

A Survey of Domestic Prices for Sugar



WABCG/ISO Consultation



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MECAS(24)06



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\$1.80



\$2.60



R22.99



£1.09



£1.50



R\$ 4,99



\$8.94

56 Oz =
1.59 kg

Sugar



What is the average price of sugar in the world?



There are huge differences in the prices for which sugar is sold around the world

Prices



Representative average wholesale and retail prices across national regions for white sugar in bags

**WHOLESALE
PRICE**

RETAIL PRICE

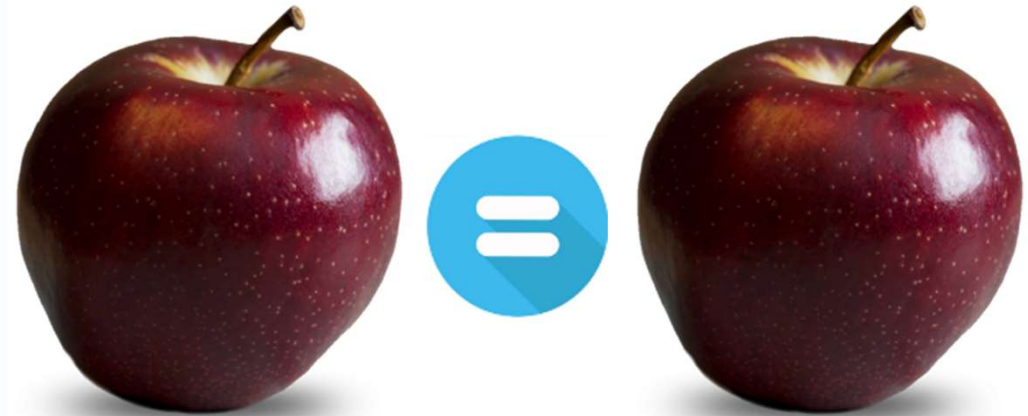
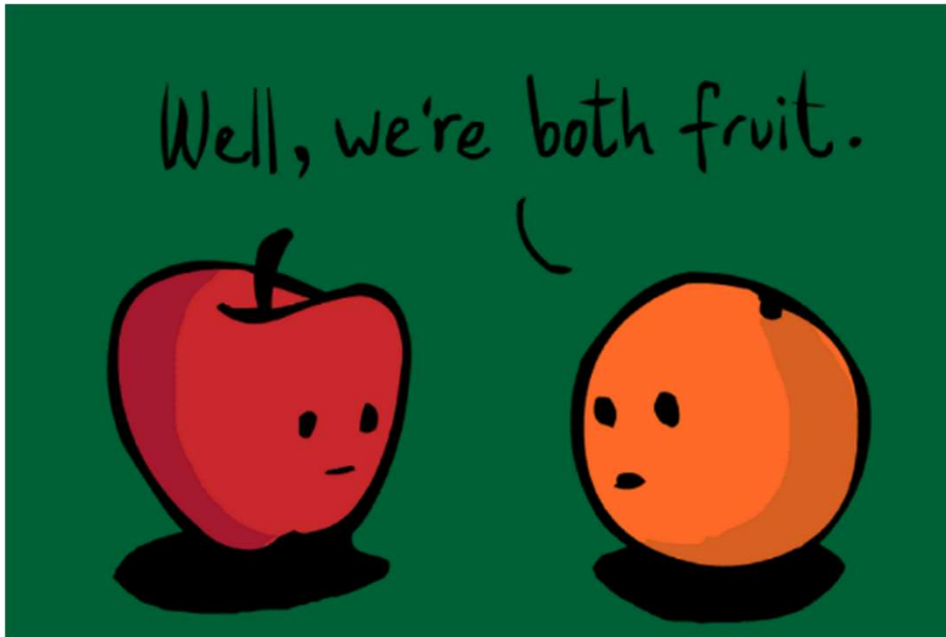


