



October 2012

**Prices depreciating below 19 cts/lb**

With another significant world sugar surplus expected in 2012-13 and good crop results in CS Brazil over the month (p.10), world sugar prices have globally depreciated in October 2012 (p.1) reaching their lowest level since August 2010 on November 9, 2012 (p.10). This downward trend is expected to continue in the next few months. However, currency movements as well as possible funds movements on the market could disturb this structural downward trend. With a majority of Northern Hemisphere countries - mainly producing white sugar - now entering their harvesting period, white premium has also been pushed downward and is now close to 110 USD/t (p.3).

On the energy markets, crude oil currently stands at 87 USD/barrel against 91 USD/barrel a month ago (p.4). For ethanol, both Brazilian and European prices have decreased over the past month. The decrease is particularly significant in Europe (- 7% over the month - see p.4) as we are at a time when European countries produce the vast majority of domestic ethanol production. In the US, ethanol prices are quite stable. Ethanol producers are still in a difficult situation as maize (raw material used to produce ethanol in the US) is still at very high level (295 USD/t - see p.5).

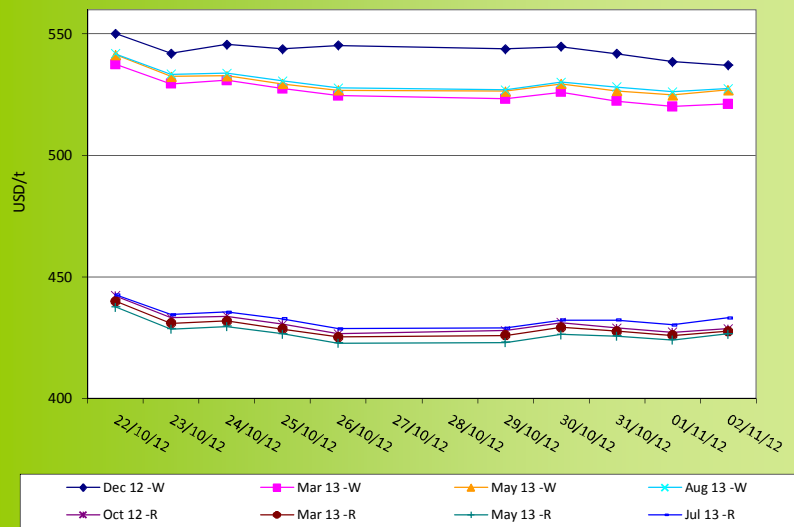
The situation is also positive for by-products especially for beet pulp (probably because this by-product is highly correlated to wheat prices) : since 2009, beet pulp has appreciated by more than 100% when expressed in EUR (p.6). October has also been characterized by a sharp rise of the freight index (+ 31% for the Baltic Dry Index) except for Supramax which depreciated 12% over the month (p.8). Fertilizers prices remain quite stable (p.8).

Fundamentals of the market: page 9 & 10 & 11

**SUGAR n°11 and n°5 - Prices**

Settling date	Previous week	Current week	Difference
<b>Refined sugar price - Euronext n°5 (USD/t)</b>			
Dec 12	545,4	541,2	-4,2
Mar 13	530,0	522,6	-7,4
May 13	532,6	526,8	-5,8
Aug 13	533,5	527,8	-5,7
<b>Raw sugar - ICE n°11 (USD/t)</b>			
Oct 12	433,3	428,8	-4,5
Mar 13	431,4	427,2	-4,2
May 13	429,1	424,8	-4,2
Jul 13	434,9	431,0	-3,9
<b>Raw sugar - ICE n°11 (cts/lb)</b>			
Oct 12	19,65	19,45	-0,20
Mar 13	19,57	19,38	-0,18
May 13	19,46	19,29	-0,18
<b>White premium (USD/t)</b>			
Oct/Dec	112,1	112,4	0,3

**Raw and white sugar prices over the last two weeks in USD/t (daily prices)**



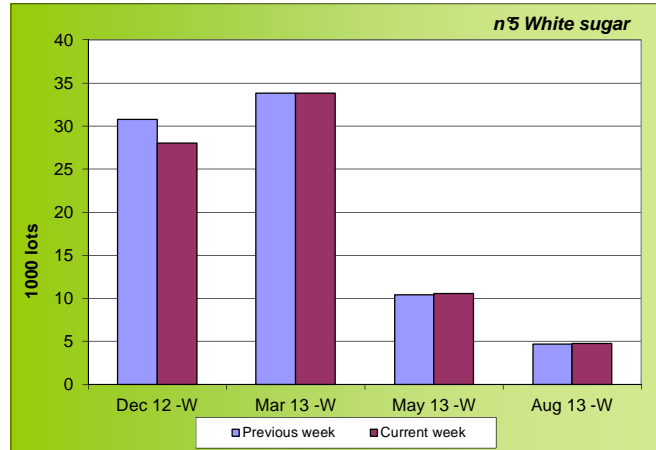
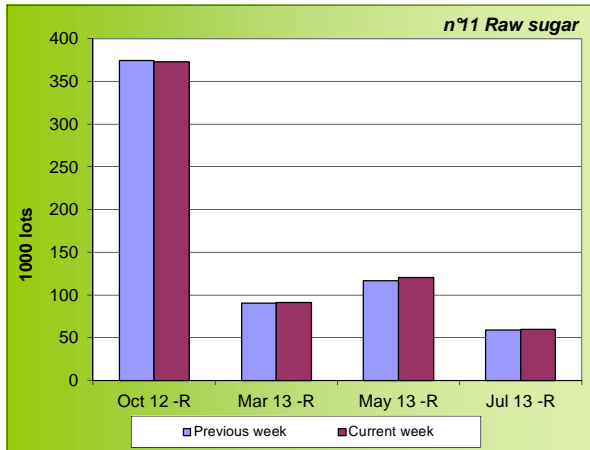
**Sugar Prices n°11 and n°5 since october 2009**





