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With most sugar in the UK and EU moving at contracted prices, reduced demand due to lockdown will make little difference to the remaining monthly prices for 2019/20, but will impact stock levels carried in 2020/21. NFU Sugar continues to hear a range of view points on the impact of lockdown on consumption in the UK and more widely. All generally agree that sugar usage was lower than usual in April and May, although different sectors have been affected very differently, and appear to be recovering at different rates. A number of sources have noted a strong increase in demand in June, to levels higher than usual that would go some way to offsetting the ‘lost sales’, but it is not clear whether this is a one off restocking by various manufacturers or whether it will repeat.

EU Commission data show the total drawdown of EU+UK sugar stocks in April 2020 200Kt lower than in April 2019 at 1.2Mt, with a very similar level of imports but exports around 80-90Kt lower. Therefore, we estimate total EU+UK sugar usage (including ethanol) in April to be a little over 100Kt down, out of over 1.4Mt estimated usage in April 2019 and 2018. Although a drop, this level would still be above the typical usage of sugar in April during the quota period, and of a much lower magnitude than the potential yield loss in 2020/21.

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