Sources and Methodology

- The **ISO** is grateful for contributions by governments and industry associations, including the governments of Argentina, Australia, Belize, Brazil, Dominican Republic, Ecuador, El Salvador, the European Commission, Kenya, Mexico, Madagascar, Morocco, Nicaragua, Rep. of Korea, Thailand, Türkiye, Uganda; the Sugarcane Industry Association ASOCAÑA, Colombia; Laica, Costa Rica; Eswatini Sugar Association; Eurasian Sugar Association; Asociación de Azucareros de Guatemala; Asociación de Productores de Azúcar de Honduras; Mauritius Sugar Syndicate; Association of Sugar Producers of Mozambique; South African Sugar Association; Vietnam Sugarcane & Sugar Association; Zimbabwe Sugar Sales.
- Domestic Sugar Prices Questionnaire Memo(24)20, of 29 February 2024, as well as responses to our standard Sugar Yearbook statistical questionnaire.

THANK YOU!

Sources and Methodology cont.



Sources and Methodology cont.

Comments on Sources and Methods

- Methods are similar to those applied in our previous studies on domestic prices.
- It included **wholesale** price data from countries representing **72%** of world consumption and **retail** prices for countries accounting for around **73%** of global demand.
- The level of association of world market prices and calculated world averages of domestic prices is measured by **correlation coefficients**
- Price data have been converted into **USD per tonne** to make them comparable

World Sugar Consumption



**WHOLESALE
PRICE**

72%

RETAIL PRICE

73%



Sources and Methodology cont.





Wholesale Prices



World Wholesale Average Price – Correlation to World Price

- Throughout the majority of the period under review, global average wholesale prices have generally mirrored annual movements in world sugar prices.

Wholesale Prices Weighted Average and World Price Correlation

	World Wholesale Prices Weighted Average (USD/tonne)	White Sugar Price Index (USD/tonne)	Correlation Coefficient
2009	585.21	488.45	0.839
2010	707.32	600.72	
2011	792.36	689.89	
2012	716.74	580.86	
2013	696.33	488.05	
2014	655.44	444.81	0.729
2015	587.10	373.25	
2016	625.37	498.13	
2017	653.01	432.04	
2018	578.91	343.30	
2019	496.86	336.22	0.996
2020	535.73	373.01	
2021	577.52	471.10	
2022	621.22	528.04	
2023	705.16	659.19	

2009-2013

0.839

2014-2018

0.729

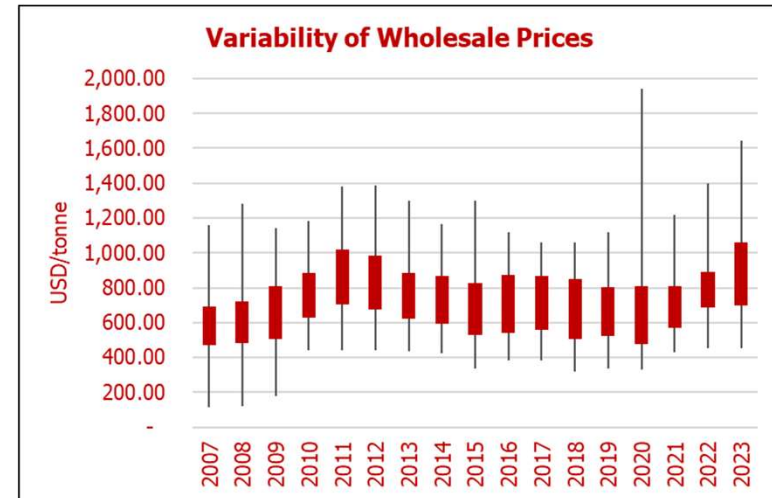
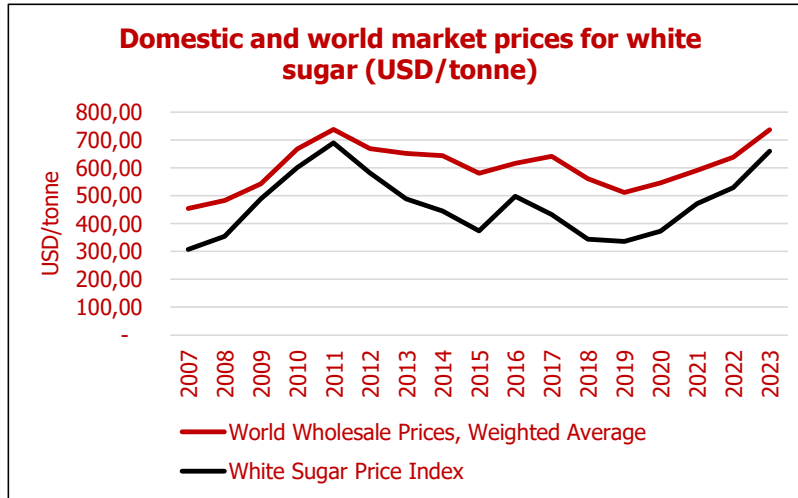
2019-2023