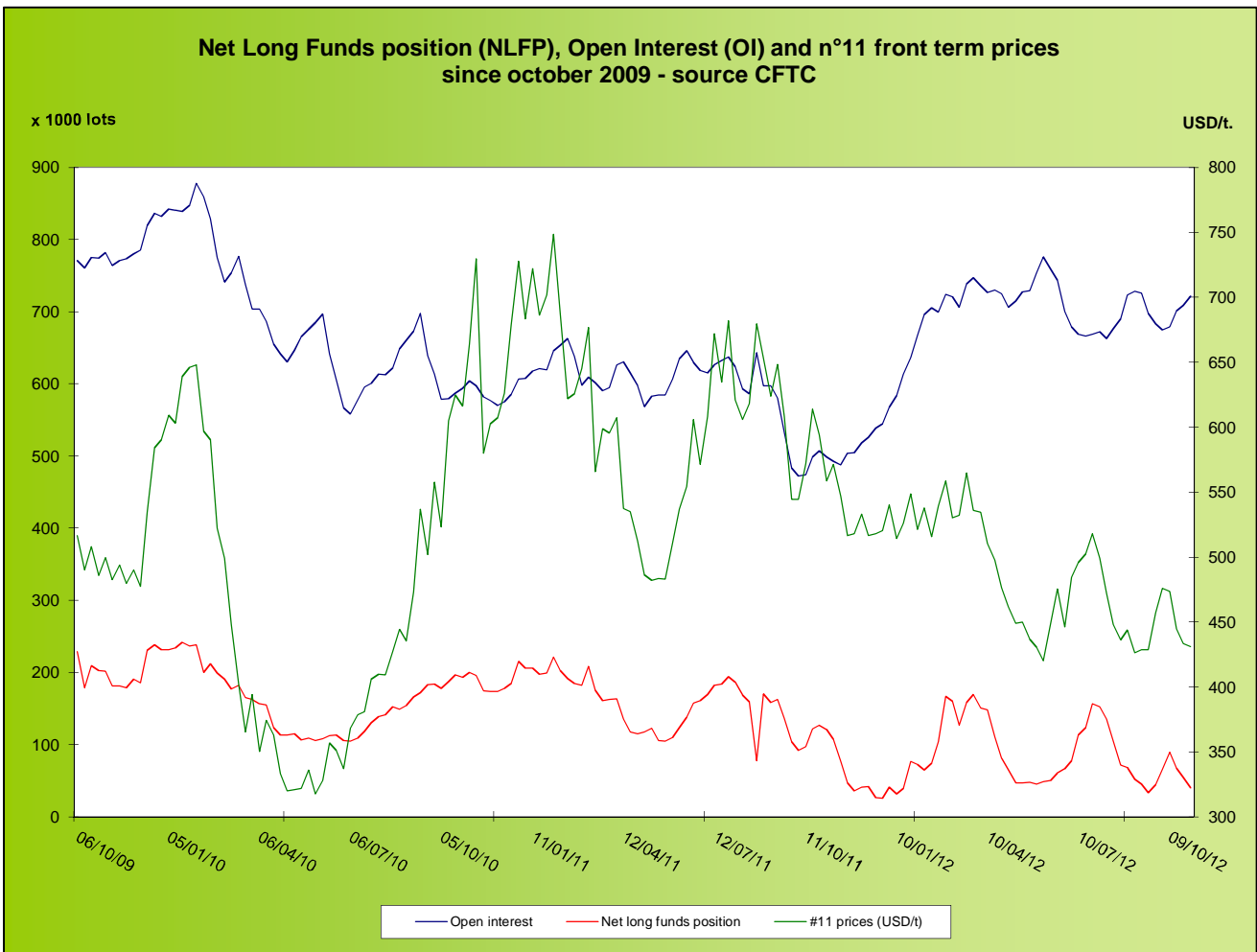
**SUGAR n°11 and n°5 - Open interest & Funds positions**

Average weekly Open Interest per settling date contract (1 lot= 50t)



(1000 lots)	Week n-1	Week n	Diff (lots)	Diff (%)
Oct 12 -R	375	373	-2,00	-1%
Mar 13 -R	90	91	1,07	1%
May 13 -R	117	120	3,57	3%
Jul 13 -R	59	59	0,36	1%
<b>Total</b>	<b>713</b>	<b>718</b>	<b>4,94</b>	<b>1%</b>

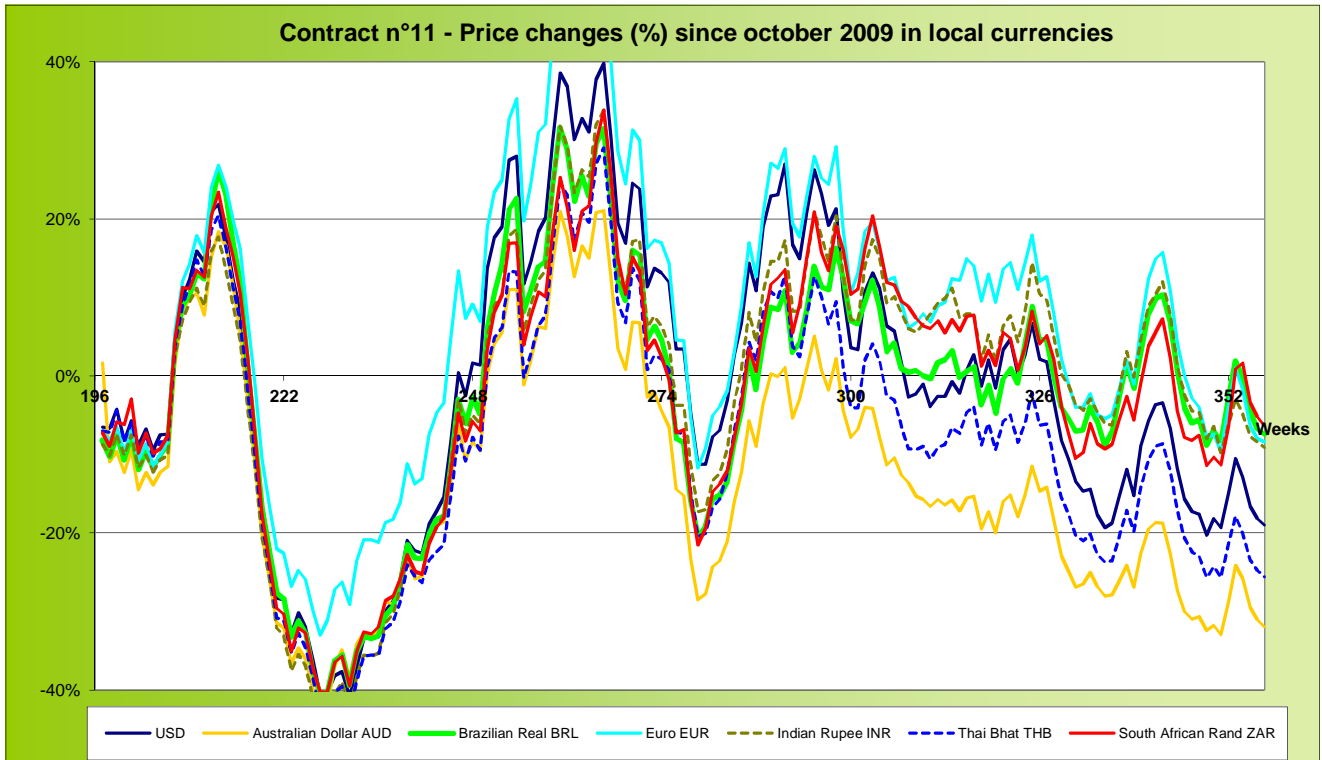
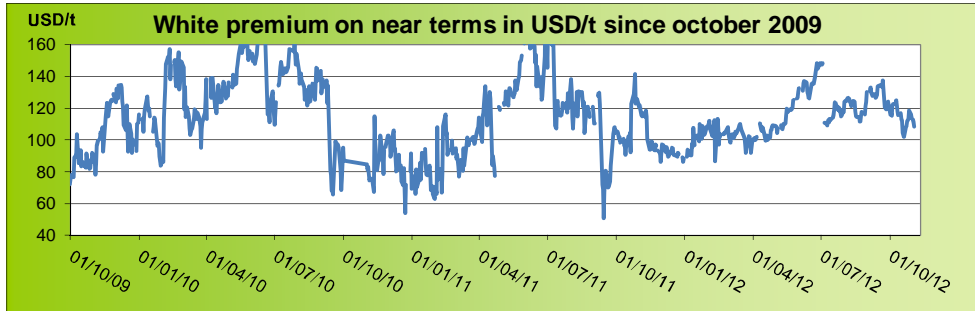
(1000 lots)	Week n-1	Week n	Diff (lots)	Diff (%)
Dec 12 -W	30,8	28,1	-2,8	-9%
Mar 13 -W	33,8	33,9	0,0	0%
May 13 -W	10,4	10,6	0,2	2%
Aug 13 -W	4,7	4,8	0,1	2%
<b>Total</b>	<b>80</b>	<b>77</b>	<b>-2,5</b>	<b>-3%</b>





