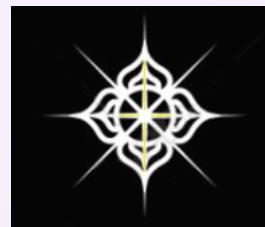


The Global S&D

Dr. Claudiu Covrig

**CEO & Lead Agriculture Analyst
CovrigAnalytics**



S&D Panel

Sugar, Ethanol and Bioenergy India Conference (SEIC) 2025

Andaz by Hyatt, Aerocity, New Delhi, India

Jan 30, 2025

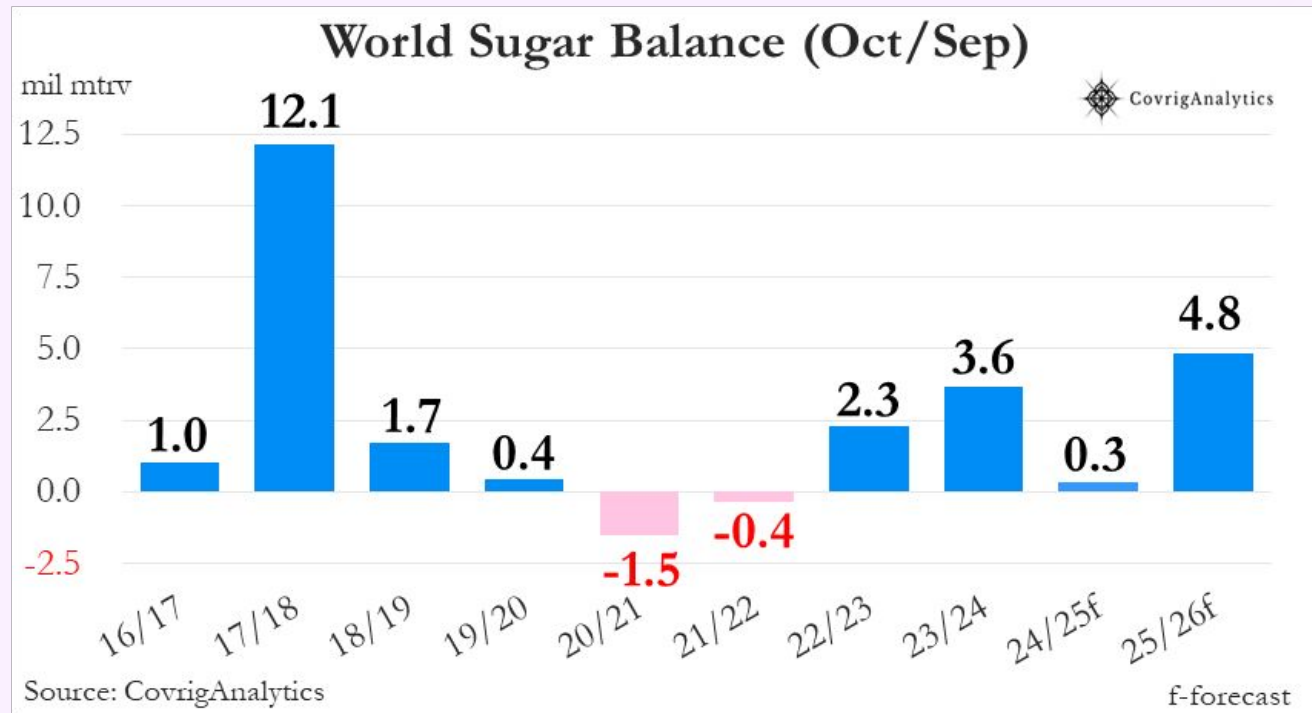
“A mind that is full of conclusions is a dead mind, it is not a living mind. A living mind is a free mind, learning, never concluding.”

Jiddu Krishnamurti

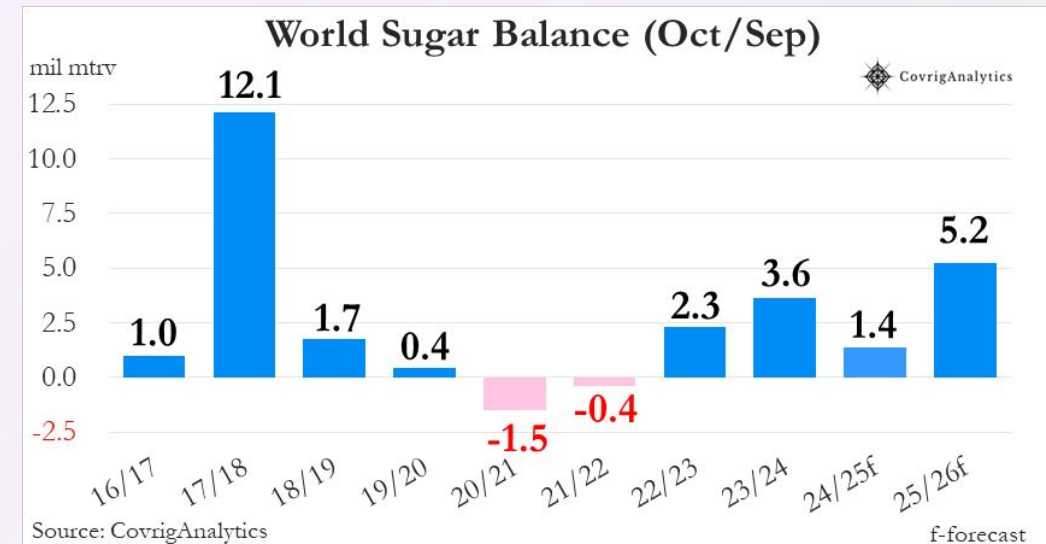
The Global Sugar Picture

World: 2024-25 in small surplus on lower output estimates for India and Pakistan! 2025-26 surplus mainly “handled” by India

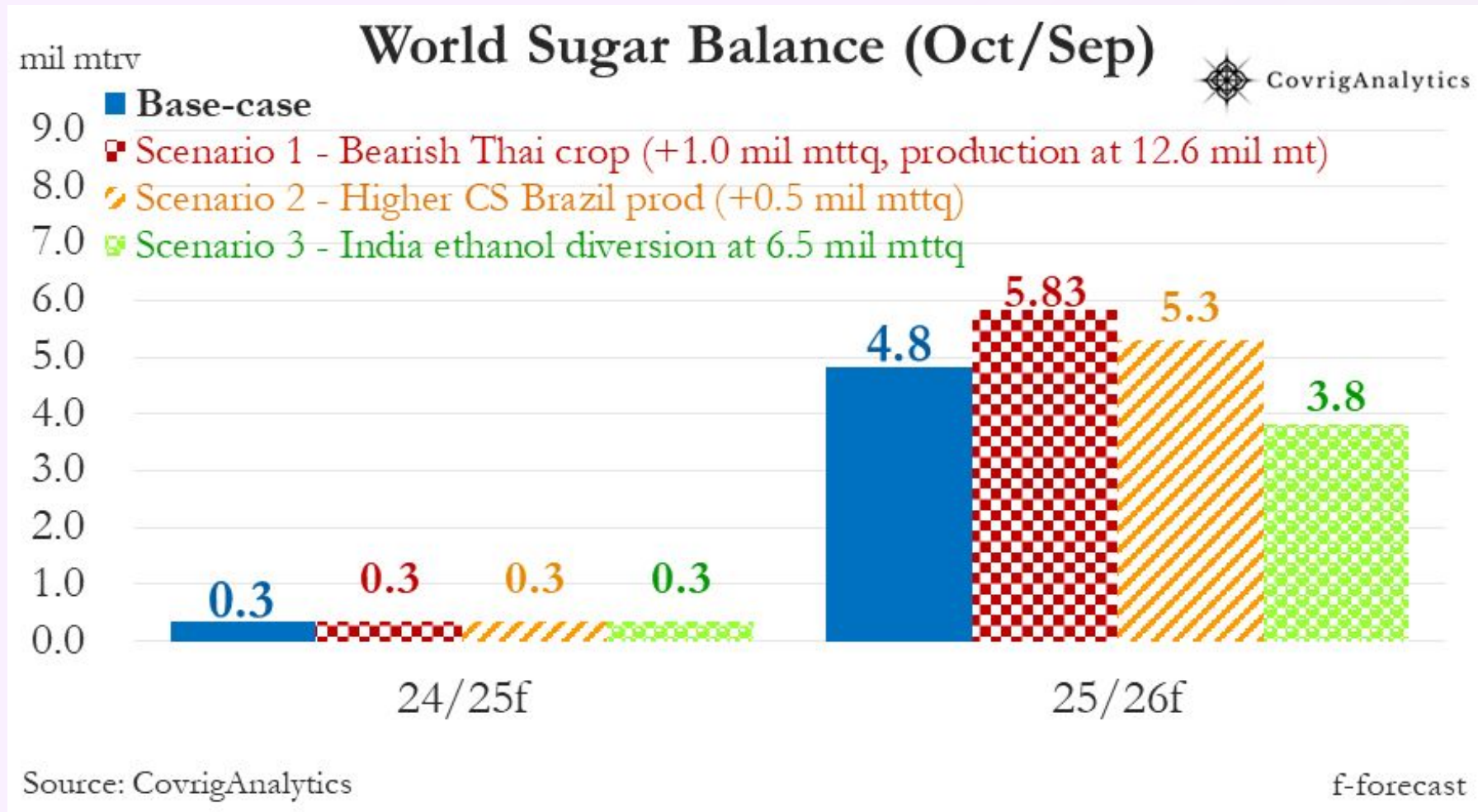
Actual expectations



Dec 31 expectations



World: 3 scenarios for 2025-26. Will India confirm?!

