



Brazil and India - The Most Awaited Sugarcane Markets

WHITE PAPER, NOV 2021



HEADLINES

01 **Brazil sets record high for 2020 export**

Brazil's sugarcane exports in **2020** aimed at the **US**.
Lower tariffs make it easier for **Brazil** to enter the **US** market.

02 **A Chance for India to Break-In the World's Sugar Trade**

India is the world's second-largest sugar producer and the world's largest sugar consumer.
India is the only producing country whose production has grown significantly in the last **5 years**.

Brazil and India - The Most Awaited Sugarcane Markets

WHITE PAPER, OCT 2021

Brazil is the world's leading sugarcane producer yielding more than 40% of the world's total production. Sugarcane production in Brazil is expected to exceed 665M MT in 2020/2021, an increase of (+3.5%) from the previous year. However, the sugarcane crop is estimated to decline (-3%) in Brazil's Marketing Year (MY) 2021/22.

2018/2019 was a not so favorable year for Brazil as total volume only reached 620.44M MT, its top position was shifted and taken by former runner-up India. It is important to look back at production in recent years to identify specific patterns and take a long-term perspective on what will affect the sugarcane industry in the near future. Tridge will present worldwide sugarcane production and the total export in long-term trends.

KEY TAKEAWAYS

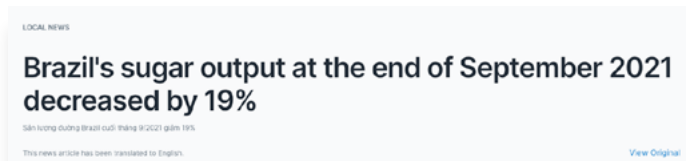
Brazil hit a record high for **2020** exports due to unexpected demand coming from the **US**. When production is expected to decline in **2021** due to extreme weather, India is predicted to be the main choice for the world's import market.

- World-renowned for its massive production, **Brazilian** domestic production begins to enter the **US** market in **2020**.
- Domestic sugarcane consumption in **India** is very high, but when production continues to increase, the country is predicted to be a potential producer in the international market.



Sản lượng đường Brazil cuối tháng 9/2021 giảm 19%

Image courtesy of vinanet.vn



[Local news - Tridge.com](#)

Brazil's sugar output at the end of September 2021 decreased by 19%

According to Unica, the amount of sugarcane pressed at the end of September fell 11% to 35.8 million tons, while ethanol production fell 8% year-on-year to 1.98 billion liters.

Brazil, the world's biggest sugar producer, is suffering a crop failure as drought and frost damage sugarcane fields with about 6 million tonnes less output than the previous season, according to analysts.

HOW TRIDGE CAN HELP YOU

Tridge wholesale production data is a useful tool for exporters and buyers as major agricultural commodities are generally analyzed by looking at each region's national production trends.

These production conditions can be a guide to see which markets are likely to strike in the near future or potentially decline. Exporters and buyers can use these production sets to determine the market equilibrium. Knowing this information will improve their ability to forecast and plan to compete in the market of their choice.



01. Brazil sets record high for 2020 export

Brazil captured 43% of sugarcane production in the global share or accounted for around 752.90M MT in 2019. Followed by India which took 23% of the production amounting to 405.42M MT. Both countries are better known to center all of their production to meet domestic needs.

Production Trends by Countries

PRODUCTION FOR FAO CODE 0156

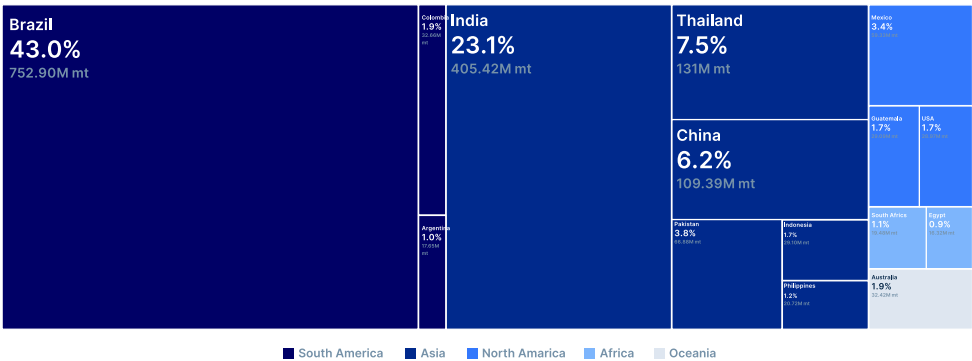


Chart 1. Production of Sugarcane Across the Globe

However, entering 2020, Brazil began to support the fulfillment of sugarcane demand around the world. Coming in second, the country managed to get rid of other export markets quickly. With Brazil’s prominent position across the globe, the country is certainly eyeing which markets are good for export in the near future.