October 2012

**SUGAR n°11 - White premium & Prices in local currencies**



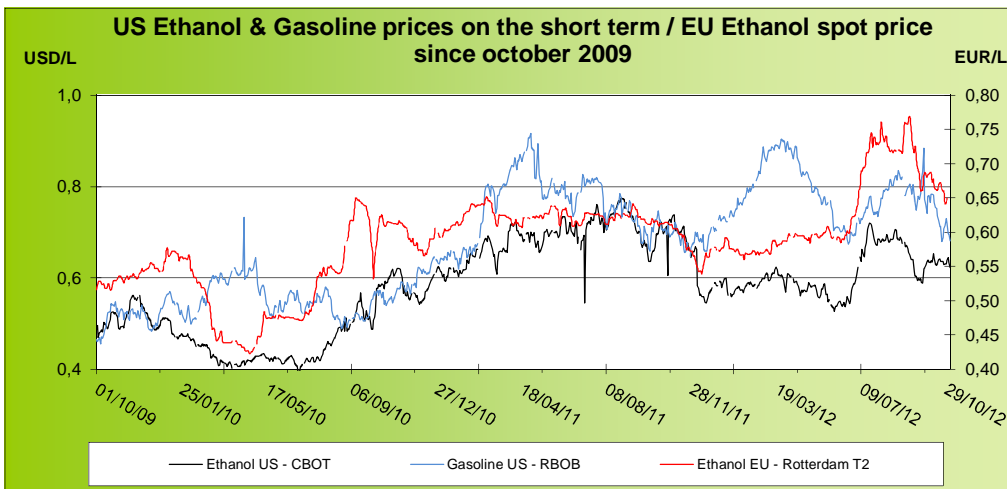
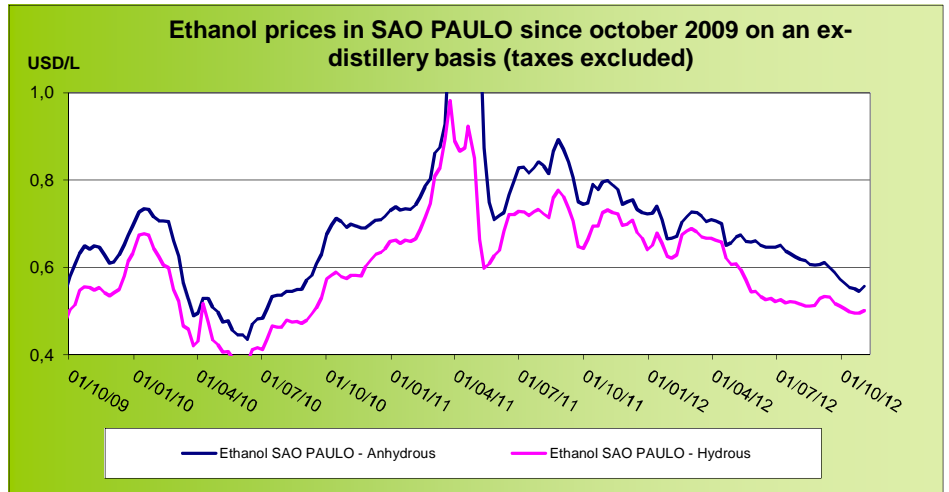
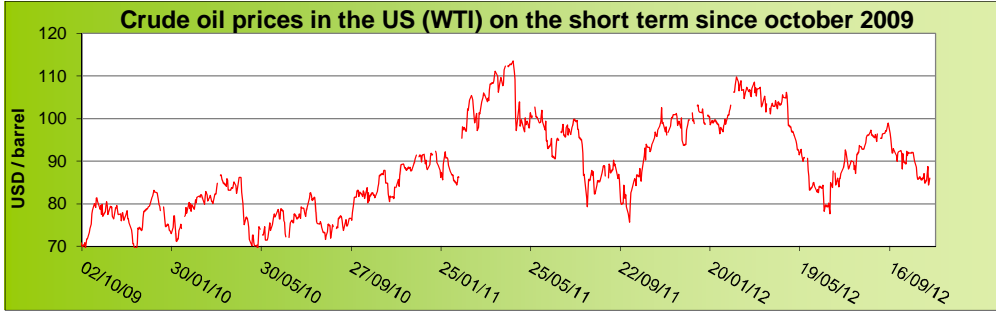
**Contract n°11 prices and changes**

	Sugar prices in currency	Sugar prices in currency	Difference	Difference	Difference
Currencies	4 weeks ago	Past week	In currency	In %	In % since October 2009
USD	473,7	433,3	-40,4	-8,5%	-19,0%
Australian Dollar AUD	461,0	419,2	-41,7	-9,1%	-31,9%
Brazilian Real BRL	958,1	877,2	-80,9	-8,4%	-7,4%
Chinese Yuan CNY	2993,4	2724,5	-269,0	-9,0%	-25,4%
Euro EUR	366,1	333,6	-32,5	-8,9%	-8,4%
Indian Rupee INR	24632,1	23236,3	-1395,7	-5,7%	-9,1%
Mexican Peso MXN	6070,8	5606,6	-464,2	-7,6%	-22,2%
Russian Rouble RUB	14722,9	13498,7	-1224,2	-8,3%	-15,3%
Thai Bhat THB	14486,7	13266,6	-1220,1	-8,4%	-25,6%
South African Rand ZAR	4007,3	3764,4	-242,9	-6,1%	-6,3%

*Sugar prices and currencies data are based on weekly average.*



**ENERGY MARKETS - Ethanol & Crude oil & Gazoline**



	Price in USD	Price in USD	Difference	Difference	Difference
Products	4 weeks ago	Past week	In USD	In %	In % since October 2009
Ethanol CBOT (USD/l)	0,6317	0,6336	0,0019	0,30%	29,9%
Ethanol CBOT (USD/gal)	2,3878	2,3950	0,0072		
Oil (USD/barrel)	90,82	86,68	-4,14	-4,56%	21,5%
Gazoline RBOB (USD/l)	0,7664	0,7005	-0,066	-8,60%	45,6%
Sugar #11 (USD/t)	473,73	433,30	-40,4	-8,53%	-13,4%
Products	4 weeks ago	Past week	In USD	In %	In % since October 2009
Ethanol SAO PAULO (USD/l) - Anyhydrous	0,5639	0,5458	-0,0181	-3,21%	-5,8%
Ethanol SAO PAULO (USD/l) - Hydrus	0,5059	0,4949	-0,0110	-2,17%	-1,5%
Products	4 weeks ago	Past week	In USD	In %	In % since October 2009
Ethanol EU - Rotterdam T2 (USD/l)	0,89	0,83	-0,06	-6,74%	3,7%