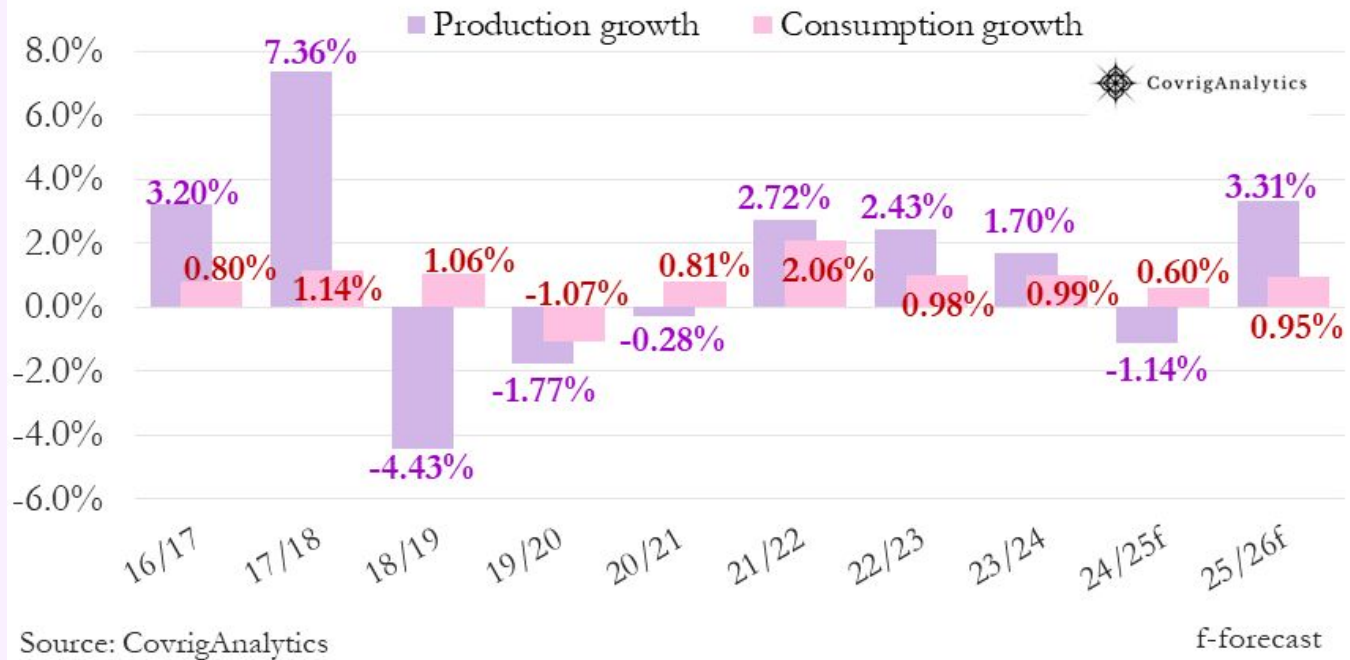


- **Nothing shall be taken for granted!**

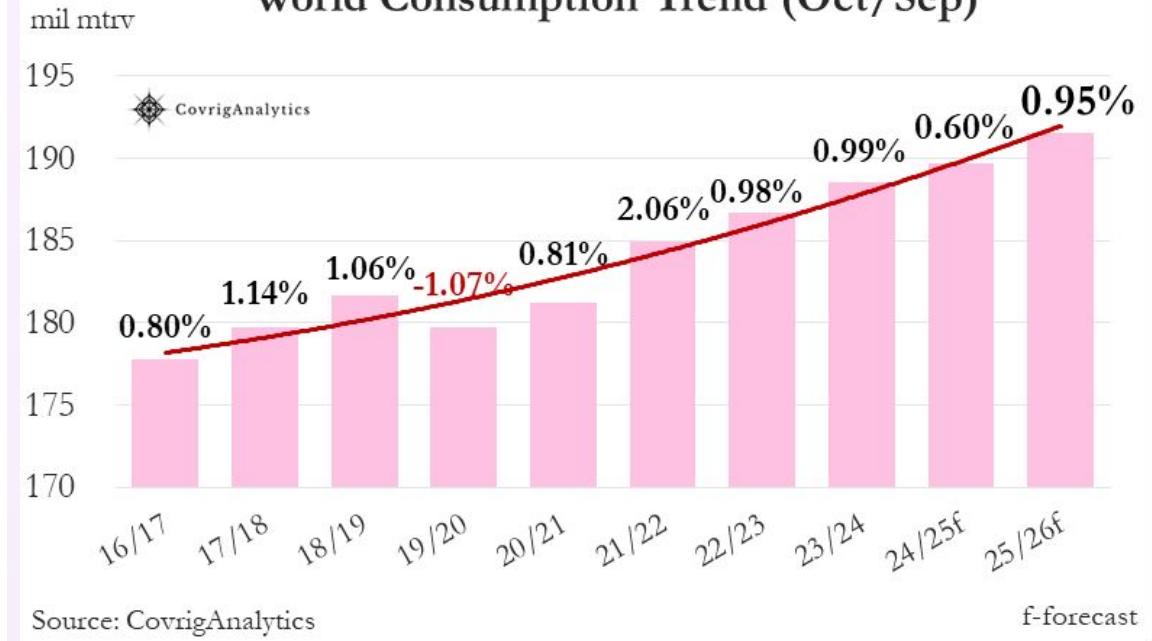
2025-26 global production growth to outpace consumption!

Consumption to recover on lower sugar prices but below +1% y-o-y

World: Production vs Consumption Growth (Oct/Sep)



World Consumption Trend (Oct/Sep)

