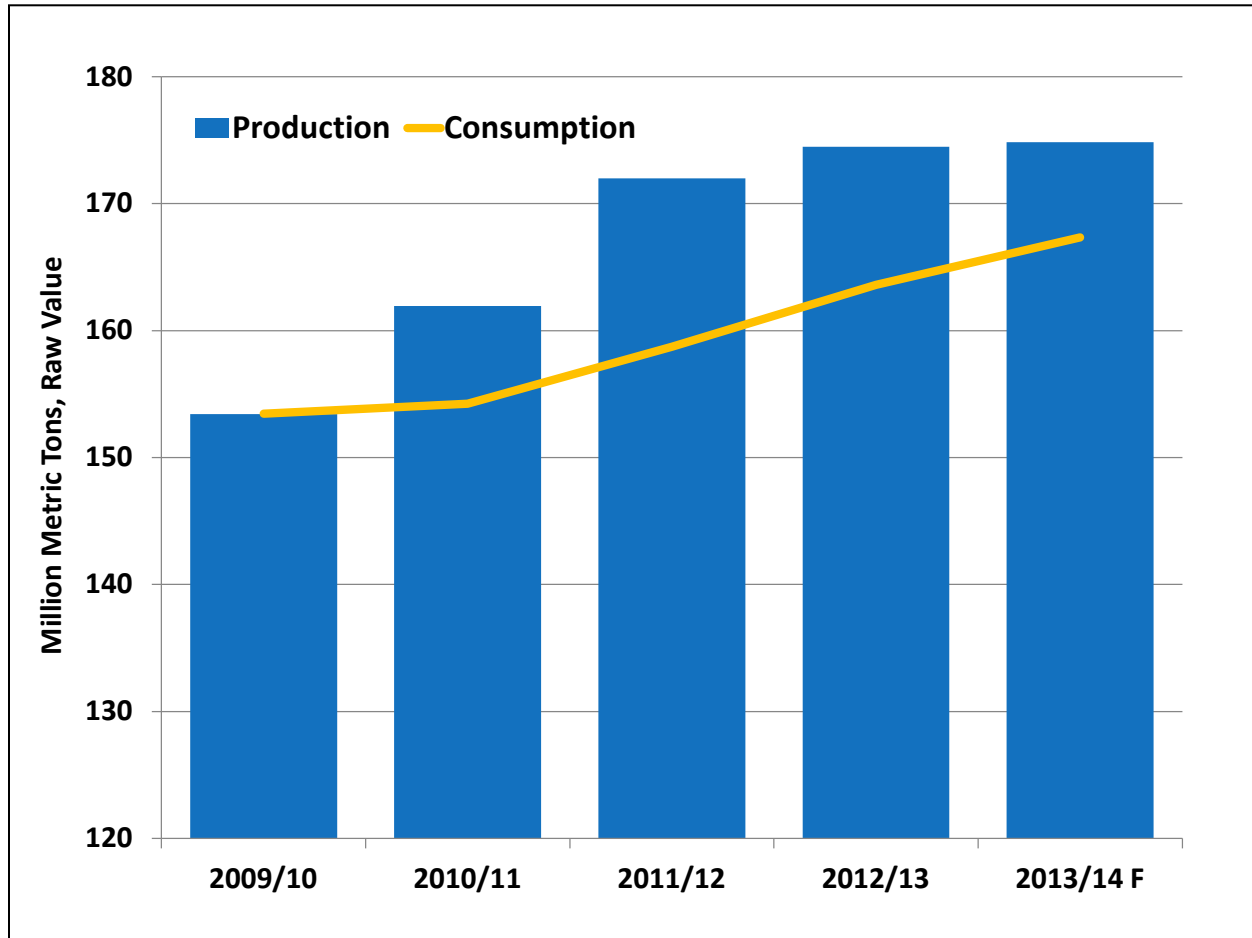




Sugar: World Markets and Trade

Gap Narrowing Again Between Global Sugar Production and Consumption



Global sugar production for 2013/14 is forecast at 175 million (metric) tons, narrowly setting a record with growth in Brazil and Thailand more than offsetting sharply lower production in India. International raw sugar prices are at levels not seen in nearly three years with prices less than half the peak set in February 2011. Low prices are expected to stimulate global consumption and trade, with exports forecast 4 percent higher at 59 million tons.