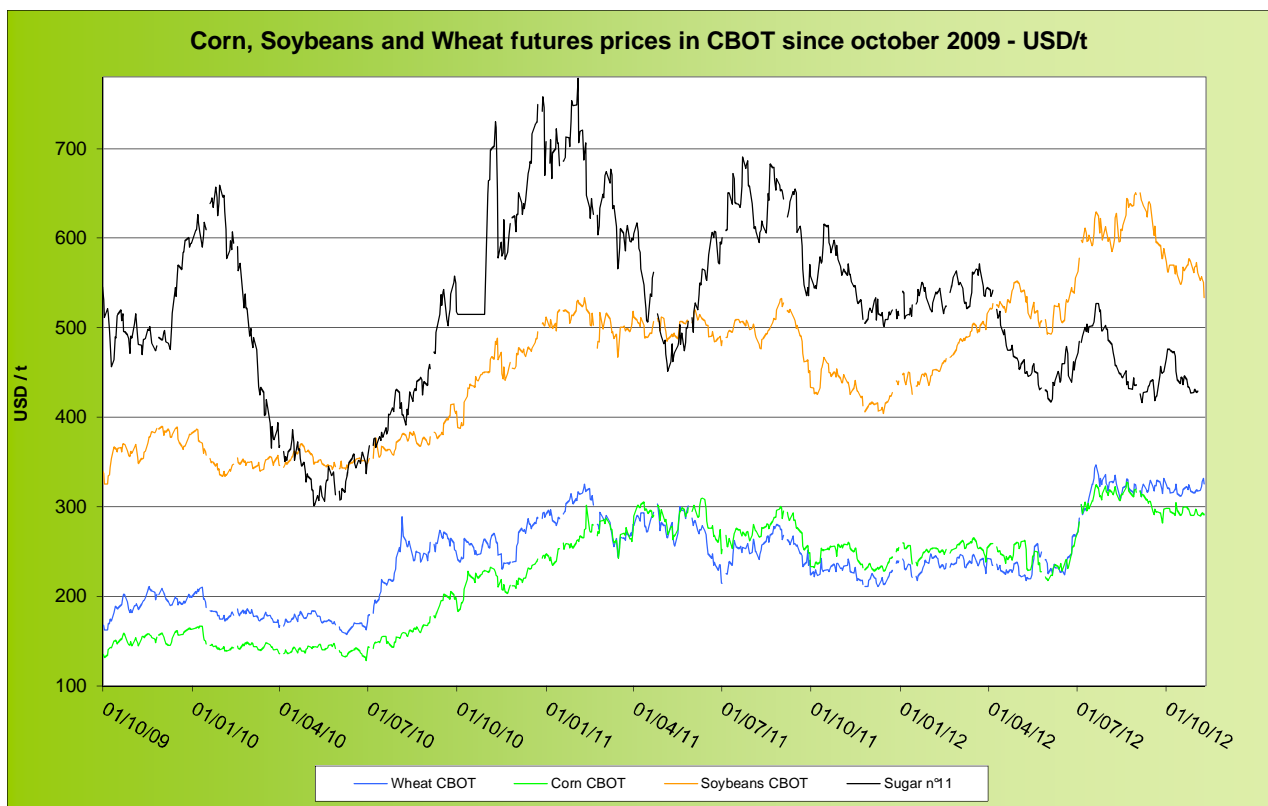
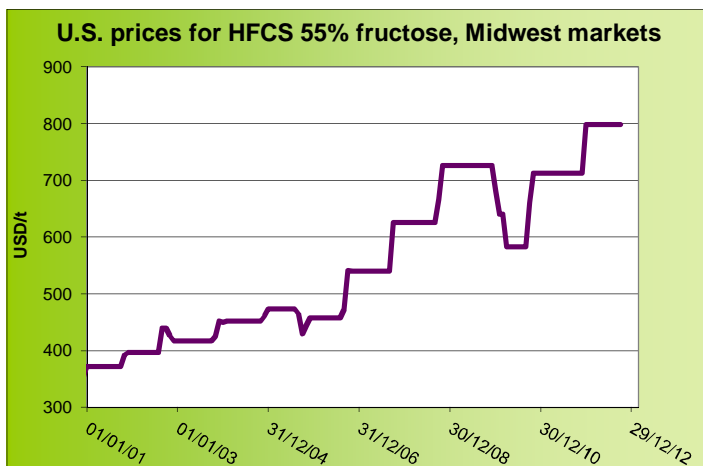


**GRAINS MARKETS - Corn, Soybeans, Wheat & HFCS**

**Price changes**

	One year ago	2 months ago	Difference
HFCS 55 - USD/t	712,11	797,85	85,74
HFCS 55 - cts/lb	32,31	36,20	3,89

Dry weight, monthly averages, source Milling and baking news.

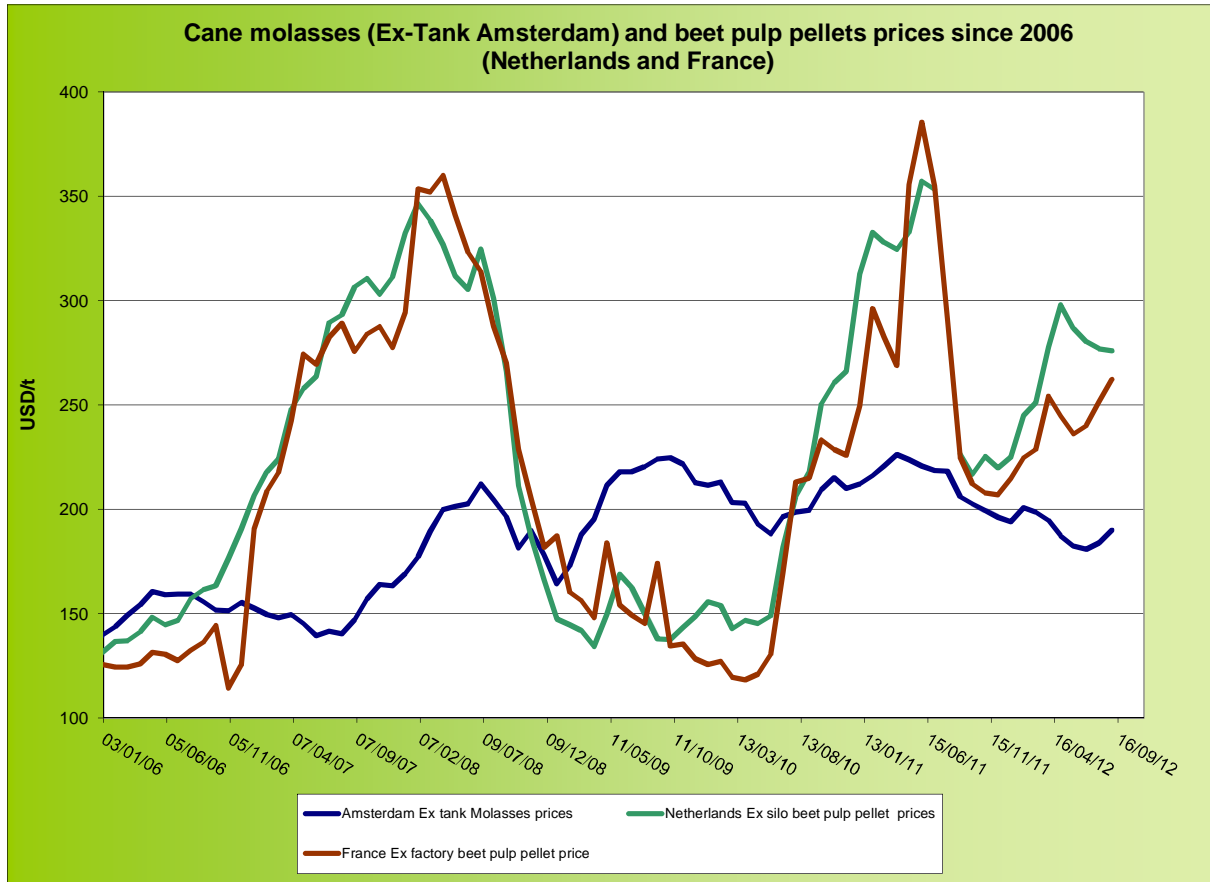


**Corn, soybeans and wheat prices and changes**

Products		Front term	Front term	Difference	Difference	Difference
		4 weeks ago	Past week	In USD	In %	In % since October 2009
Corn (CBOT)	USD/t	297,35	<b>295,37</b>	<b>-1,98</b>	<b>-0,7%</b>	120,4%
	cts/bsl	755,28	750,24	-5,04		
Soybeans (CBOT)	USD/t	567,63	<b>572,79</b>	<b>5,16</b>	<b>0,9%</b>	67,9%
	cts/bsl	1545,00	1559,04	14,04		
Wheat (CBOT)	USD/t	320,02	<b>320,89</b>	<b>0,87</b>	<b>0,3%</b>	93,3%
	cts/bsl	871,04	873,40	2,36		



