



# The Beet Brief

11 Jan 2019

## UK beet price tracker

£/adjusted tonne	Base price, £/t	Bonus, €/t (latest month)	ECB £/€ rate (monthly average)	Bonus, £/t (latest month)	Bonus, £/t (cumulative to date)
2018 one-year contract	£22.50	0	-	0	0
2017 three-year contract	£22	0	-	0	0
2018 three-year contract	£22.50	0	-	0	0

Prices before adjustments. Bonuses apply when EU price >€475/t, and are liable to exchange rate fluctuations.

### Highlights

- The average EU white sugar price in October 2018 was €320/t.
- Cristal Union announced 2018/19 final beet prices between €22-24/t.
- Most beet campaigns across Europe coming near to an end.

### 2019/20 surplus price

British Sugar have announced the 2019/20 surplus price will be at least £15/t on a crowned beet basis

As price reporting began for 2018/19, the average white sugar price in the EU suffered it's biggest monthly fall for 9 months into October 2018, dropping €27/t to €320/t. Meanwhile, world white sugar futures continued to weaken steadily to a three month low at the beginning of January, after rising around 20% in value at the beginning of the 18/19 campaign.

World prices have climbed again in January with dry weather in Brazil over the past month expected to impact cane yields, and as the market takes account of forecasts for 2018/19 global sugar supply continuing to steadily tighten. Most recently, analysts FO Licht released a revised forecast for 2018/19, now estimating a deficit of 1.7Mt in the world balance. Though most forecasters continue to expect a global surplus in 2018/19, the trend has been to revise estimates of supply downwards.

Seeing as most sugar in the EU will have already been contracted, these price movements are unlikely to substantially affect the average EU white sugar price during the 2018/19 campaign. For example, the delivered price for white sugar sold spot in Western Europe at the start of 2019 was approximately €422/t while the latest reported EU average price is €100/t below that. As a result of these prices, Cristal Union in France recently announced 2018/19 final beet prices, at 16% sugar inclusive of pulp and 7% crown tare, will be in the range €22-24/t (£19.76-21.55/t), with the final amount depending on the co-operative's performance for the rest of the season.

2018/19 campaigns across Europe are rapidly coming to an end. With a very similar sugar production to the UK (c.1.1Mt in 2018/19) and despite having only two factories, Royal Cosun in the Netherlands indicated that 5% of beet remained to be processed as of 3 January, expecting to finish by 9 January. The latest indications from British Sugar are that the UK campaign will be completed towards the end of March.

Next issue expected: Friday 8 February 2019

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