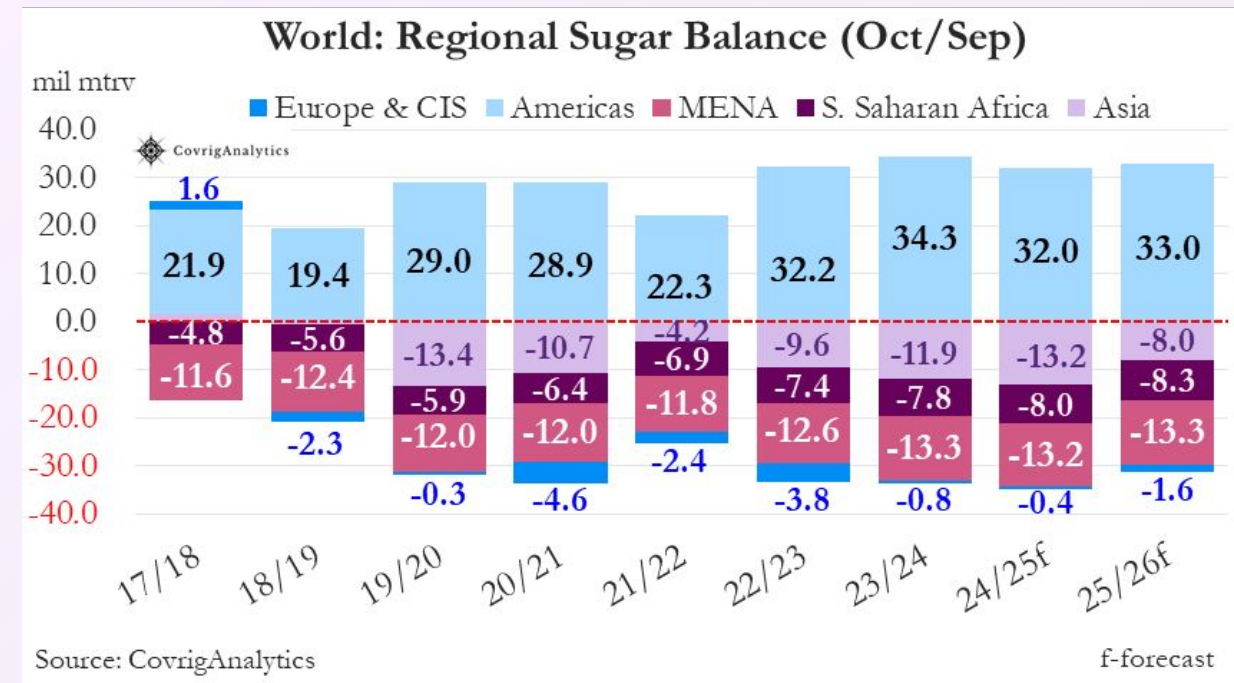
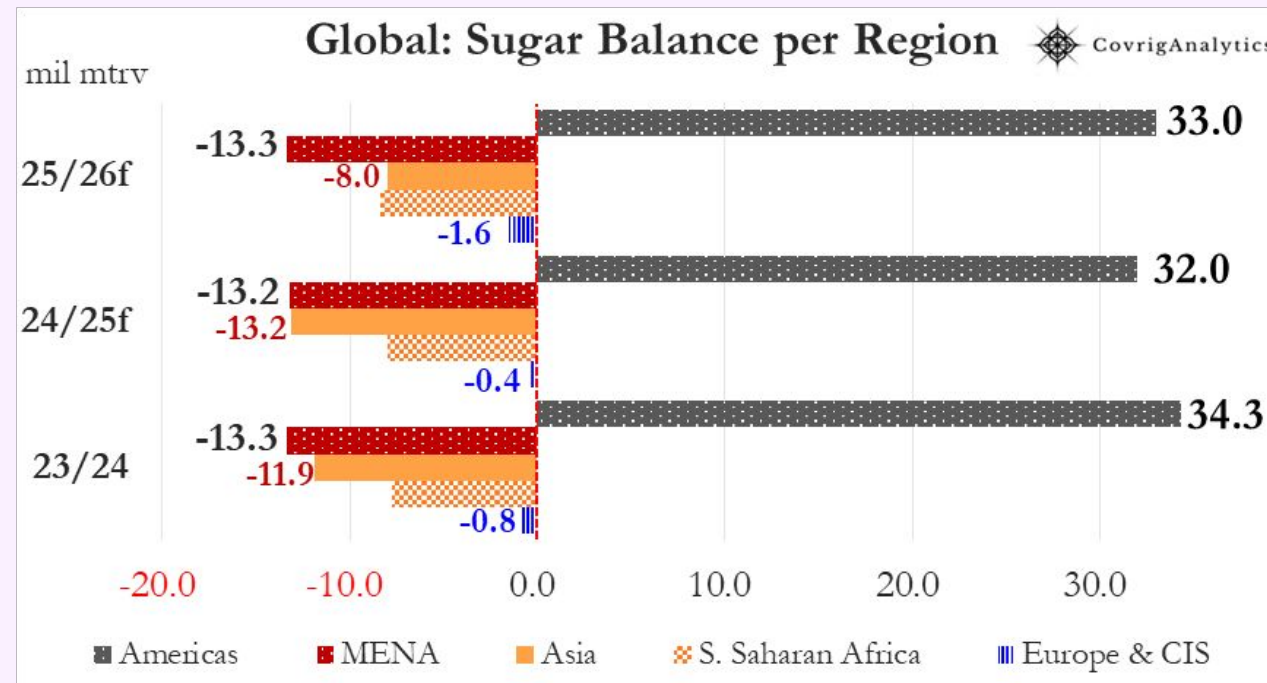


- 2025-26 production up 6.26 mil mt on the year at 196.3 mil mtrv

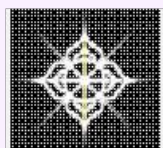
Global CONSUMPTION (at new peaks)

- 2025-26 consumption growth to recover (+0.95%)
- 0.95% growth represents 1.8 mil mtrv

Higher South American availability. Europe in deficit, Asian deficit to narrow on higher regional production