2013/14 Forecast Overview

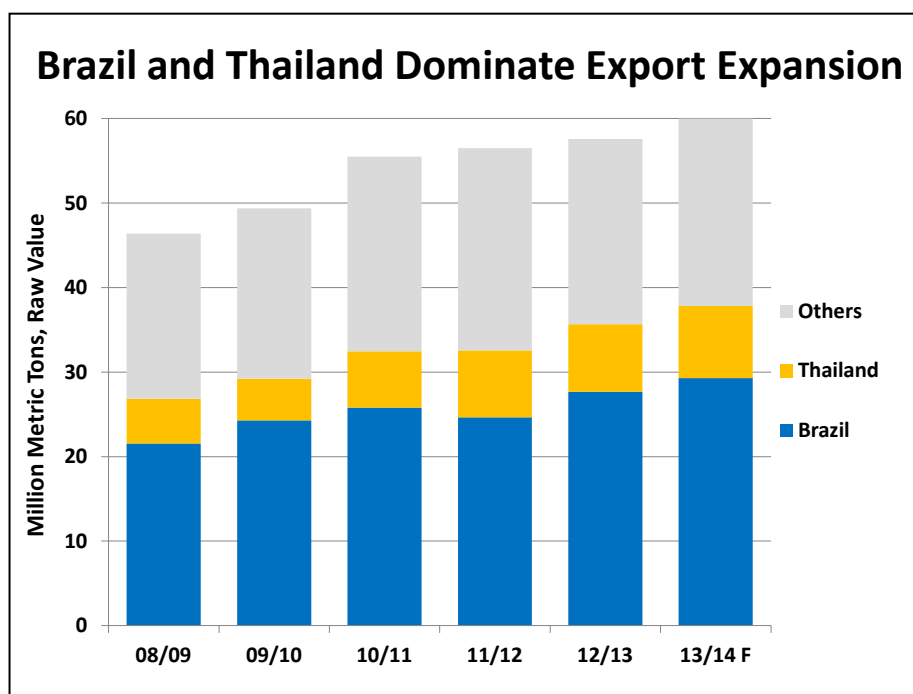
U.S. production is forecast at 7.8 million tons, down 392,000 from the previous year, on smaller sugar beet area and a return to trend for sugar beet and sugarcane yields. Imports are forecast up nearly 500,000 tons with Mexico as the top supplier and imports under the tariff rate quota (TRQ) reflecting U.S. commitments to import raw and refined sugar. Consumption is up slightly, while ending stocks are 4 percent higher at over 2 million tons.

Brazil's production is forecast at a record 40.4 million tons, up 1.8 million on higher yields as a result of good weather and adequate sugarcane renewal. Record exports are forecast at 29.3 million tons despite mills likely expanding ethanol production to fill a domestic increase in the ethanol content blended with gasoline. The share of the sugarcane crop for sugar is down slightly to 48 percent, as opposed to an even 50/50 sugar to ethanol split the prior year. China is Brazil's top market, though rising exports to the United Arab Emirates, Algeria, Indonesia, Russia and India are expected to continue.

Thailand's production is forecast to rebound 600,000 tons from last season's drought to a record 10.5 million. Consequent to larger supplies, exports are forecast to increase to a record 8.5 million tons on growing Asian demand, particularly in Indonesia. Also, consumption continues to trend higher, driven by growing household and industrial use.

India's production is forecast 2 million tons lower to 25.3 million due in part to lower sugarcane yields. Also, processors are expected to divert more sugarcane from centrifugal sugar to gur, a crude non-centrifugal lump sugar, in response to rising gur prices. Declining production and low world prices are expected to push imports higher to 1.5 million tons to augment supplies for the world's largest sugar consumer. Exports are expected to remain at 600,000 tons. On April 4, the Government deregulated sugar sales and eliminated the levy on sugar mills, giving the industry more flexibility to react to market dynamics.

EU production is forecast to rebound slightly to 15.9 million tons on higher yields, most of which will be added to ending stocks. Consumption is steady at 18.1 million tons, nearly unchanged over the last several years. Imports are forecast to remain at 3.8 million tons while exports, limited by the EU's WTO sugar export ceiling, remain unchanged at 1.5 million tons.



China's production is forecast at 14.1 million tons, up marginally on better than average yields. Consumption continues to rise, stimulating imports that are expected to exceed the 1.95 million ton TRQ for the fourth consecutive year.