**BY-PRODUCTS - Molasses & Beet Pulp**



Monthly averages - Source: LIE and web agri

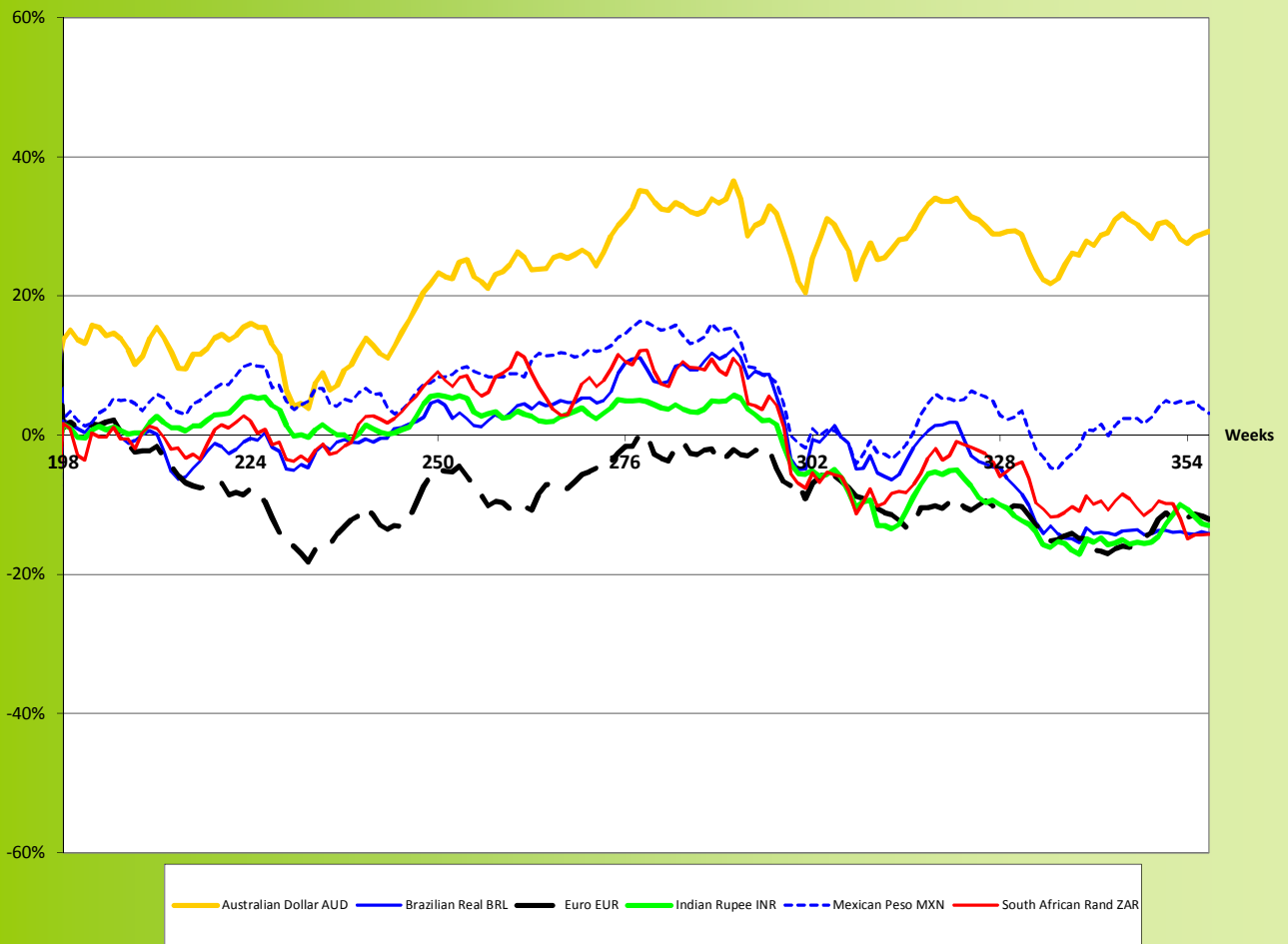
**Molasses and beet pulp pellets prices and changes**

		Commodity	Commodity	Difference	Difference	Difference
<b>Products</b>		Month -3	Month -2	In USD and EUR	In %	In % since October 2009
<b>Amsterdam Ex tank Cane Molasses</b>	USD/t	180,95	184,05	3,10	1,7%	-17,8%
	EUR/t	147,00	148,60	1,60	1,1%	-1,6%
<b>Netherlands Beet Pulp Pellets</b>	USD/t	280,26	276,81	-3,44	-1,2%	100,9%
	EUR/t	227,68	223,50	-4,18	-1,8%	140,3%
<b>Products</b>		Month -3	Month -2	In USD and EUR	In %	In % since October 2009
<b>France Beet Pulp Pellets</b>	USD/t	240,03	251,42	11,39	4,7%	86,8%
	EUR/t	195,00	203,00	8,00	4,1%	123,1%