0.996

Wholesale Prices



World Wholesale Average Price / Variability of Wholesale Prices

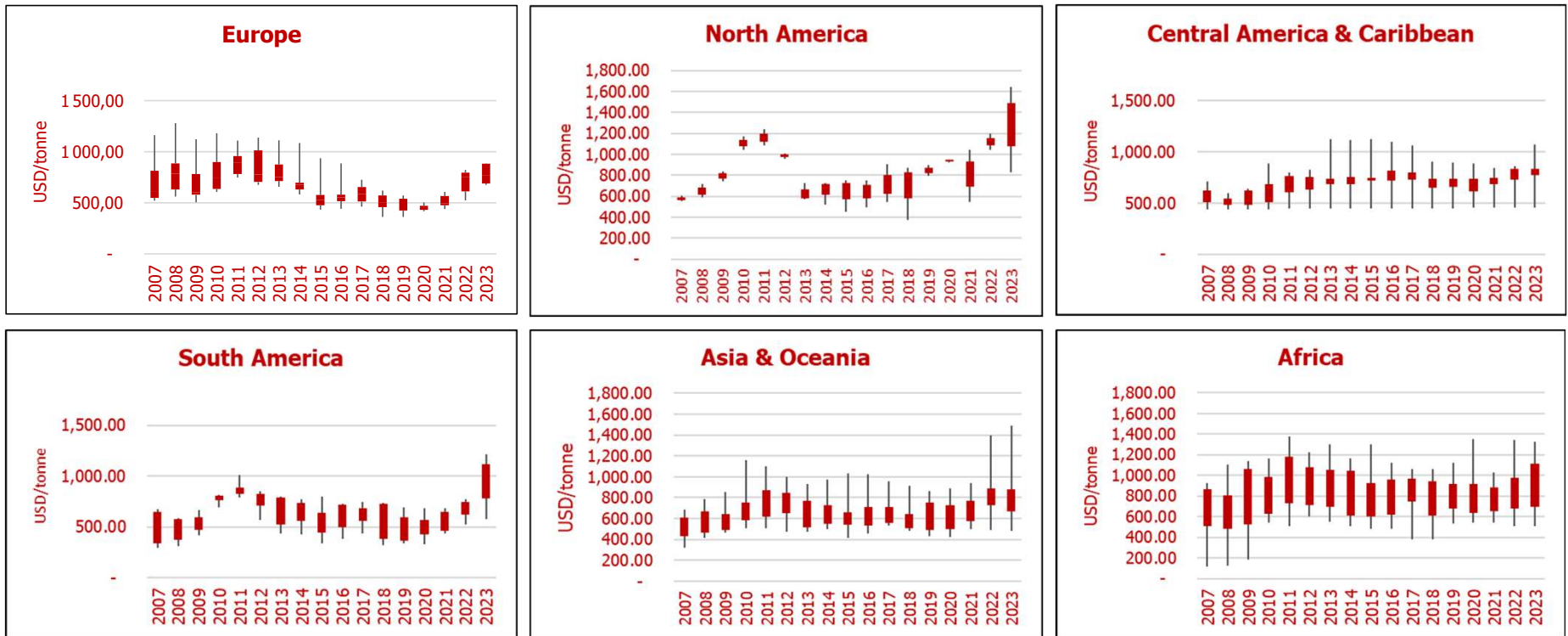


The average world wholesale price for white sugar in 2023 was USD 736.40/tonne

Wholesale Prices



Regional Variability of Wholesale Prices

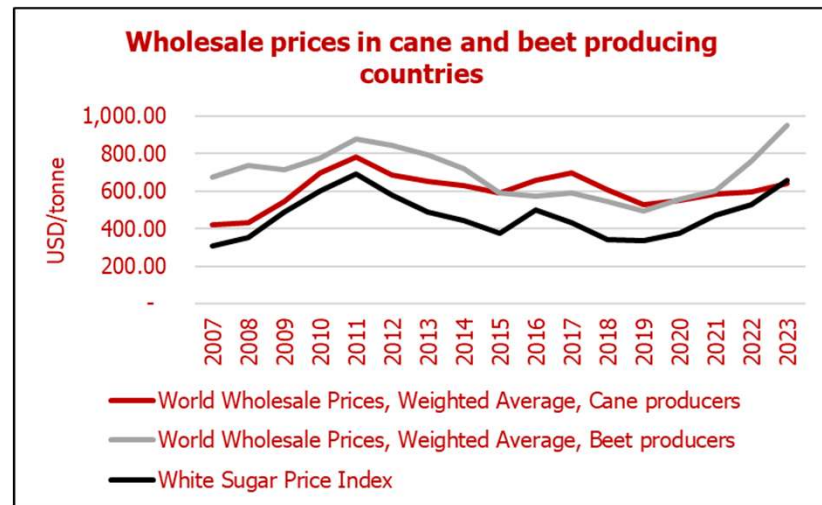


Wholesale Prices



Wholesale Prices in Cane and Beet Producing Countries

- Both have consistently exceeded world sugar prices.
- Different trends observed
 - Up to 2015
 - Between 2015 and 2019
 - 2020 and 2021
 - 2021+



Wholesale Prices



Wholesale Prices in Exporting and Importing Countries

- Net-importing countries, typically characterized by higher prices due to elevated cost profiles.
 - Wholesale prices were 32% higher than those of exporting countries in 2023.
- In the latest five-year period, from 2019 to 2023, prices surged by 28% for exporters and by around 40% for importers.