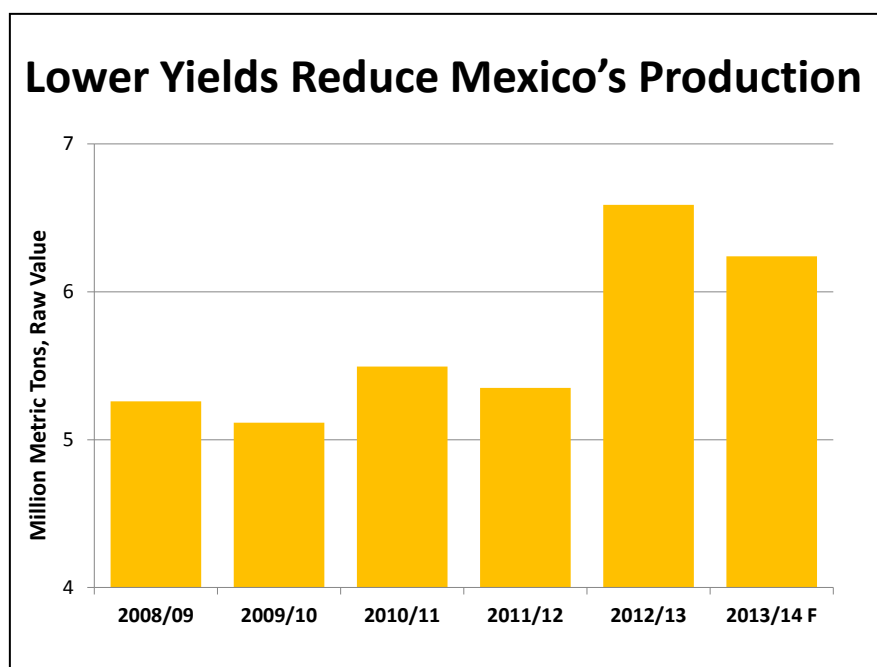
Mexico's production is forecast at 6.2 million tons, down 348,000 on lower yields. With consumption forecast to rise, both exports and ending stocks are expected to decline. Mexico remains the largest exporter to the United States.

Russia's production is forecast to decline slightly to 4.9 million tons. Last year's sugar beet crop was greater than demand, resulting in a significant portion not

being processed. Low world prices and high global stocks have reduced incentives to invest in the sector. To meet domestic demand, imports are forecast to jump 300,000 tons to 1.0 million.

Australia's production is forecast to increase 300,000 tons to 4.5 million, with a matching rise in exports. For the first time, the TRQ of sugar to the United States may not be filled due to higher shipments to Asia in response to relatively higher regional prices. Consumption, virtually unchanged during the last decade, is forecast flat.

Note: The following countries are now on a May-April marketing year: Algeria, Angola, Argentina, Azerbaijan, Bangladesh, Cambodia, Canada, Chile, Ecuador, Ghana, Hong Kong, Iraq, Israel, Jordan, Kazakhstan, Kenya, South Korea, Kyrgyzstan, Libya, Malaysia, New Zealand, Nigeria, Peru, Saudi Arabia, Singapore, South Africa, Sri Lanka, Swaziland, Switzerland, Syria, Taiwan, Tanzania, Tunisia, United Arab Emirates, Uzbekistan, Yemen, and Zambia; October-September marketing year: Belarus, Colombia, Cuba, Dominican Republic, Egypt, El Salvador, Guatemala, Honduras, Iran, Morocco, Nicaragua, Sudan, Turkey, Venezuela, and Vietnam; December-November marketing year: the Philippines.



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World Centrifugal Sugar
1,000 Metric Tons, Raw Value