**EXCHANGE RATES**

**Currencies' changes in percentage since October 2009 - weekly based.**



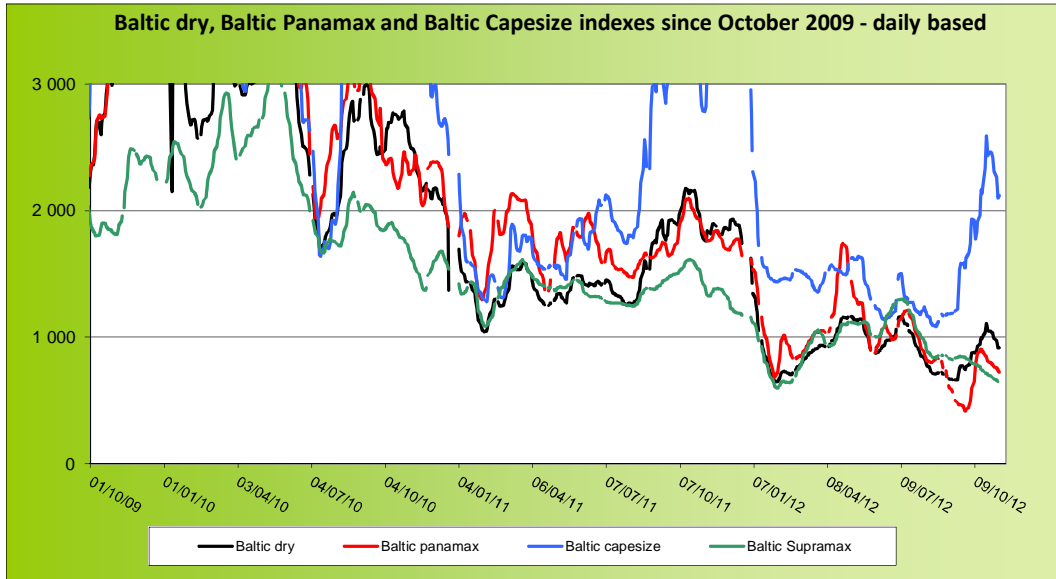
**Currencies changes**

Currencies	Currencies in USD	Currencies in USD	Difference	Difference	Difference
	4 weeks ago	Past week	In USD	In %	In % since October 2009
<i>Australian Dollar AUD</i>	1,0277	<b>1,0335</b>	0,00587	<b>0,6%</b>	29,3%
<i>Brazilian Real BRL</i>	0,4944	<b>0,4940</b>	-0,00047	<b>-0,1%</b>	-14,1%
<i>Chinese Yuan CNY</i>	0,1583	<b>0,1590</b>	0,00078	<b>0,5%</b>	8,5%
<i>Euro EUR</i>	1,2938	<b>1,2988</b>	0,00494	<b>0,4%</b>	-12,1%
<i>Indian Rupee INR</i>	0,0192	<b>0,0186</b>	-0,00058	<b>-3,0%</b>	-13,0%
<i>Mexican Peso MXN</i>	0,0780	<b>0,0773</b>	-0,00075	<b>-1,0%</b>	3,1%
<i>Russian Rouble RUB</i>	0,0322	<b>0,0321</b>	-0,00008	<b>-0,2%</b>	-5,5%
<i>Thai Bhat THB</i>	0,0327	<b>0,0327</b>	-0,00004	<b>-0,1%</b>	8,3%
<i>South African Rand ZAR</i>	0,1182	<b>0,1151</b>	-0,00311	<b>-2,6%</b>	-14,2%



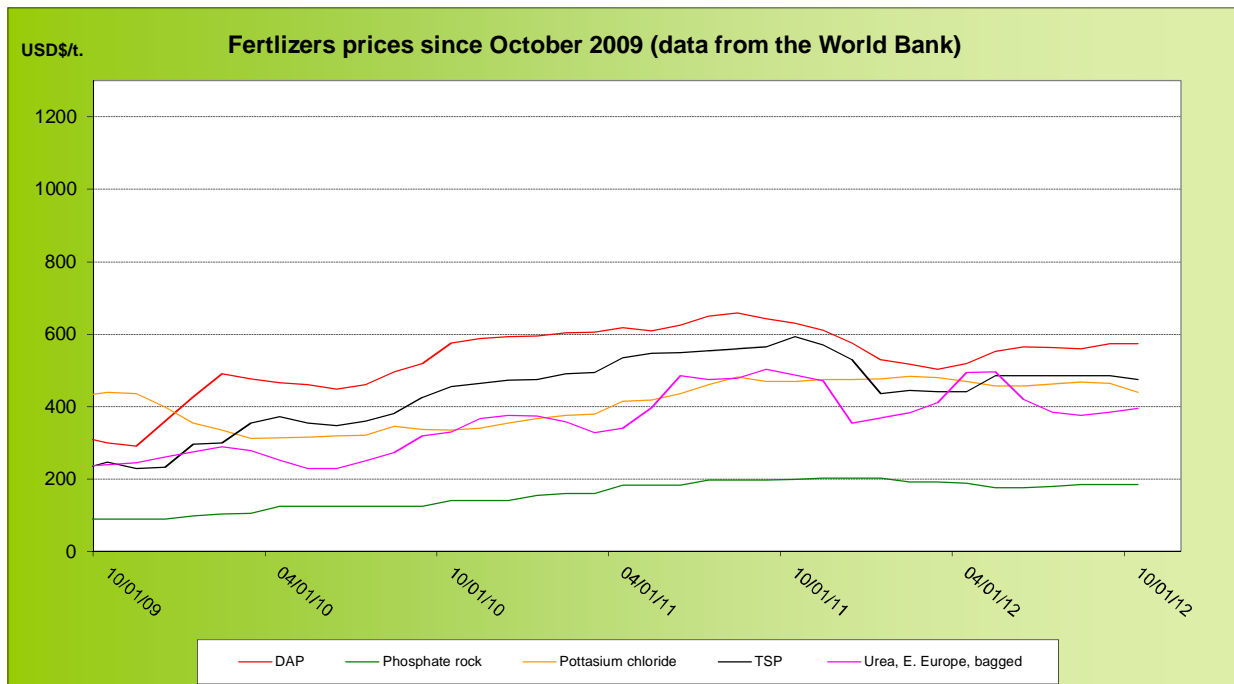


**FREIGHT - Baltic Indexes**



**Baltic indexes and changes**

	Freight indexes	Freight indexes	Difference	Difference	Difference
Indexes	4 weeks ago	Past week	Index	In %	In % since October 2009
Baltic dry	814,6	1066,8	252,2	31,0%	-53,3%
Baltic Supramax	810,0	710,8	-99,2	-12,2%	-62,8%
Baltic panamax	508,0	828,8	320,8	63,1%	-64,2%
Baltic capesize	1775,8	2466,4	690,6	38,9%	-19,4%



**Explanations :**  
 DAP (diammonium phosphate), standard size, bulk, spot, f.o.b. US Gulf  
 Phosphate rock (Moroccan), 70% BPL, contract, f.a.s. Casablanca  
 Potassium chloride (muriate of potash), standard grade, spot, f.o.b. Vancouver  
 TSP (triple superphosphate), onwards Tunisian, granular, f.o.b.  
 Urea, (Black Sea), bulk, spot, f.o.b. Black Sea (primarily Yuzhnyy)





MARKET OVERVIEW - The Grower Dashboard

Comparison of futures prices for sugar, ethanol, crude oil, grains

	Commodity	Commodity	Difference	Difference	Difference	
						Products
Sugar (#11)	USD/t	473,73	<b>433,30</b>	-40,43	<b>-8,5%</b>	-13,4%
	Cts/lb	21,49	<b>19,65</b>	-1,83		
Sugar #5	USD/t	572,38	<b>545,36</b>	-27,02	<b>-4,7%</b>	-6,7%
Corn (CBOT)	USD/t	297,35	<b>295,37</b>	-1,98	<b>-0,7%</b>	120,4%
	cts/bsl	755,28	<b>750,24</b>	-5,04		
Soybeans (CBOT)	USD/t	567,63	572,79	5,16	<b>0,9%</b>	67,9%
	cts/bsl	1545,00	1559,04	14,04		
Wheat (CBOT)	USD/t	320,02	<b>320,89</b>	0,87	<b>0,3%</b>	93,3%
	cts/bsl	871,04	<b>873,40</b>	2,36		
Ethanol	EU spot (USD/l)	0,89	<b>0,83</b>	-0,06	<b>-7,2%</b>	3,7%
	US (USD/l)	0,6317	<b>0,6336</b>	0,00	<b>0,3%</b>	29,9%
	SAO PAULO (USD/l) Anhydrous	0,5639	<b>0,5458</b>	-0,02	<b>-3,2%</b>	-5,8%
Crude oil	USD/barrel	90,82	<b>86,68</b>	-4,14	<b>-4,6%</b>	21,5%
Freight supramax	Index	810,00	<b>710,80</b>	-99,20	<b>-12,2%</b>	-62,8%

IN BRIEF 1/3

2012-13 Brazilian Centre/South (CS) campaign : October situation

The released data from UNICA for October 2012 shows a significant improvement when compared to a year ago. Despite entering the rainy season, cane crushing in CS region has continued at a good pace due to limited rainfalls over the month. CS region is currently racing against time to harvest as much of the mature cane as possible before rains make it impossible to continue crushing. Limited rainfalls since July have been favorable for crushing but have left the cane underdeveloped for this time of the year.

