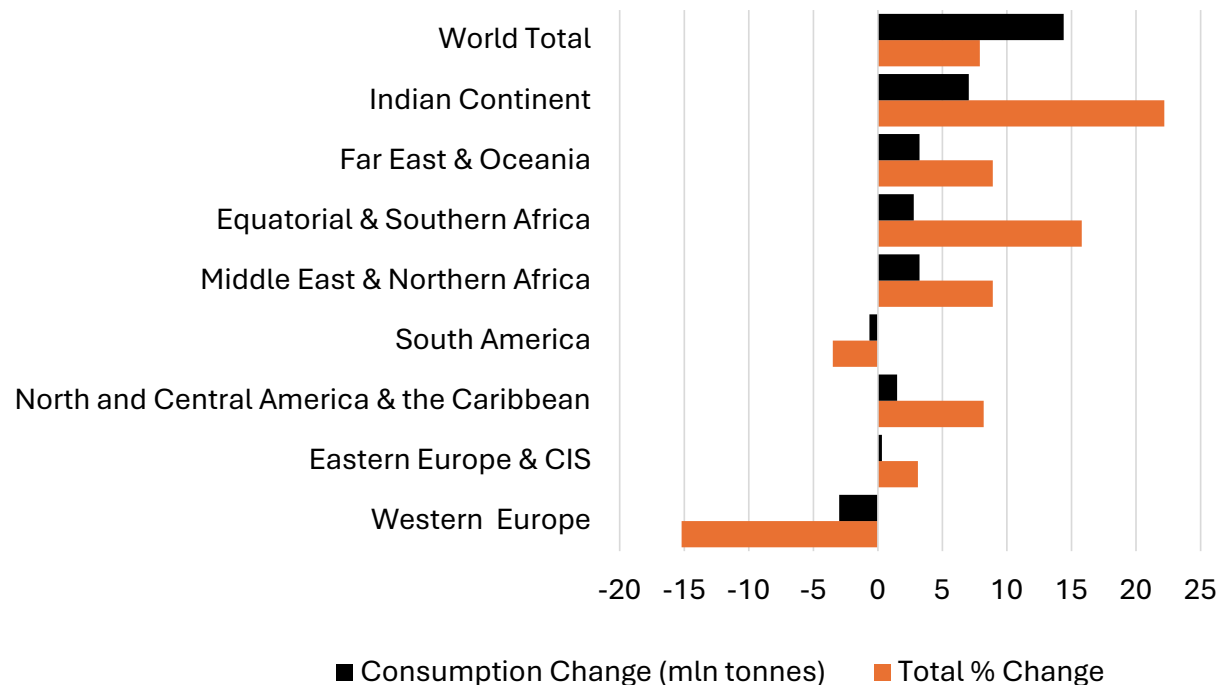
Policy environment: Taxes, regulations, health initiatives

Food system characteristics: Infrastructure, processing capabilities

Health awareness: Consumer preferences, public health campaigns



Regional Consumption Growth 2014-2023



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Global Ethanol Market Overview



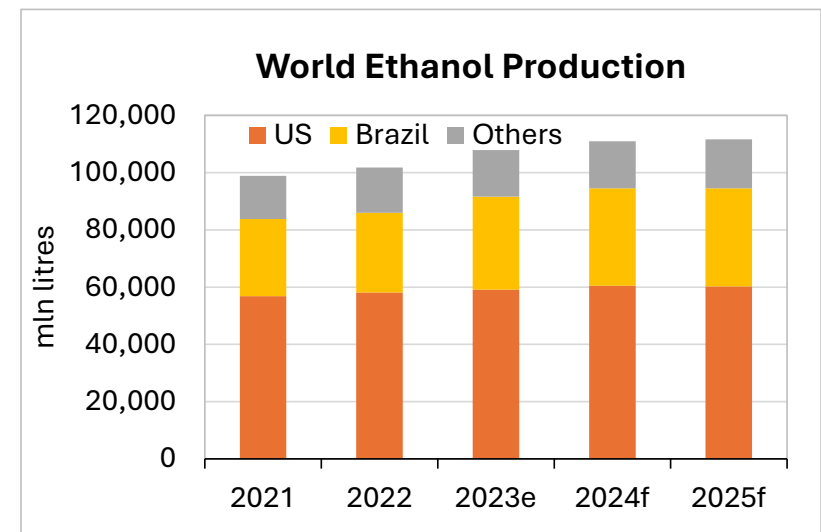
Strong growth momentum continues despite economic headwinds

- **Production forecast:**
- 120.7 bln litres (2025) vs 118.5 bln litres (2024) = +1.9%