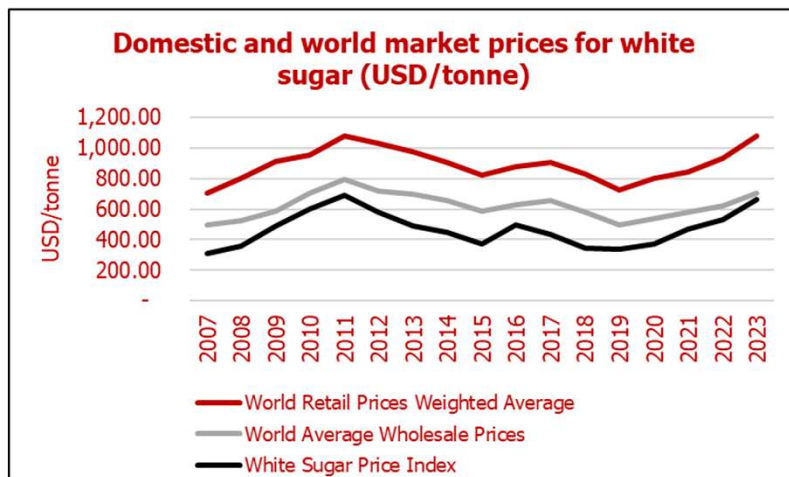


Retail Prices



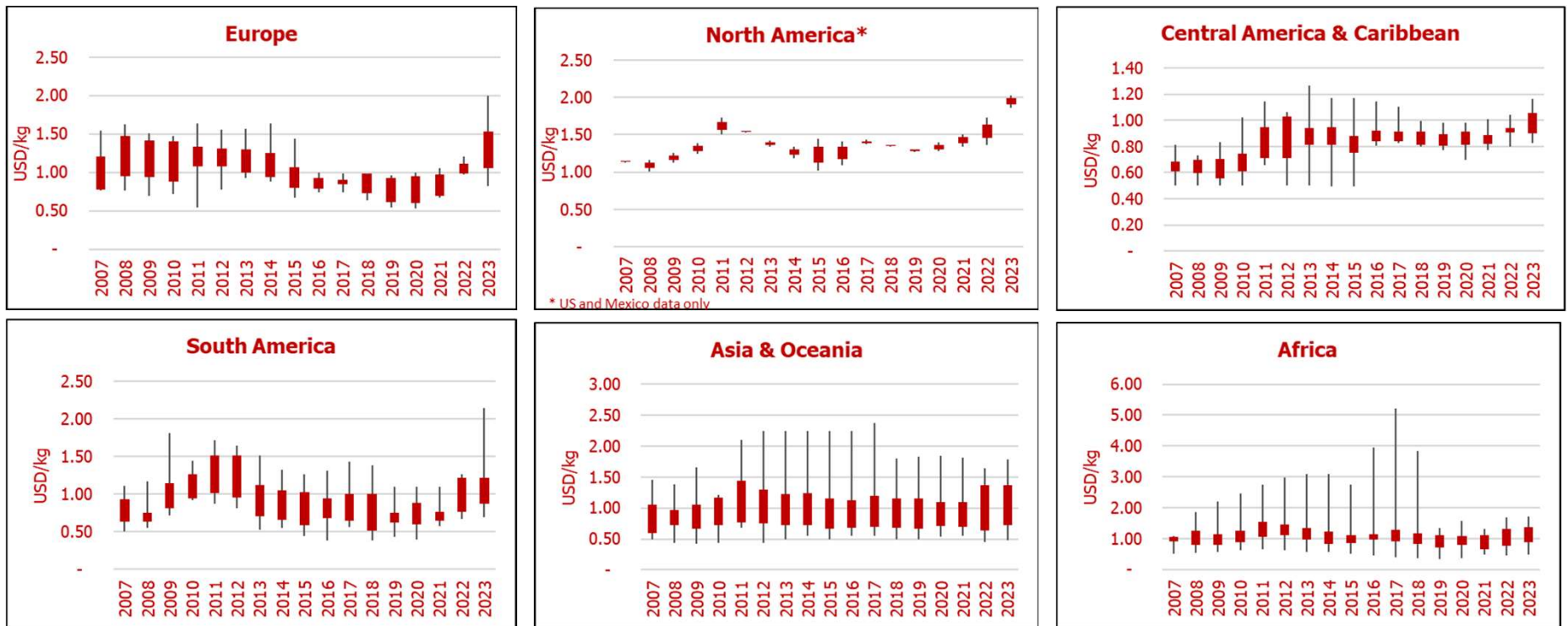
World Retail Average Price / Variability of Retail Prices