First 2 weeks of October: + 62% of cane crushing when compared to 2011-12

Tabela 2. Safra 2012/2013: posição QUINZENAL na 1ª quinzena de outubro

Produtos	Centro-Sul			São Paulo			Demais Estados		
	2011/12	2012/13	Var. (%)	2011/12	2012/13	Var. (%)	2011/12	2012/13	Var. (%)
Cana-de-açúcar <sup>1</sup>	23.438	37.996	↑ 62,11%	13.969	24.514	↑ 75,49%	9.469	13.482	↑ 42,39%
Açúcar <sup>1</sup>	1.781	2.791	↑ 56,68%	1.181	1.953	↑ 65,43%	601	838	↑ 39,46%
Etanol anidro <sup>2</sup>	462	749	↑ 62,15%	287	505	↑ 76,03%	175	244	↑ 39,37%
Etanol hidratado <sup>2</sup>	642	865	↑ 34,68%	328	437	↑ 32,93%	314	428	↑ 36,51%
Etanol total <sup>2</sup>	1.104	1.614	↑ 46,18%	615	942	↑ 53,03%	489	672	↑ 37,54%
ATR <sup>1</sup>	3.754	5.689	↑ 51,55%	2.292	3.665	↑ 59,95%	1.462	2.023	↑ 38,38%
ATR/ tonelada de cana <sup>3</sup>	160,15	149,71	↓ -6,52%	164,05	149,52	↓ -8,85%	154,41	150,06	↓ -2,81%
Mix (%) açúcar	49,80%	51,49%	↑	54,07%	55,93%	↑	43,11%	43,45%	↑
Mix (%) etanol	50,20%	48,51%	↓	45,93%	44,07%	↓	56,89%	56,55%	↓
Litros etanol/ tonelada de cana	47,10	42,47	↓ -9,83%	44,06	38,42	↓ -12,79%	51,60	49,84	↓ -3,41%
Kg açúcar/ tonelada de cana	76,00	73,45	↓ -3,35%	84,52	79,68	↓ -5,73%	63,43	62,13	↓ -2,05%

Fonte: UNICA. Nota: <sup>1</sup> - mil toneladas; <sup>2</sup> - milhões de litros; <sup>3</sup> - kg de ATR/ tonelada de cana, dados sujeitos a pequenos ajustes.

Last 2 weeks of October and accumulated production over the campaign as of November 1, 2012

Tabela 1. Safra 2012/2013: posição ACUMULADA até 2ª quinzena de outubro

Produtos	Centro-Sul			São Paulo			Demais Estados		
	2011/12	2012/13	Var. (%)	2011/12	2012/13	Var. (%)	2011/12	2012/13	Var. (%)
Cana-de-açúcar <sup>1</sup>	460.155	455.557	↓ -1,00%	288.666	277.010	↓ -4,04%	171.489	178.547	↑ 4,12%
Açúcar <sup>1</sup>	29.308	29.345	↑ 0,13%	20.000	19.706	↓ -1,47%	9.308	9.639	↑ 3,56%
Etanol anidro <sup>2</sup>	7.418	7.437	↑ 0,26%	4.809	4.663	↓ -3,05%	2.608	2.774	↑ 6,37%
Etanol hidratado <sup>2</sup>	11.717	10.808	↓ -7,76%	6.153	5.212	↓ -15,30%	5.563	5.596	↑ 0,58%
Etanol total <sup>2</sup>	19.134	18.245	↓ -4,65%	10.963	9.875	↓ -9,92%	8.172	8.370	↑ 2,43%
ATR <sup>1</sup>	63.372	61.921	↓ -2,29%	39.716	37.574	↓ -5,39%	23.656	24.347	↑ 2,92%
ATR/ tonelada de cana <sup>3</sup>	137,72	135,92	↓ -1,30%	137,59	135,64	↓ -1,41%	137,94	136,36	↓ -1,14%
Mix (%) açúcar	48,54%	49,74%	↑	52,85%	55,04%	↑	41,30%	41,55%	↑
Mix (%) etanol	51,46%	50,26%	↓	47,15%	44,96%	↓	58,70%	58,45%	↓
Litros etanol/ tonelada de cana	41,58	40,05	↓ -3,69%	37,98	35,65	↓ -6,13%	47,65	46,88	↓ -1,62%
Kg açúcar/ tonelada de cana	63,69	64,42	↑ 1,14%	69,28	71,14	↑ 2,68%	54,28	53,98	↓ -0,54%

Tabela 2. Safra 2012/2013: posição QUINZENAL na 2ª quinzena de outubro

Produtos	Centro-Sul			São Paulo			Demais Estados		
	2011/12	2012/13	Var. (%)	2011/12	2012/13	Var. (%)	2011/12	2012/13	Var. (%)
Cana-de-açúcar <sup>1</sup>	23.131	36.209	↑ 56,54%	13.785	22.501	↑ 63,23%	9.345	13.708	↑ 46,69%
Açúcar <sup>1</sup>	1.476	2.554	↑ 73,01%	937	1.730	↑ 84,57%	539	824	↑ 52,91%
Etanol anidro <sup>2</sup>	393	690	↑ 75,66%	239	455	↑ 90,68%	154	234	↑ 52,33%
Etanol hidratado <sup>2</sup>	575	805	↑ 40,12%	306	378	↑ 23,54%	269	427	↑ 58,98%
Etanol total <sup>2</sup>	968	1.495	↑ 54,54%	545	833	↑ 52,98%	423	662	↑ 56,56%
ATR <sup>1</sup>	3.200	5.237	↑ 63,67%	1.914	3.246	↑ 69,55%	1.285	1.991	↑ 54,92%
ATR/ tonelada de cana <sup>3</sup>	138,34	144,64	↑ 4,56%	138,88	144,26	↑ 3,88%	137,54	145,25	↑ 5,61%
Mix (%) açúcar	48,42%	51,19%	↑	51,39%	55,94%	↑	44,01%	43,44%	↓
Mix (%) etanol	51,58%	48,81%	↓	48,61%	44,06%	↓	55,99%	56,56%	↑
Litros etanol/ tonelada de cana	41,83	41,29	↓ -1,28%	39,52	37,04	↓ -6,28%	45,23	48,27	↑ 6,73%
Kg açúcar/ tonelada de cana	63,83	70,54	↑ 10,52%	68,00	76,89	↑ 13,07%	57,67	60,12	↑ 4,24%

Fonte: UNICA. Nota: <sup>1</sup> - mil toneladas; <sup>2</sup> - milhões de litros; <sup>3</sup> - kg de ATR/ tonelada de cana, dados sujeitos a pequenos ajustes.



## NEWS IN BRIEF

IN BRIEF (Source: EQ Light Sugar Daily) 2/2

On November 9, raw sugar futures in New York dropped to the lowest level since August 2010 as ongoing dry weather in Brazil helped speed up the harvest in the top Centre/South region at a time when physical offtake is in decline. The most-active March contract ended down at 18.84 cents/lb. Second-month May shed 12 points to 18.96 cents/lb, while the rest of the board finished between 15 points lower and 5 points higher. Futures volume remained practically unchanged at 136,274 contracts.

**Brazil:** Sao Paulo-based analyst JOB Economia forecasts cane output in Centre/South Brazilian region to rise to 574 Mt in 2013-14 (May/Apr) from 510 Mt estimated for current 2012-13 crush. Around 32 Mt of sugar, tel quel, could be produced in 2013-14 as weak sugar prices due to a global glut of the sweetener would increase incentives for domestic mills to produce ethanol. It was added that Brazil could potentially increase its exports of ethanol by up to 30% next season, depending on price and biofuel policy. The forecast is within the range of 545-575 Mt of cane given by fellow Brazilian consultancy Datagro. Datagro did not provide any forecast for 2013-14 sugar output due to difficulty in predicting prices for gasoline or demand for Brazil's ethanol from abroad.