India and Brazil drive global production growth

US remains the largest producer

- **United States:** 60.7 bln litres (slight moderation from 2024 – 60.9 bln litres)
- **Brazil:** 34.48 bln litres (up from 33.68 bln litres in 2024)
- **India:** 8.0 bln litres (from 7.2 bln litres - growth to support 20% blending target)
- **Others:** 17.1 bln litres combined



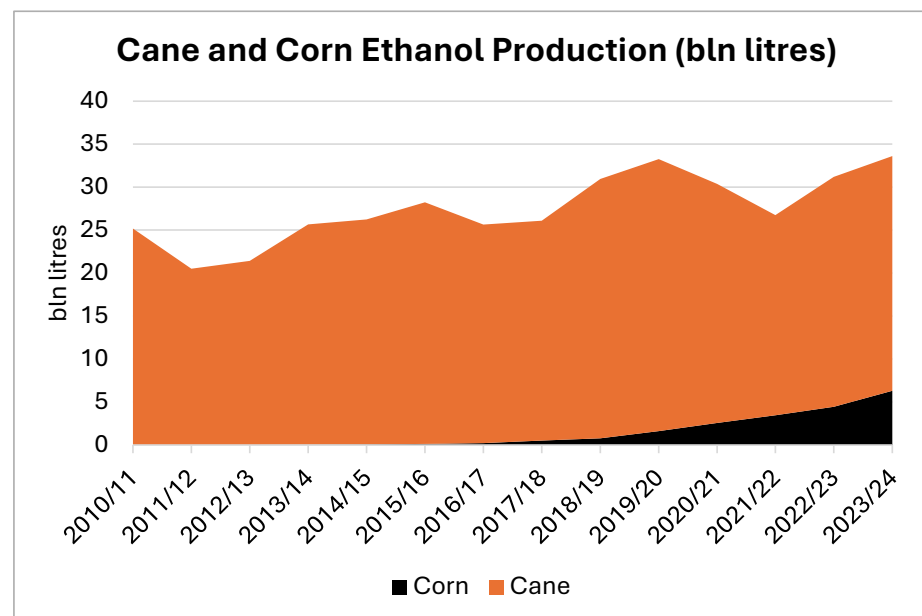
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Brazil Ethanol Market Dynamics



Corn ethanol taking a larger share of Brazil's ethanol market

- **Total production:** 34.48 bln litres forecast (calendar 2025).
- **Corn ethanol record:** 9.5 bln litres (calendar year 2025).
- **Centre-South 2025/26:** Decline in sugarcane-based ethanol production so far this season.
 - April-June: 9.425 vs 11.064 bln litres (-14.8%).



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Brazil Ethanol Parity



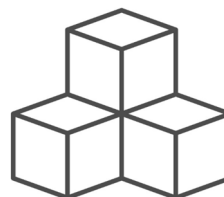
Brazilian mills produce both sugar and ethanol. The choice is based on which product gives the better return.

- Parity between sugar and ethanol is the difference between the No.11 price and the domestic hydrous price expressed at No.11 equivalent.
- When parity is positive, sugar production is favoured.
- When negative, ethanol production is favoured
- More ethanol and less sugar could be produced if sugar price weakens further.

Mid-July 2024

Sugar

16.5 US cents/lb



Hydrous Ethanol

**15.4 US cents/lb
equivalent**

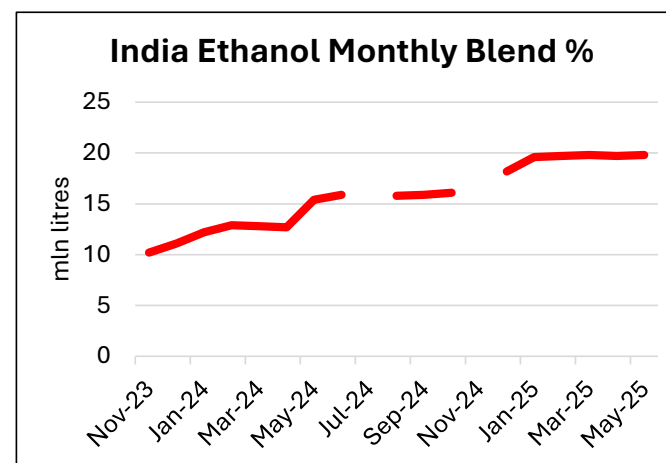
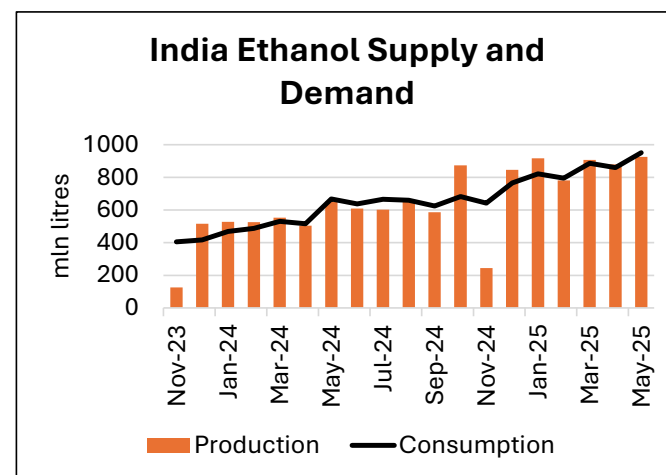