The average world retail price for white sugar in 2023 was USD 1,077/tonne





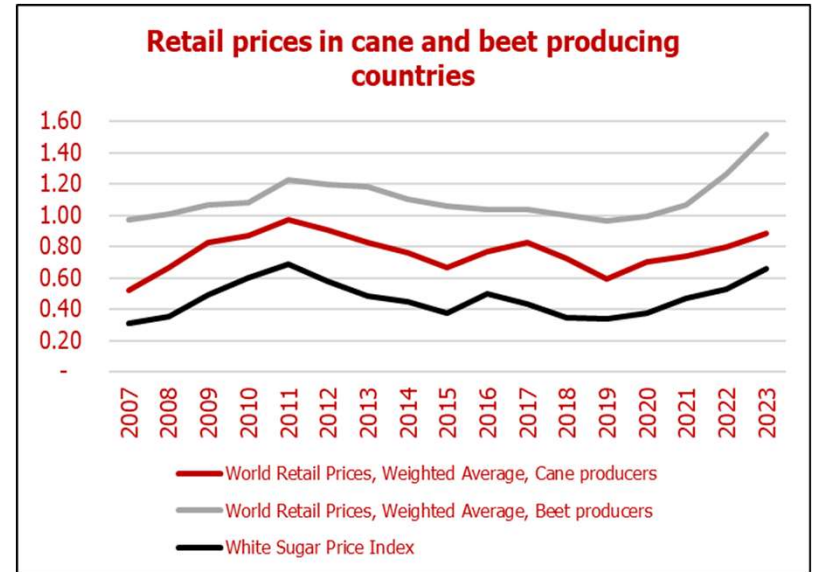
Regional Variability of Retail Prices





Retail Prices in Cane and Beet Producing Countries

- Notable disparity exists between higher consumer prices in beet sugar-producing countries compared to cane sugar-producing countries
- On average, from 2009 to 2023, this gap amounted to USD0.33/kg.
- Most recent five-year average, this difference has risen sharply





Retail Prices in Exporting and Importing Countries

- During the period of 2009 to 2023, retail prices in exporting countries were on average 51% lower than those in importing countries.



Major price drivers on domestic markets

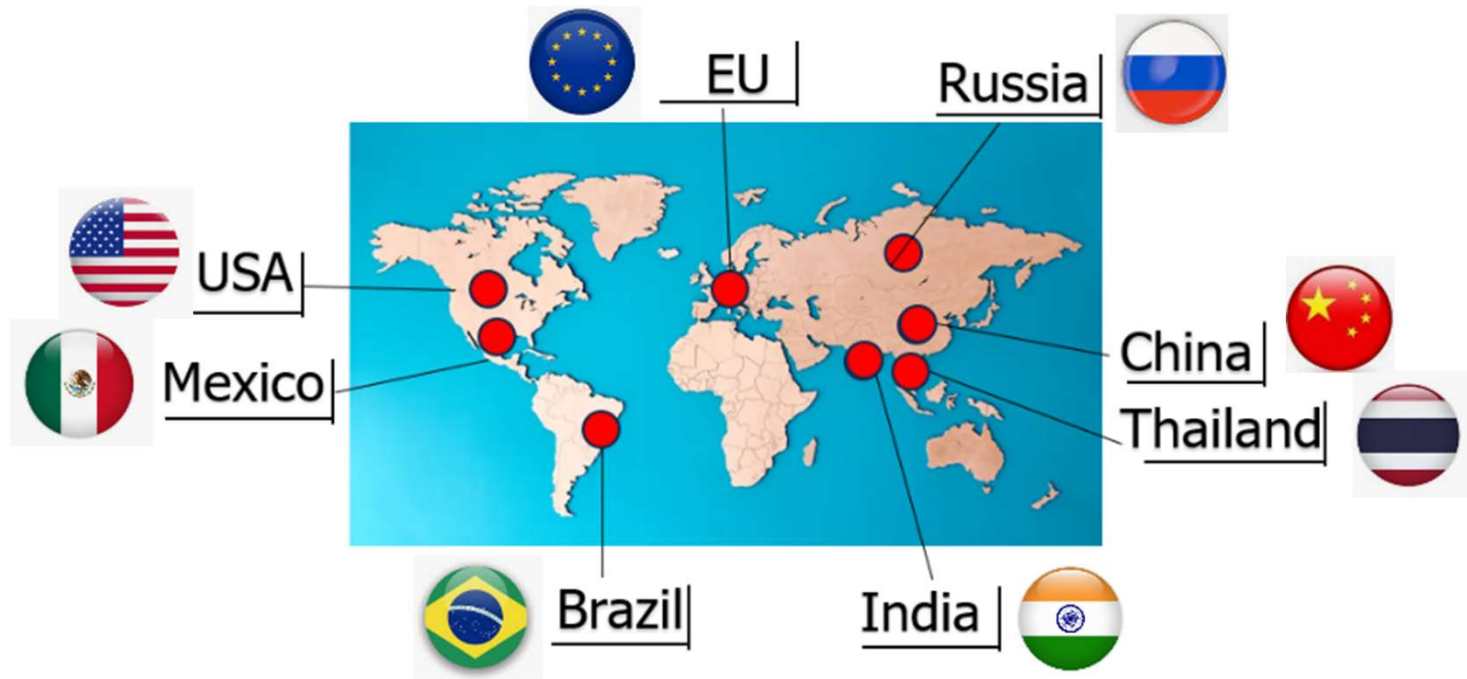
- The current and next season's state of the **national sugar balance** (including the amount of sugar in stocks, stocks/consumption ratio, as well as the current and expected level of self-sufficiency);
- **Government policy** (domestic price setting mechanisms for sugar crops and sugar, the level of production subsidies including foreign trade protection of domestic manufacturers);
- **Currency movements** (in regard to domestic prices when expressed in foreign currency and import parities);
- The structure of **sugar consumption** (industrial versus direct);
- Access to and from **preferential markets, regional trade agreements**;
- The prevailing level of national **cost of production**;
- Price and availability of **alternative sweeteners**;
- The level of **consumer income** and food distribution programmes;
- Price of **ethanol** / fuel policy.