**China:** According to customs data, the country imported an unprecedented 592 370 t of sugar, raw value, in september 2012, up from 473 080 t in the same month a year ago. This brought total imports in the conclude 2011-12 (Oct/Sept) season to 4,3 Mt, more than 2 times the 2,1 Mt imported in 2010-11 and the highest volume ever imported by China in a single crop year. Main suppliers of sugar were Brazil (1,34 Mt), Thailand (925 000 t) and Cuba (426 000 t).

**Cuba:** The 2012-13 sugar campaign is expected to start in late November for a handful of mills whereas the harvest typically runs from December to April. 50 mills are to crush cane in 2012-13, four more than in previous season.

Brazil's Odebrecht SA is expected to sign a contract with Cuba. Odebrecht subsidiary, Compania de Obras en Infraestructura, is expected to sign the contract with state-run sugar monopoly AZCUBA according to unnamed Odebrecht and diplomatic sources. The contract will allow Odebrecht to operate a mill located in Cienfuegos province for 13 years. At least 3 other companies are involved in similar talks with the Cuban government according to Odebrecht representatives.

**EU:** The Agriculture Ministers of France and Germany said in a joint statement that EU sugar production quotas need to be maintained until 2020, in contrast to the Commission's proposal to end production quotas and minimum beet prices from 2015.

**Fiji:** According to local press reports and despite widespread devastation caused by 2 floods, the Fiji Sugar Corporation has deemed the 2012 crushing season a success. On October 10, the company produced more than 115 000 t of sugar processed from 1,1 Mt of sugarcane. It was also added that FSC exceeded targets in terms of sugar extraction from the tonnage of cane available thanks to unified effort by all industry stakeholders.

**India:** The country may import more raw sugar in 2012-13 as mills seek cheap supply in the face of price hikes by local cane growers and high domestic refined sugar prices. Farmers in the top two sugar producing states - Maharashtra and Uttar Pradesh - are pushing for a more than 20% increase in cane prices to cover their higher costs after the government cut fertiliser subsidies and raised diesel prices.

According to the Times of India, the Federal Government of India has rejected the proposal of Maharashtra sugar industry to abolish the 10% import duty on raw sugar as no other sugarcane cultivating state has supported the proposal. This season's sugarcane scarcity in Maharashtra will add to the operational cost of mills as many plants of the state will be forced to run at only 60% to 70% utilisation of crushing capacity.

**Indonesia:** According to the Indonesian Sugar Refineries Association, the country is to import 2,53 Mt in 2012 against 2,425 Mt in 2011. Imports may reach as much as 3,5 Mt in 2013 with total domestic sugar consumption expected to be between [5,3-5,5] Mt.

According to the Indonesian food and beverage industry, domestic sugar production is to increase to 2,45 Mt in 2012 against 2,192 Mt a year ago.

According to Indonesia's Association of Sugarcane Farmers, the country's white sugar output for 2013 is expected to fall 15% to 2.2 Mt from 2.6 Mt expected in 2012 mainly due to the return of wet weather. In September, The Indonesian Sugar Association forecast 2012 white sugar output to reach between 2.3 and 2.4 Mt.



## NEWS IN BRIEF

### IN BRIEF (Source : FO Licht Suaar Daily) 3/3

FO Licht has published its first world Sugar Balances estimate for 2012-13. World sugar production (Oct/Sept) is estimated to reach 177 Mt raw value (+ 0,7%) while consumption could increase by 1,7% at 167,7 Mt. The balances also calls for a third consecutive decrease of world sugar trade over the campaign. The increase in sugar production is related to significant production increase in Brazil (+ 2,53 Mt), China (+ 2,27 Mt), Mexico (+ 0,53 Mt) and Pakistan (+ 0,3 Mt).

**Mexico:** According to the National Committee for Sustainable Sugarcane (CONADESUCA), Mexico's sugar production in 2012-13 is seen rising 12,3% to 5,67 Mt, tel quel, from 5,05 Mt in 2011-12. This strong rise is mainly due to a combination of an increase in area under cultivation, higher yields and better sugar extraction rate.

Area under cultivation is seen up at a record 719 601 ha from 703 761 ha in 2011-12 and 673 480 ha in 2010-11. Yields are seen rising to 69,3 t/ha against 65,7 t/ha in 2011-12 and sugar extraction rate should recover to 11,4% against 10,9% in previous campaign. If realised, the 2012-13 harvest would be the largest since 2004-05 crop when 5,8 Mt were produced in the country.

According to the National Union of Sugarcane Growers (UNC), Mexico's sugarcane growers are increasingly optimistic about the production outlook for the 2012-13 season that began this month. Preliminary output of UNC is currently set at 5,5 Mt, tel quel. Ideal weather, improved agricultural practices and increased plantings are the main reasons for this anticipated rise in productivity. With 2012-13 consumption expected to be between 4,1-4,2 Mt; there will be at least 1,3 Mt of sugar for export this season.

**Pakistan:** The government has granted its final approval for the export of 200 000 t of additional sugar as the country is expected to have an improved 2012-13 sugar production possibly exceeding 5 Mt.

**Russia:** According to the Institute for Agricultural Market Studies (IKAR), the country's 2012-13 sugar production is seen falling to 4,4-4,7 Mt white value from almost 5,1 Mt a year ago. Drought earlier this year prompted smaller beet yields and the total beet crop is seen declining to 41,5 Mt from 47,6 Mt a year ago. Some excessive rains in the country's South region in August and September also played an important part in diluting the sugar content contained in sugarbeet roots, therefore reducing expectations for sugar output in current season.

The country's sugar consumption in 2012-13 is seen at 5,5 Mt and exports may fall to 150 000 t or less from more than 300 000 t in 2011-12. IKAR also said white sugar imports are seen at 280 000 t in 2012-13 while raw sugar imports are expected to be at least 350 000 t (438 000 t in 2011-12), depending on actual beet sugar production and will be just enough to cover domestic needs in the sweetener.

Farmers will reduce the area under beet cultivation in favour of grains and oilseeds to about 1 Mha for the 2013-14 campaign, down from 1,14 Mha sown to beet in 2012-13.

On October 22, Russia produced 2,235 Mt of white sugar from domestic beets, up marginally from 2,218 Mt produced by the same time last year. However, the sugar produced so far was processed from 18,56 Mt of beets, giving an extraction rate of 12%, significantly below the 12,77 % reached by this time a year ago.

**South Africa:** According to the South African Sugar Association (SASA), the country's sugar output for 2012-13 is estimated to reach 2,1 Mt (against 1,82 Mt in 2011-12), down from a previous forecast of 2,14 Mt. The sugarcane crush is now forecast at 17,949 Mt, down from 18,162 Mt previously.

**Thailand:** According to the OCSB, the country is expected to produce 10 Mt of sugar tel quel in 2012-13 (Nov/Oct) crushing season. This production level is below 2011-12 when the country produced 10,2 Mt. Insufficient rains in July and August 2012 due to delayed monsoon is the main reason for such downward revision.

**Ukraine:** According to the National Association of Sugar Producers - Ukrtsukor - the country produced 1,28 Mt of sugar from domestic beets in the 2012-13 season to 5 november., down 15,9% from the same time a year ago. The extraction rate is currently set at 12,72% so far and there are currently 58 sugar factories operational compared with 73 a year ago.

**USA:** According to USDA data, the US sugar beet harvest advanced to 91% complete as of November 4 from 80% a week ago. This compares with a harvest which was 93% complete at the same time a year ago and with a 5-year average (2007-2011) being at 92% for this time of the year.