The top sugar producers per sugar quality

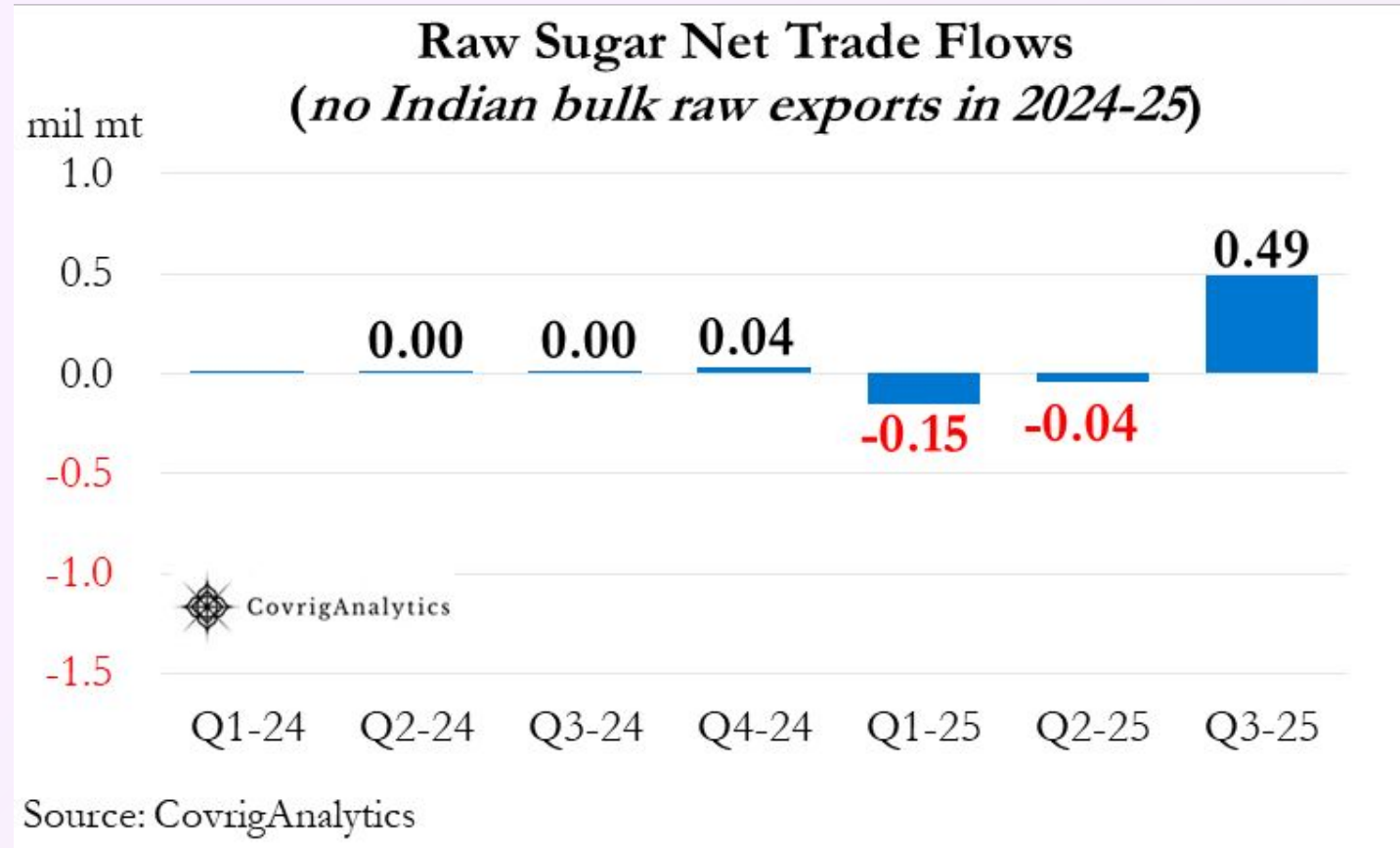


Global Producers and Consumers: Breakdown per Sugar Quality

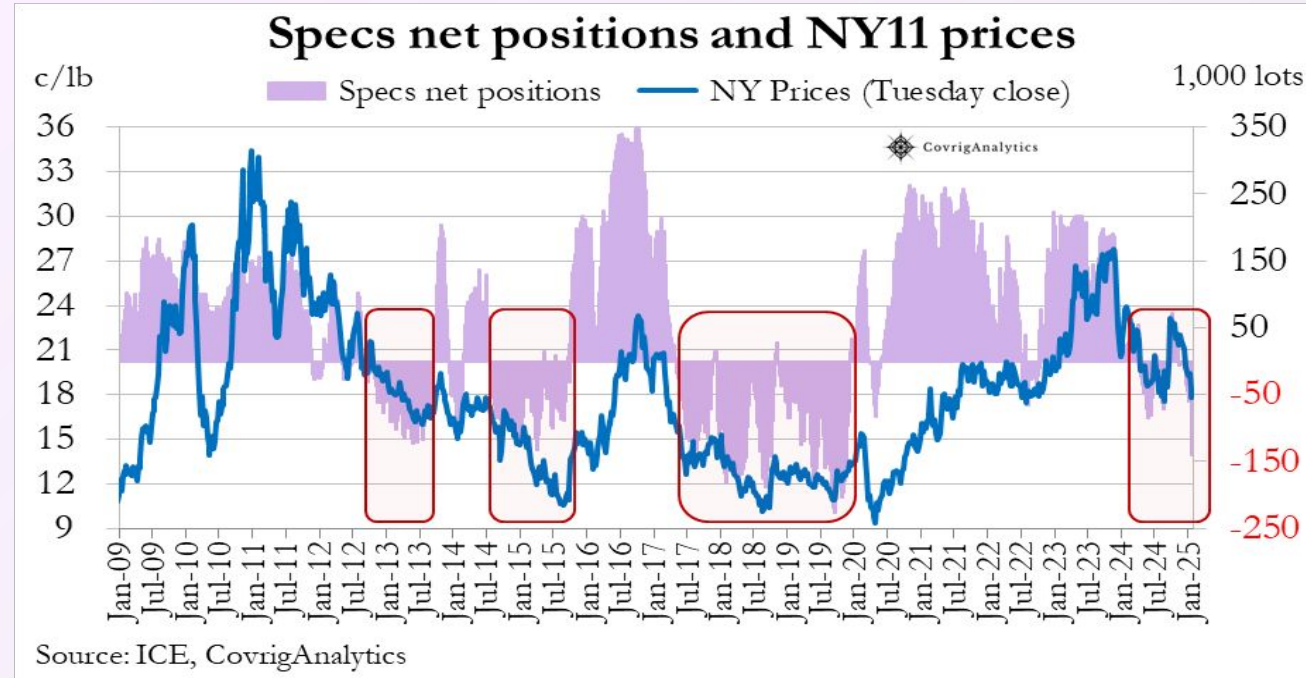
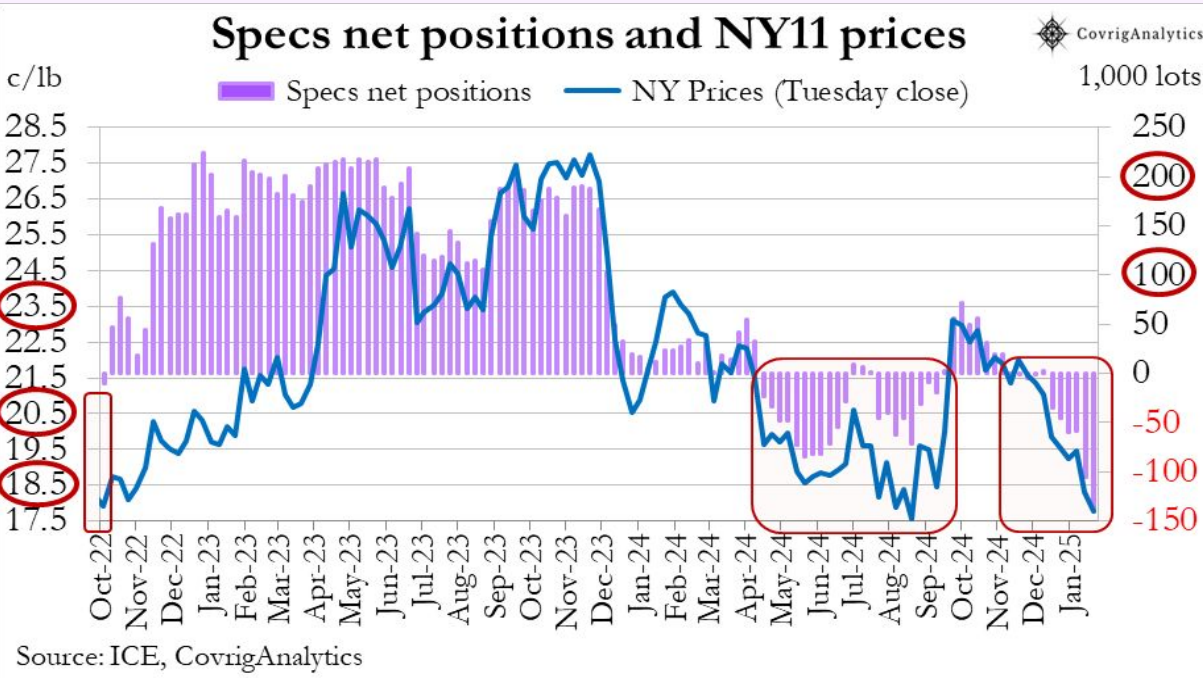
Jan 30 2025 estimates

<i>Unit: mil mttq</i>	<i>Crop year</i>	2022/23		2023/24		2024/25f		2025/26f	
PRODUCTION		RAWS	WHITES	RAWS	WHITES	RAWS	WHITES	RAWS	WHITES
CS BRAZIL	<i>Oct/Sep</i>	27.541	12.555	30.156	12.771	28.743	11.280	29.060	12.052
NNE BRAZIL	<i>Oct/Sep</i>	1.529	1.746	1.659	1.764	1.792	1.663	1.680	1.697
INDIA (no ethanol)	<i>Oct/Sep</i>	2.782	29.749	0.000	31.960	0.000	27.710	1.000	32.100
EU27 (no ethanol)	<i>Oct/Sep</i>	0.000	13.553	0.000	14.698	0.000	15.418	0.000	14.389
UK (no ethanol)	<i>Oct/Sep</i>	0.000	0.731	0.000	1.050	0.000	1.150	0.000	1.072
CHINA	<i>Oct/Sep</i>	0.000	8.970	0.000	9.900	0.000	11.150	0.000	10.800
THAILAND (after remelt)	<i>Oct/Sep</i>	5.372	5.650	3.343	5.430	5.139	5.570	5.805	5.800
USA	<i>Oct/Sep</i>	0.000	7.720	0.000	7.766	0.000	7.706	0.000	7.682
PAKISTAN	<i>Oct/Sep</i>	0.000	6.741	0.000	6.844	0.000	6.820	0.000	7.038
RUSSIA	<i>Oct/Sep</i>	0.000	6.130	0.000	6.730	0.000	6.358	0.000	6.219
MEXICO	<i>Oct/Sep</i>	3.960	1.264	3.543	1.161	3.923	1.287	4.008	1.329
INDONESIA	<i>Oct/Sep</i>	0.000	2.190	0.000	2.240	0.000	2.291	0.000	2.305
UKRAINE	<i>Oct/Sep</i>	0.000	1.299	0.000	1.786	0.000	1.740	0.000	1.753
SUM (13 countries/regions)		41.18	98.30	38.70	104.10	39.60	100.14	41.55	104.24
% in WORLD Production		78.25%		78.85%		78.18%		78.77%	

Raws net Trade flows: Lower Indonesian imports, lower Indian demand for Brazilian raws, lower WPs and the extra Brazilian/Thai availability *solved* the **Q1-Q2 deficit**



Specs switched to a bearish mood



- On Jan 21 specs were at their **largest net short position** since Nov 12, 2019 (-139.9k lots)
- In 5-weeks they added **105.1k lots** to their net-short position
- Funds tend to **sit on a position** (bearish or bullish) at least for 6-12 months

