

World sugar body sees market slipping into 3.5- million- tonne deficit in 2015-16

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The International Sugar Organisation (ISO) expects the world sugar market to move into a deficit in 2015-16 and has raised its forecast for world sugar deficit to 3.52 million tonnes (mt) from 2.48 mt estimated in its previous quarterly report in August.

In 2014-15, the world sugar market had a surplus of 2.18 mt.

“After five years of statistical

surplus, the world sugar economy is expected to enter a deficit phase,” the international body said in its November report.

The deficit is the difference between global sugar production and consumption.

The London-based organisation has estimated global sugar production in 2015-16 at 169.37 mt, down from 171.34 mt a year ago. Consumption in 2015-16 is

seen at 172.90 mt, up from 169.16 mt a year ago.

The projections are based on a neutral weather assumption, it added.

“It is still difficult to quantify the link between the developing El Nino event and changes in global sugar production,” the report said.

The global sugar body has pegged sugar output in Brazil –

world’s largest producer of the sweetener – at 35.6 mt, up from 34.4 mt in 2014-15.

Sugar output in India in 2015-16 is seen at 27 mt – slightly down by 0.7 mt from the August estimate. The projection is also lower than 28.2 mt estimated in the year-ago period.

“Similar to the previous season, the market is expected to be heavily shaped by developments in two sugar giants – Brazil and India,” the report said.

The sugar body has estimated world ending stocks in 2015-16 at 81.79 mt, down 4.2 per cent on year.