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India Ethanol Market Dynamics

Rapid growth toward 20% blending target

- **Monthly blend rates:** 19.6% (Jan), 19.7% (Feb), 19.8% (Mar)
- **2025 consumption forecast:** 8.0 bln litres
- **30% blending target by 2030** roadmap
- India's ethanol is produced from three sources:
- Molasses, cane juice and surplus food grains such as rice, maize and wheat.



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2024/25 Production - Major Regional Drivers



- Significant diversion of sucrose feedstock to ethanol.
- Totalling as much as 4 mln tonnes of sugar equivalent production (2022/23).
- **But Major change:**
- Much higher use of grains-based feedstock vs sugar feedstocks (C molasses, B molasses and cane juice).

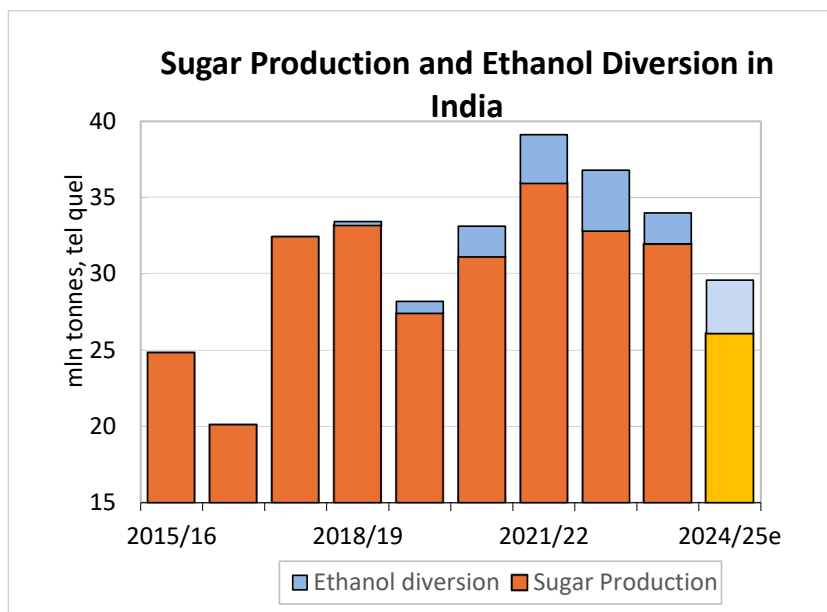
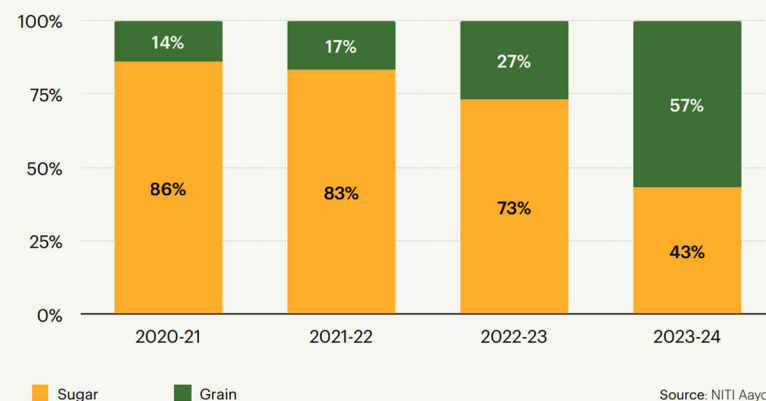


Fig. 2 Shift in Feedstock used from 2020-2024
(as % of total Ethanol Production)



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Key Thoughts



- 2025/26 global sugar balance is turning to a modest surplus after a significant deficit in 2024/25.
 - Anticipated rises in production to outpace global consumption increase.
- NY#11 closed June below 16.00 cents/lb, the lowest since April 2021.
- Current NY#11 around 16.7 cents/lb.
- Floor to NY#11 is Centre/South ethanol parity - @15.5 cents/lb.
- Factors possibly driving market higher in short term:
 - Weather is problematic all over the beet regions of Europe and Russia.
 - CS Brazil is dry too.
 - CS Brazil - lower TCH and ATR lowering CS Brazil feedstock availability.
 - China's buying well behind schedule.
 - Pakistan importing white sugar.
- Key bearish factor – Confirmed surplus in India could lead to export announcement early in 2026.



THANK YOU



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