Prices found a bottom at the level of China import parity

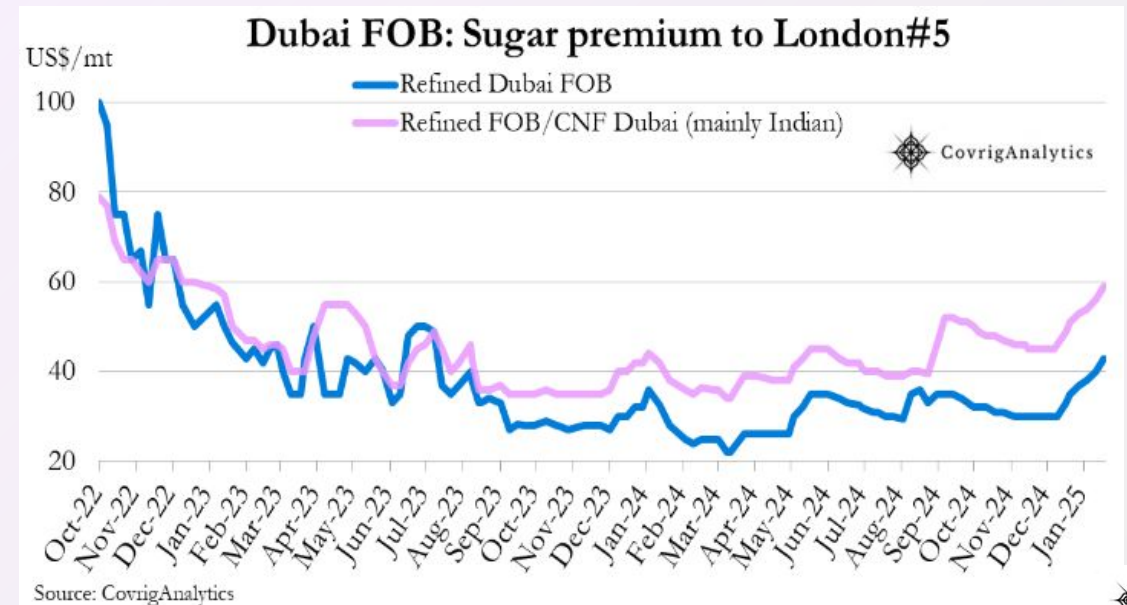
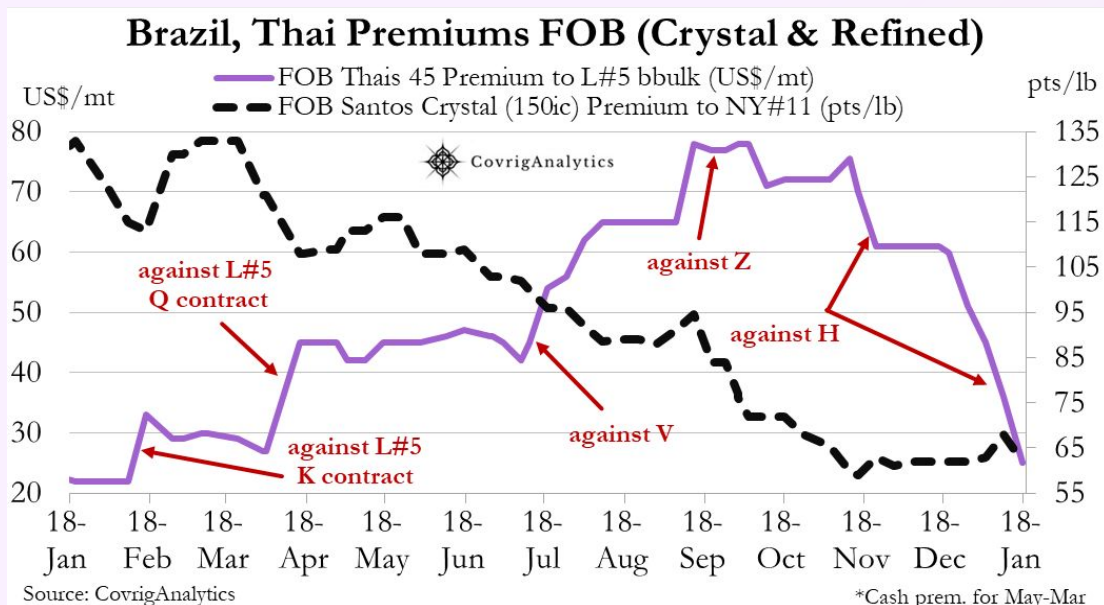
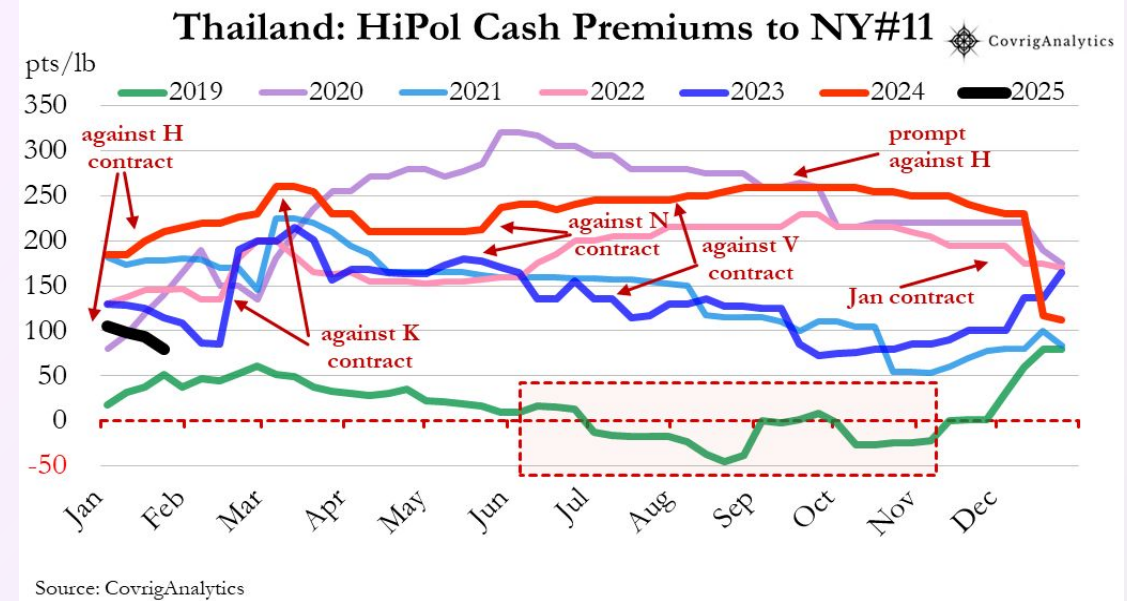
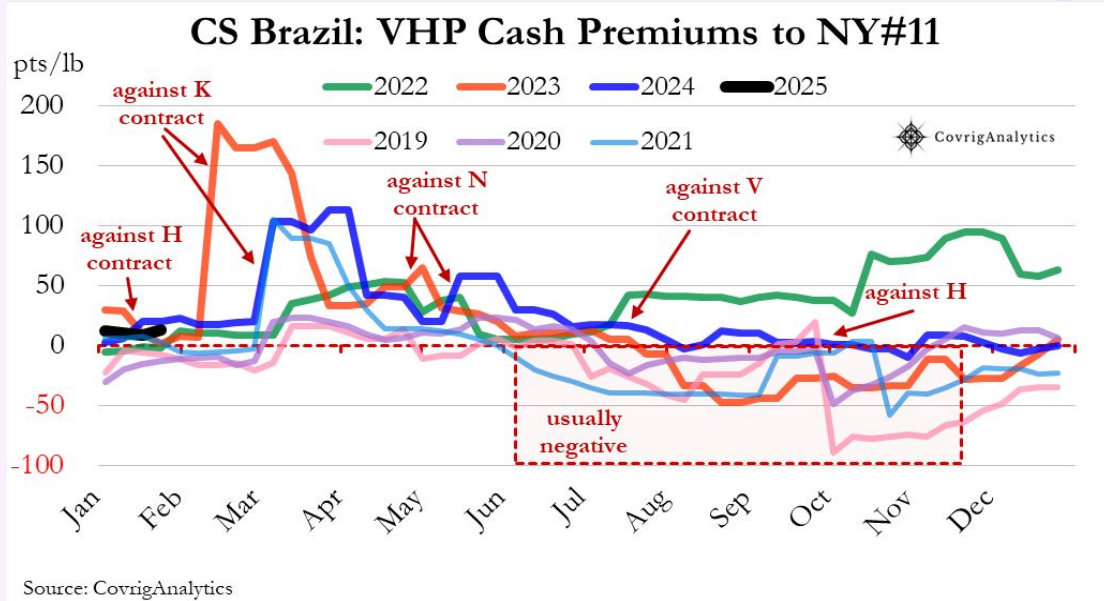
China import arb for Brazilian sugar in Jun-Aug opens at 16.6-17.0 c/lb

Brazil-China OOQ import arbitrage	Feb	Mar	Apr	May	Jun / Jul / Aug
Based on ZCE prices	-104.6	-112.7	-101.9	-61.2	-57.12 / -54.7 / - 64.3
+domestic cash prem (Rmb 175/mt)	-80.5	-88.5	-77.7	-37.1	-32.96 / -30.55 / -37.9
+domestic cash prem (Rmb 275/mt)	-66.6	-74.7	-63.9	-23.3	-19.16 / -16.74 / -24.1
OOQ import arb to open at NY11 of:	Feb	Mar	Apr	May	Jun / Jul / Aug
For dom. cash prem: Rmb 175/mt	17.00	16.80	17.06	16.67	16.68 / 16.86 / 16.65
For dom. cash prem: Rmb 275/mt	17.35	17.15	17.40	17.00	17.00 / 17.2 / 17.0

The Thai option is cheaper on prompt - the import arb into China opens at 17.3-17.6 c/lb for Mar-Apr