A red, rectangular stamp with a white border and a distressed, ink-like texture. The words 'WHOLESALE PRICE' are printed in white, uppercase letters within the stamp.

Selected Country Studies

WHOLESALE
PRICE

Domestic Prices

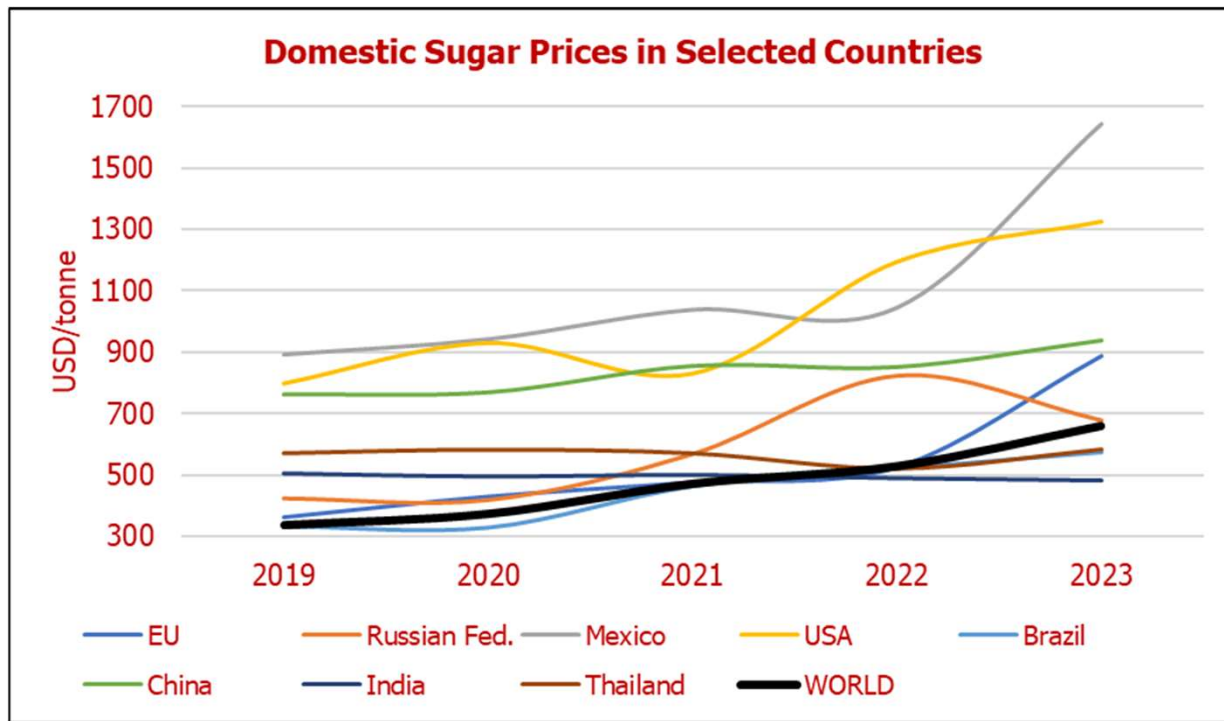




Selected Country Studies

WHOLESALE
PRICE

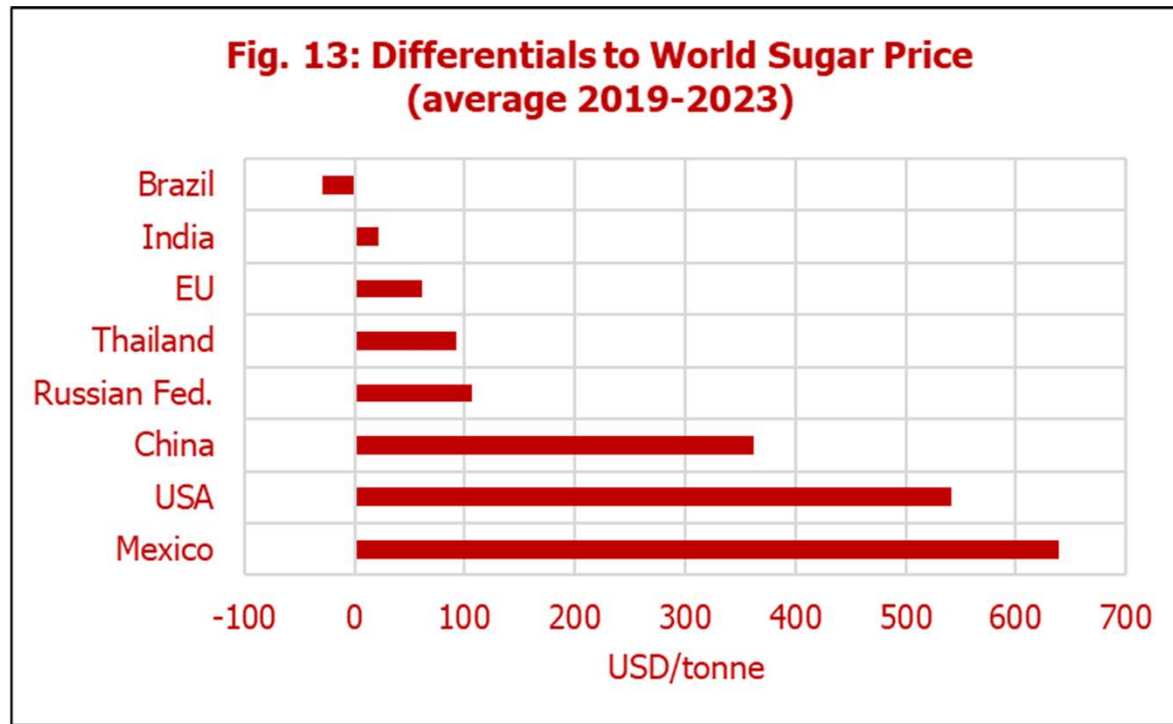
Domestic Prices





Selected Country Studies

Selected Countries Domestic Prices – Differentials to World Sugar Price



Conclusions / Summary

- From 2007 to 2023, world average domestic prices, both at the wholesale and retail level, generally mirrored the trends of world sugar prices, which in 2023 returned to a peak previously reached in 2011.
- However, the correlation between domestic wholesale values and world prices has fluctuated over different periods, with the most recent five-year period (2019-2023) exhibiting an exceptionally high correlation to world market prices.
- This correlation has been driven by price developments in larger consumer markets, most of which have strengthened their correlation to world market prices, with India being a notable exception.
- Despite a positive correlation, the survey findings indicate that there remain substantial differences between average world and domestic prices.





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WHOLESALE
PRICE



RETAIL PRICE

Pedro Arruda
Economist
economics@isosugar.org



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1.

USD 0.86/kg



2.

USD 1.16/kg



3.

USD 1.26/kg



4.

USD 1.38/kg



5.

USD 1.68/kg



6.

USD 1.89/kg



7.

USD 5.62 /kg