	2008/09	2009/10	2010/11	2011/12	2012/13	May 2013/14
Production						
Brazil	31,850	36,400	38,350	36,150	38,600	40,400
India	15,950	20,637	26,574	28,620	27,430	25,320
EU-27	14,014	16,687	15,699	18,110	15,623	15,940
China	13,317	11,429	11,199	12,341	13,977	14,050
Thailand	7,200	6,930	9,663	10,235	9,900	10,500
United States	6,833	7,224	7,104	7,700	8,179	7,787
Mexico	5,260	5,115	5,495	5,351	6,588	6,240
Russia	3,481	3,444	2,996	5,545	5,000	4,900
Australia	4,814	4,700	3,700	3,733	4,247	4,540
Pakistan	3,512	3,420	3,920	4,520	4,670	4,540
Guatemala	2,381	2,340	2,048	2,499	2,600	2,600
Philippines	2,150	1,800	2,520	2,400	2,450	2,500
Colombia	2,277	2,294	2,280	2,270	2,210	2,400
Argentina	2,420	2,230	2,030	2,150	2,300	2,350
Turkey	2,100	2,530	2,274	2,262	2,128	2,200
South Africa	2,350	2,265	1,985	1,897	2,020	2,175
Indonesia	2,053	1,910	1,770	1,830	1,970	2,080
Egypt	1,612	1,820	1,830	1,980	2,000	2,020
Ukraine	1,710	1,382	1,540	2,300	2,100	1,700
Cuba	1,340	1,250	1,150	1,400	1,600	1,600
Other	17,390	17,596	17,796	18,685	18,876	19,011
Total	144,014	153,403	161,923	171,978	174,468	174,853
Human Dom. Consumption						
India	23,500	22,500	23,000	24,500	25,500	26,000
EU-27	16,760	17,400	17,800	18,000	18,100	18,100
China	14,500	14,300	14,000	14,200	15,400	16,604
Brazil	11,650	11,800	12,000	11,500	11,200	11,260
United States	9,473	9,861	10,171	10,042	10,342	10,487
Russia	5,500	5,700	5,523	5,700	5,500	5,700
Indonesia	4,500	4,700	5,000	5,050	5,130	5,200
Mexico	5,293	4,615	4,142	4,288	4,452	4,516
Pakistan	4,175	4,100	4,250	4,300	4,400	4,500
Egypt	2,748	2,629	2,800	2,850	2,840	2,820
Other	55,389	55,842	55,549	58,304	60,739	62,160
Total	153,488	153,447	154,235	158,734	163,603	167,347
Ending Stocks						
India	5,880	6,223	6,299	6,850	9,530	9,750
China	3,784	2,355	1,621	4,140	5,473	5,475
EU-27	2,232	1,433	1,974	3,146	2,969	3,109
United States	1,392	1,359	1,250	1,801	1,967	2,037
Indonesia	340	750	602	409	814	1,394
Thailand	2,556	2,343	2,983	2,810	2,060	1,310
Mexico	623	973	806	1,024	1,230	1,129
Pakistan	550	830	1,470	1,340	610	900
Philippines	558	707	870	838	838	738
Guatemala	592	382	127	257	430	578
Other	12,024	11,581	11,905	12,691	12,485	11,807
Total	30,531	28,936	29,907	35,306	38,406	38,227

World Centrifugal Sugar: Imports and Exports

1,000 Metric Tons, Raw Value

	2008/09	2009/10	2010/11	2011/12	2012/13	May 2013/14
Imports						
EU-27	3,180	2,561	3,755	3,410	3,800	3,800
Indonesia	2,197	3,200	3,082	3,027	3,565	3,700
United States	2,796	3,010	3,391	3,294	2,633	3,119
United Arab Emirates	1,490	2,100	1,969	2,154	2,580	2,700
China	1,077	1,535	2,143	4,430	2,800	2,600
Algeria	1,159	1,260	1,193	1,594	1,942	2,000
Malaysia	1,504	1,527	1,813	1,720	1,850	1,900
Korea, South	1,687	1,617	1,688	1,668	1,780	1,820
Iran	973	1,643	1,292	1,079	1,703	1,805
Nigeria	1,250	1,400	1,399	1,450	1,500	1,600
Bangladesh	1,315	1,361	1,537	1,700	1,528	1,550
India	1,358	2,431	405	188	1,300	1,500
Saudi Arabia	1,432	989	986	1,486	1,432	1,450
Japan	1,279	1,199	1,331	1,230	1,162	1,215
Egypt	1,382	978	1,120	1,480	1,050	1,200
Canada	1,255	1,114	1,135	1,103	1,167	1,195
Morocco	990	762	891	936	1,005	1,050
Iraq	382	315	435	918	1,020	1,035
Russia	2,150	2,223	2,510	510	700	1,030
Venezuela	579	800	850	800	850	850
Other	13,661	16,109	16,023	14,725	14,559	15,186
Total	41,927	46,857	47,769	48,477	49,496	52,305
Exports						
Brazil	21,550	24,300	25,800	24,650	27,650	29,300
Thailand	5,295	4,930	6,642	7,898	8,000	8,500
Australia	3,522	3,600	2,750	2,800	3,100	3,400
Guatemala	1,654	1,815	1,544	1,619	1,640	1,655
Mexico	1,378	751	1,557	985	1,715	1,610
EU-27	1,332	2,647	1,113	2,348	1,500	1,500
Colombia	585	870	830	876	820	880
Cuba	727	538	577	815	840	850
United Arab Emirates	874	673	1,228	935	665	750
India	224	225	3,903	3,757	550	600
Other	8,634	8,557	9,007	9,288	10,456	10,146
Total	45,775	48,906	54,951	55,971	56,936	59,191