Thai-China OOQ import arbitrage	Feb	Mar	Apr	May	Jun-Jul / Aug
Based on ZCE prices	-95.9	-93.3	-93.3	-79.6	-82.66 / -85.02
+domestic cash prem (Rmb 175/mt)	-71.7	-69.1	-69.1	-55.4	-58.5 / -60.86
+domestic cash prem (Rmb 275/mt)	-57.9	-55.3	-55.3	-41.6	-44.69 / -47.05
OOQ import arb to open at NY11 of:	Feb	Mar	Apr	May	Jun-Jul / Aug
For dom. cash prem: Rmb 175/mt	17.25	17.32	17.32	16.24	16.17 / 16.12
For dom. cash prem: Rmb 275/mt	17.58	17.65	17.65	16.58	16.51 / 16.46

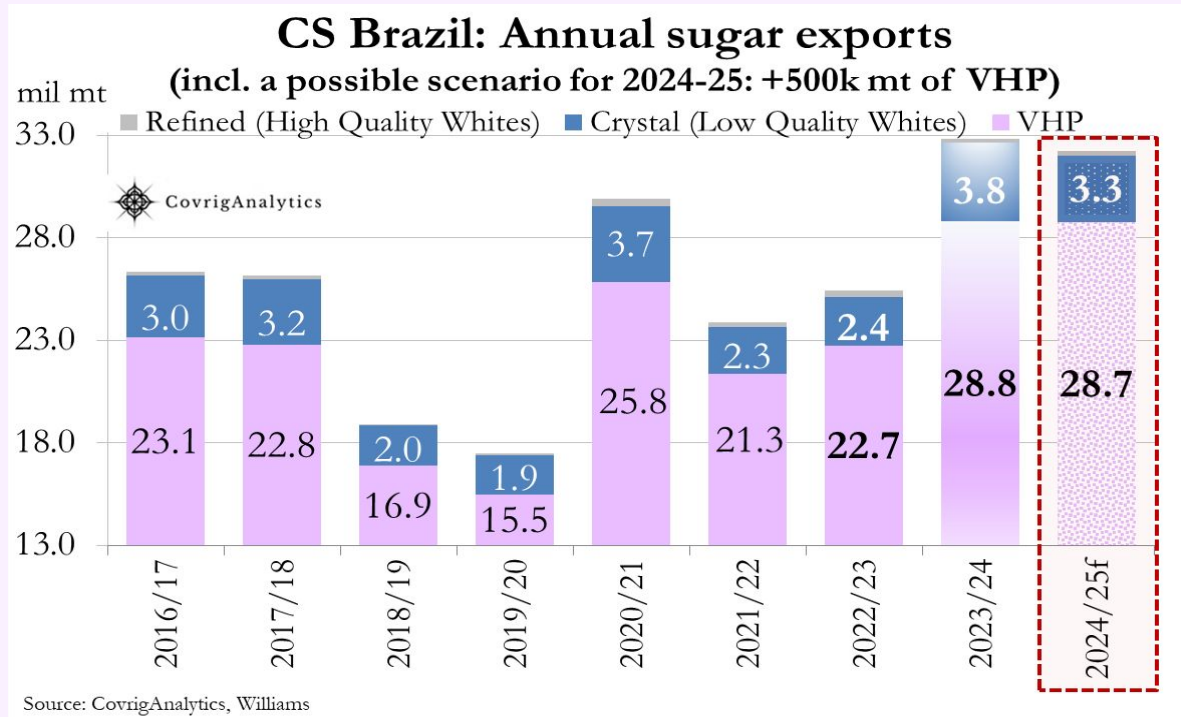
HiPol cash premiums pressured but the refined ones recover in MENA!



Main regions to follow:

Brazil, India and Thailand shuffle the cards!

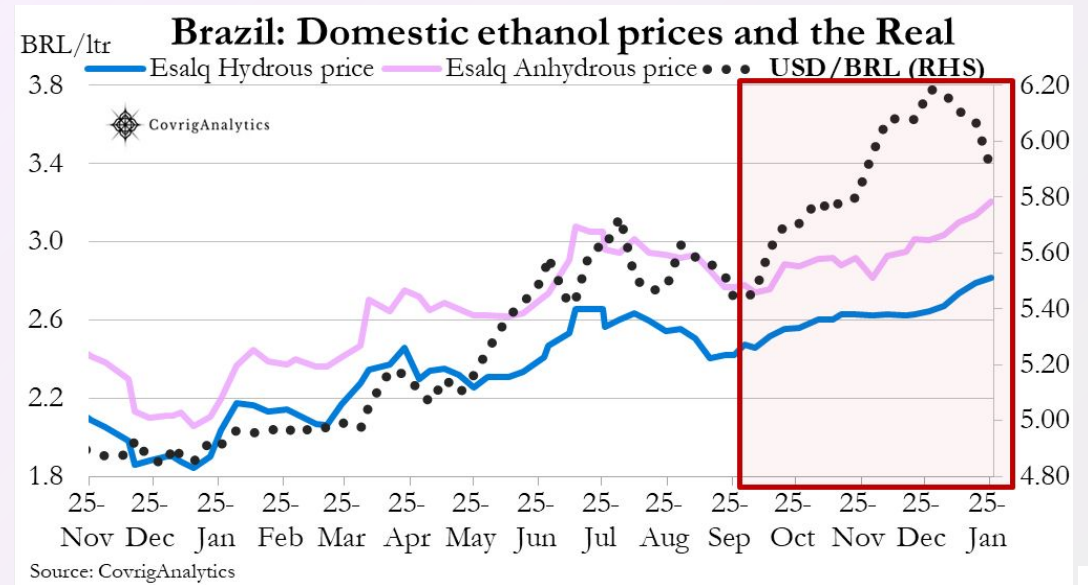
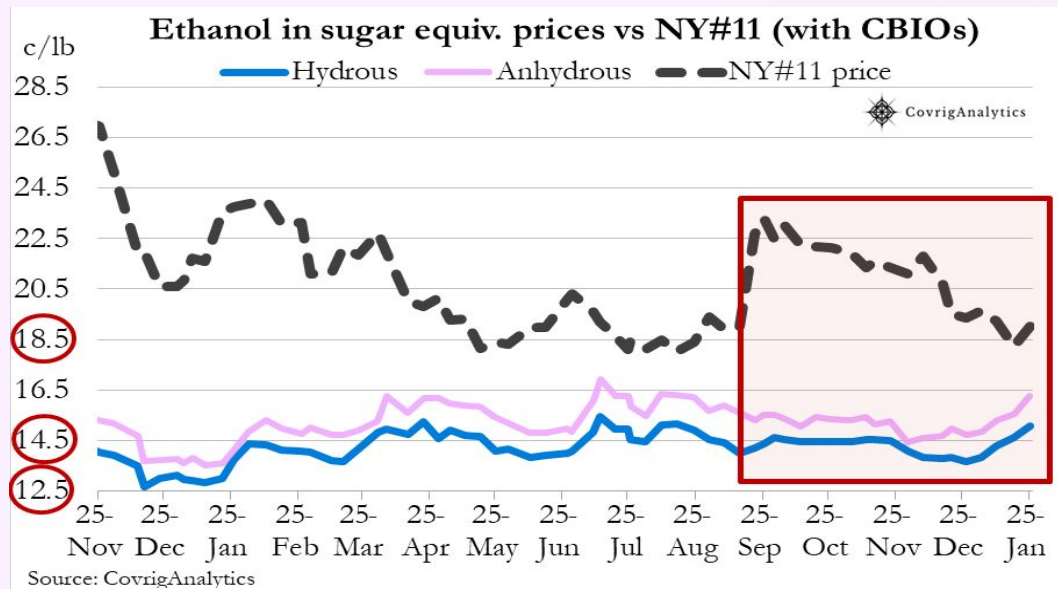
CS Brazil: Crystal sugar exports drop! Stocks too!



- 2024-25 VHP exports in line with 2023-24 but crystal/white exports drop!
- Lower sugar stocks in CS Brazil!

CS Brazil: Higher ethanol floor as BRL slowly recovers

Date	NY#11 + Santos cash premium	Hydrous parity in NY11 equiv.	Anhydr parity in NY11 equiv. (c/lb)	USD/BRL	Hydr Esalq BRL/cu m	Anhydr Esalq BRL/cu m	Front: Hydr profitability vs Sugar (NY11 equiv) (c/lb)	Next months: Hydr profitability vs Sugar (NY11 equiv) (c/lb)
25.01 incl CBIO NY settle	Feb: 19.02 + 0.13 = 19.15 Mar: 19.02 + 0.33 = 19.35 Apr: 19.02 - 0.13 = 18.89 May: 17.62 + 0.26 = 17.88	15.077	16.258	5.90722	2814.1	3207.4	Feb: -4.07 Mar: -4.27	Apr: -3.81 May: -2.8
18.01 incl CBIO NY settle	Jan: 18.22 + 0.09 = 18.31 Feb: 18.22 + 0.19 = 18.41 Mar: 18.22 + 0.31 = 18.53 Apr: 18.22 - 0.13 = 18.09	14.600	15.550	6.06525	2790.1	3136	Jan: -3.71 Feb: -3.81	Mar: -3.93 Apr: -3.49
11.01 incl CBIO NY settle	Jan: 19.22 + 0.10 = 19.32 Feb: 19.22 + 0.19 = 19.41 Mar: 19.22 + 0.20 = 19.42 Apr: 19.22 - 0.20 = 19.02	14.277	15.299	6.10817	2738	3100.2	Jan: -5.04 Feb: -5.13	Mar: -5.14 Apr: -4.74



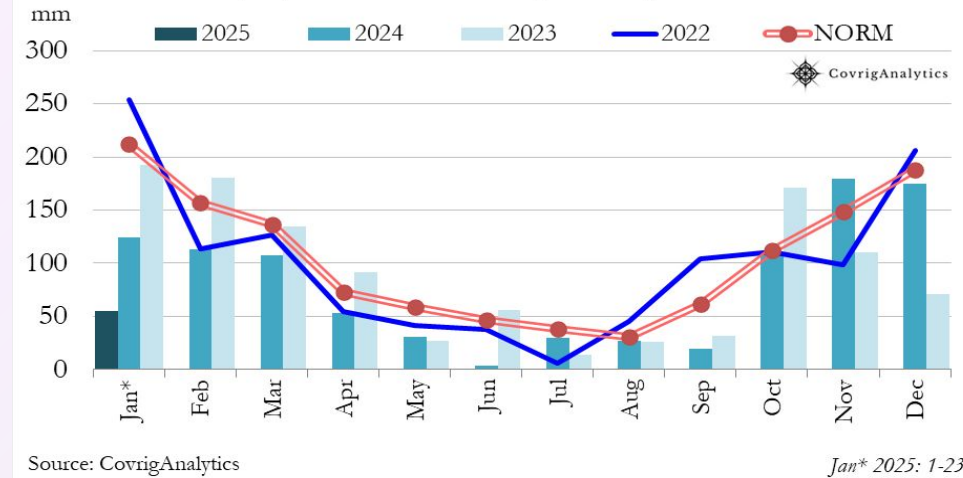
CS Brazil: Higher production expected on possible sugar mix recovery

CS Brazil production estimates (April/March season)

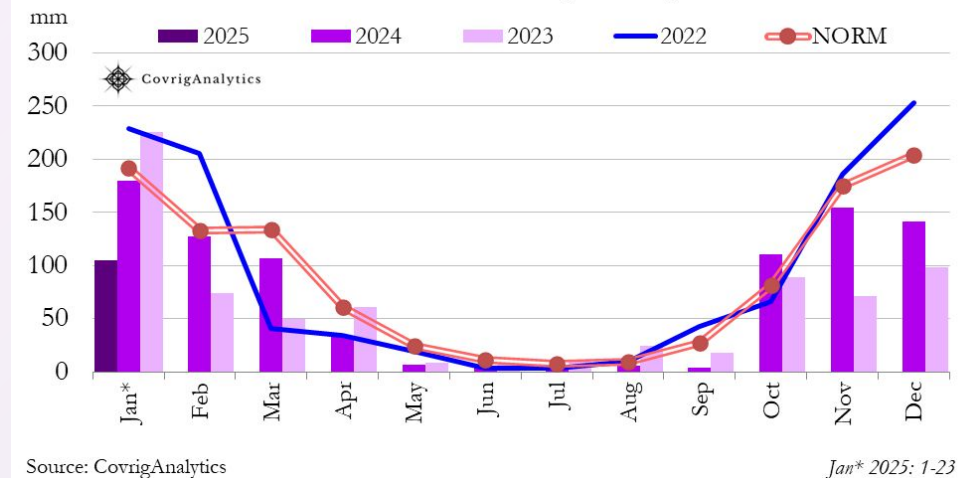
CovrigAnalytics		2022/23	2023/24	2024/25f	2025/26f
	Unit	Realized	Realized	Jan 1 estim	Jan 1 estim
Cane crush	mil mt	548.3	654.4	619.7	625.0
ATR	kg/mt cane	140.8	139.2	140.9	139.8
Sugar Mix	%	45.85%	48.87%	48.03%	50.50%
Ethanol Mix	%	54.15%	51.13%	51.97%	49.50%
Sugar	mil mt	33.73	42.43	39.96	42.04
Cane Ethanol	mil m3	24.48	27.33	26.65	25.40
Δ Sugar production (y-o-y)	mil mt	1.65	8.70	-2.47	2.08
Δ Ethanol production (y-o-y)	mil m3	0.32	2.85	-0.67	-1.25

- Rains can still impact the expected cane volumes!
- Rains not sufficient in Jan!
- **The Sugar mix to really spike to a new record: at 50.50%??**
- +1% of sugar mix is adding 850,000-865,000 more sugar

Brazil: SP state - Monthly Precipitations Sum



Brazil: Minas Gerais - Monthly Precipitations Sum



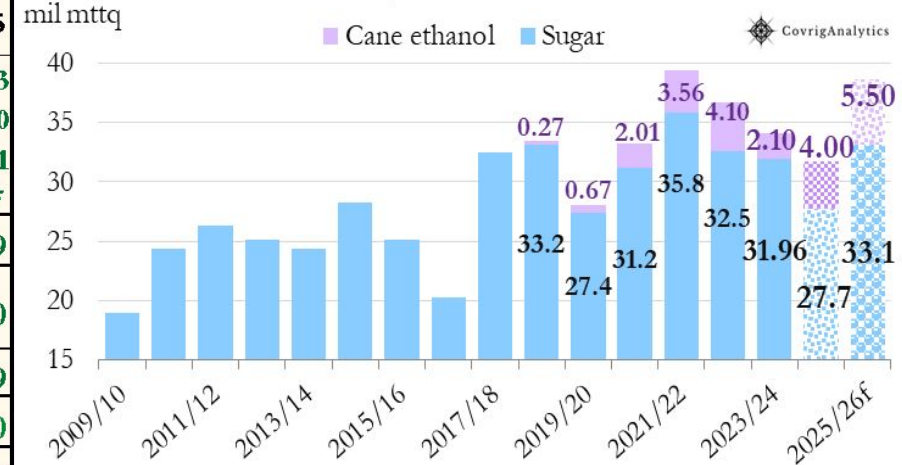
India balance sheet: Lower 2024-25 output but sufficient stocks!

INDIA SUGAR PRODUCTION (Oct-Sep) [mil mttq]

CovrigAnalytics

Production per state	2022-23 Realized	2023-24 Estim	2024-25 Estimate	2025-26 Estimate	Δ 24/25-23/24	Δ 25/26-24/25
Maharashtra	10.53	11.09	8.87	11.70	-2.22	2.83
Uttar Pradesh	10.54	10.41	9.80	10.50	-0.61	0.70
Karnataka	5.70	5.19	4.24	5.35	-0.95	1.11
Others	5.76	5.28	4.80	5.55	-0.48	0.75
SUGAR PRODUCTION	32.53	31.96	27.71	33.10	-4.25	5.39
DIVERSION TO ETHANOL	4.10	2.1 (1.7+0.37)	4.00	5.50	1.93	1.50
PRODUCTION BEFORE DIVERSION	36.63	34.06	31.71	38.60	-2.35	6.89
DOMESTIC CONSUMPTION	27.45	28.10	28.20	28.90	0.10	0.70
Bangladesh/Nepal/Bhutan leak	0.05	0.79	0.30	0.35	-0.49	0.05
BALANCE (Leak fixed in exports)	5.08	3.86	-0.49	4.20	-4.35	4.69

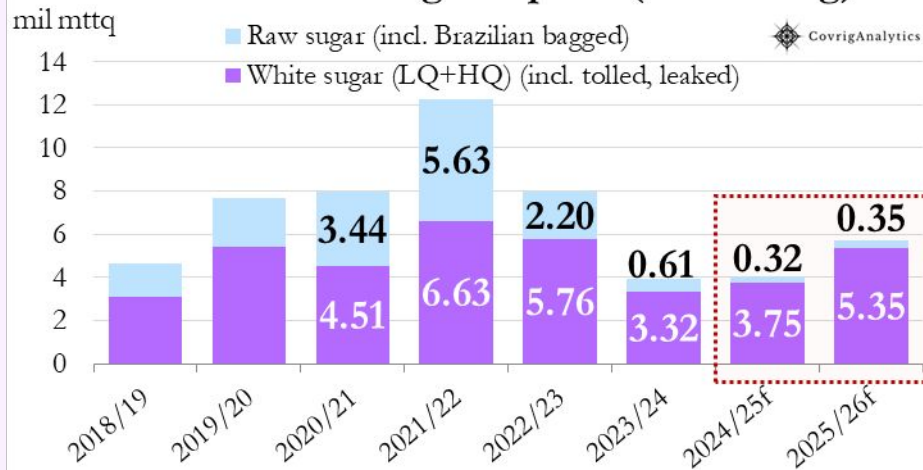
India: Total sugar and ethanol produced



Source: CovrigAnalytics

f - forecast

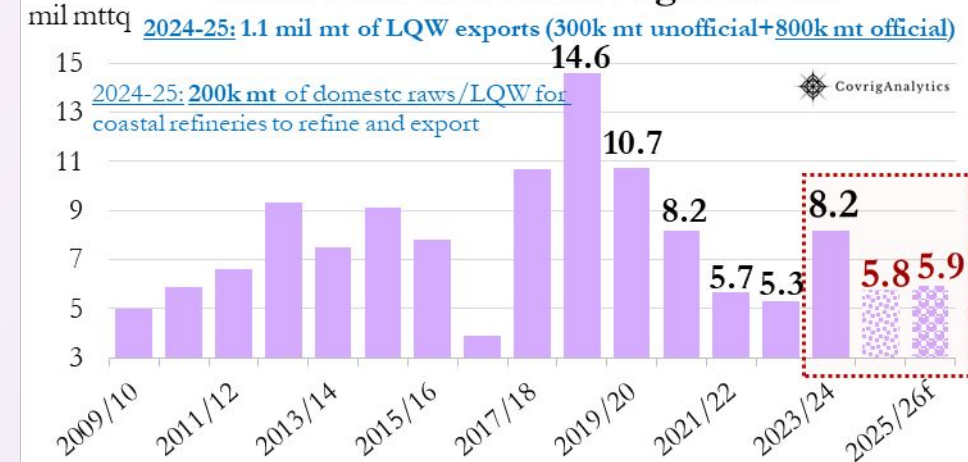
India: Total sugar exports (incl. tolling)



Source: CovrigAnalytics

f - forecast

India: End of Season Sugar Stocks



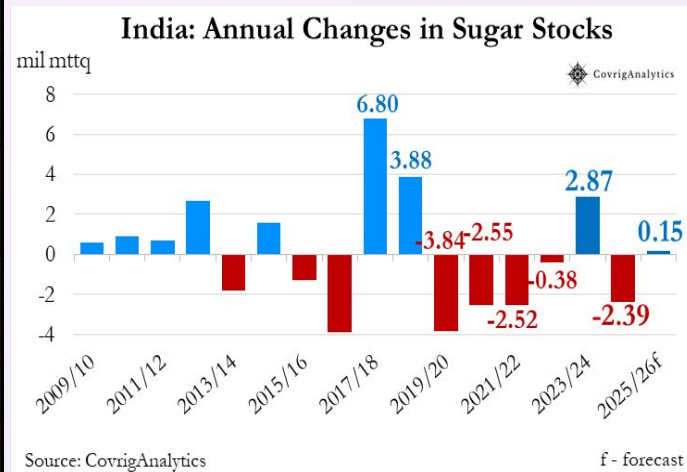
Source: CovrigAnalytics

f - forecast

India balance sheet: Big potential for exports in 2025-26

INDIA SUGAR BALANCE [Unit: 1,000 mt]

INDIA SUGAR S&D	2023-24	2024-25 <i>before</i> 1M mt exports	2024-25 <i>after</i> 1M mt exports	2025-26
PRODUCTION (in Tel Quel)	31'960	27'610	27'710	33'100
PROD RAWS (in RV)	0	0	200	1'000
PROD WHITES (in WV)	31'960	27'610	27'510	32'100
CONSUMPTION (in WV)	28'100	28'200	28'200	28'900
<i>Smuggling</i> Bangladesh/Nepal/Bhutan (in WV)	799	550	300	350
INDIA SUGAR TRADE	2023-24	2024-25 <i>before</i>	2024-25 <i>after</i>	2025-26
RAW EXPORTS TO AFRICA (Brazilian bagged raws)	611	315	315	350
DOMESTIC RAWS FOR COASTAL REFINERIES	0	0	200	1'000
RAW <i>IMPORTS</i> FOR TOLLING (Mainly from CS Brazil)	-2'937	-2'361	-2'161	-1'650
LQW EXPORTS (incl. <i>smuggling</i>)	875	550	1'100	2'900
HQW EXPORTS (incl. coastal refineries/tolling)	2'441	2'650	2'650	2'450
BEGINNING STOCKS (INCL. RAW IMP. FOR TOLLING)	5'290	8'160	8'160	5'766
END STOCKS (INCL. RAW IMP. FOR TOLLING)	8'160	6'416	5'766	5'916
DIVERSION TO ETHANOL	2'100	4'100	4'000	5'500
TOTAL SUCROSE PRODUCTION BEFORE DIVERSION	34'060	31'710	31'710	38'600

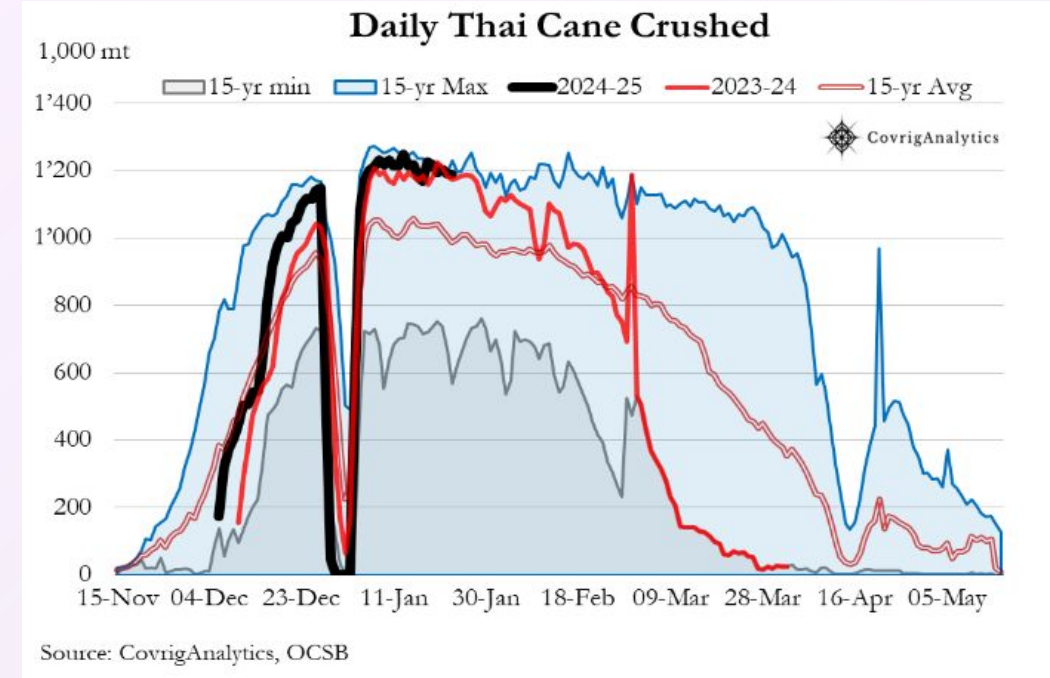


Thailand: Production recovers but will it confirm in 2025-26?

Thailand: Cane and Sugar Production



Year	Cane <i>mln mt</i>	Sugar <i>1'000 mmtq</i>	Acreage <i>1'000 ha</i>	Agric. yield <i>mt cane/ha</i>	Ind. yield <i>kg sugar/mt cane</i>
2018/19	130.97	14.58	1'770	74.0	111.3
2019/20	74.84	8.27	1'700	44.0	110.5
2020/21	66.66	7.59	1'608	41.5	113.8
2021/22	92.07	10.13	1'621	56.8	110.1
2022/23	93.88	11.02	1'635	57.4	117.4
2023/24	82.17	8.77	1'469	55.9	106.8
2024/25*	97.00	10.71	1'635	59.3	110.4
2025/26*	105.50	11.61	1'735	60.8	110.0



Source: CovrigAnalytics, OCSB

- **2024-25:** ~97 mil mt of cane crushed, sugar yield at 110.4 kg sugar/mt and **sugar production at 10.71 mil mmtq** (unch)!
- Daily cane crushing is still close to historical max (1.2 mil mt)
- **2025-26:** Cane crush at **105.5 mil mt** (on higher acreage/lower tapioca prices), **sugar production at 11.6 mil mmtq**
- Some analysts are working with **2025-26 production of 12.6-12.8 mil mmtq** but **the acreage is not everything!**



Thank you kindly for your
attention! धन्यवाद



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