Trade Data by Countries

TOP EXPORTERS OF HS CODE 121293

EXPORTER	EXPORT VALUE 2015	EXPORT VALUE 2016	EXPORT VALUE 2017	EXPORT VALUE 2018	EXPORT VALUE 2019	EXPORT VALUE 2020
World	\$32.3M	\$54.7M	\$38.9M	\$57.3M	\$49.3M	\$69.4M
1 Laos	\$15.2M	\$12.3M	\$17.8M	\$28.5M	\$33.5M	\$43.2M
2 Brazil	\$7.7K	\$28.0M	\$34.6K	\$19.9K	\$127.8K	\$10.4M
3 Myanmar (Burma)	\$5.0M	\$7.3M	\$7.5M	\$14.4M	\$99.4K	\$8.6M
4 Uganda	\$99.6K	\$43.4K	\$71.9K	\$84.5K	\$210.3K	\$2.4M
5 Vietnam	\$702.0K	\$692.2K	\$610.7K	\$1.1M	\$1.2M	\$1.0M
6 Germany	\$16.4K	\$11.4K	\$24.5K	\$43.7K	\$669.7K	\$963.1K
7 Mexico	\$686.6K	\$611.6K	\$1.1M	\$425.5K	\$751.5K	\$630.7K
8 UK	\$870.0K	\$1.3M	\$17.8K	\$593.4K	\$513.4K	\$540.7K
9 China	\$519.6K	\$658.3K	\$597.7K	\$637.5K	\$474.9K	\$344.6K
10 Costa Rica	\$238.6K	\$291.1K	\$350.0K	\$377.3K	\$395.9K	\$232.7K

Table 1. Top Exporters of Sugarcane Across the Globe

Laos is still the world’s largest exporter in the last 5 years. Supplying 43.2M USD of sugarcane overseas, Laos takes over 60% of the global export market. Meanwhile, Brazil, which has not exported more than 150K USD since 2015, has shown unexpected export growth in 2020 and reached a total value of 10.4M USD. Tailed by Myanmar (Burma) and Uganda who pocketed around 8.6M USD and 2.4M USD, respectively.

Trade Data by Trade Flow

TOP EXPORT TRADE FLOWS FOR HS CODE 121293

EXPORTER	EXPORT VALUE 2015	EXPORT VALUE 2016	EXPORT VALUE 2017	EXPORT VALUE 2018	EXPORT VALUE 2019	EXPORT VALUE 2020
Total	\$32.3M	\$54.7M	\$38.9M	\$57.3M	\$49.3M	\$69.4M
1 Laos to China	\$15.2M	\$12.3M	\$17.8M	\$28.5M	\$33.5M	\$43.2M
2 Brazil to USAI	\$7.4K	\$24.2K	\$23.6K	\$5.1K	\$1.7K	\$10.3M
3 Myanmar (Burma) to China	\$4.9M	\$7.2M	\$7.4M	\$14.3M	\$89.1K	\$8.6M
4 Uganda to Kenya						\$2.2M
5 Mexico to USA	\$686.3K	\$610.0K	\$1.1M	\$423.9K	\$743.9K	\$628.3K
6 Germany to Spain				\$8.1K	\$566.9K	\$600.4K
7 UK to Belgium		\$315.8K		\$573.0K	\$502.8K	\$528.3K
8 Vietnam to US	\$81.8K	\$274.1K	\$284.4K	\$388.7K	\$349.7K	\$527.5K
9 Vietnam to China	\$514.5K	\$185.1K	\$9.5K	\$446.1K	\$513.8K	\$407.1K
10 Germany to Belgium	\$28.0			\$23.3K	\$77.4K	\$306.9K

Table 2. Top Export Trade Flows for HS Code 121293 (Sugarcane)

The rapid growth of sugarcane exports is solely due to the high demand originating from China and the US. The supply sent from Laos to China is also increasing by (+29%) in 2020, while Brazil's exports are entirely focused on the US. Moreover, China is also seen importing more sugarcane from Myanmar.

Trade Data by Countries

TOP IMPORTERS OF HS CODE 121293 FROM BRAZIL

RANK	PARTNER	SHARE IN EXPORT VALUE 2020, USD	EXPORT VALUE 2020	1-YEAR GROWTH IN EXPORT VALUE 2019-2020	3-YEAR GROWTH IN EXPORT VALUE 2017-2020	5-YEAR GROWTH IN EXPORT VALUE 2015-2020	EXPORT QUANTITY 2020, MTs	UNIT PRICE OF IMPORT 2020, USD/MT
1	Brazil to USA	99.79%	\$10.33M	+598094.97%	+43658%	+139430.35%	20.74K	\$498.16
2	Brazil to Austria	≈0.2%	\$20.83K	-78.71%		+20728%	25	
3	Brazil to Switzerland	≈0%	\$398	+213.39%			≈0.06	
3	Brazil to Switzerland	≈0%	\$52	-50.94%			≈0.07	\$742.86

Table 3. Top Importers of Sugarcane from Brazil

In the past year, the increase in Brazil's sugarcane exports to the US even reached an all-time high and rose by (+598094.97%) YoY.

Sugarcane (FAO Code 0156) Production in Brazil from 2014 to 2019

DIMENSION: VOLUME · FAO CODE: SUGARCANE (FAO CODE 0156) · COUNTRY: BRAZIL · PERIOD: 2014~2019

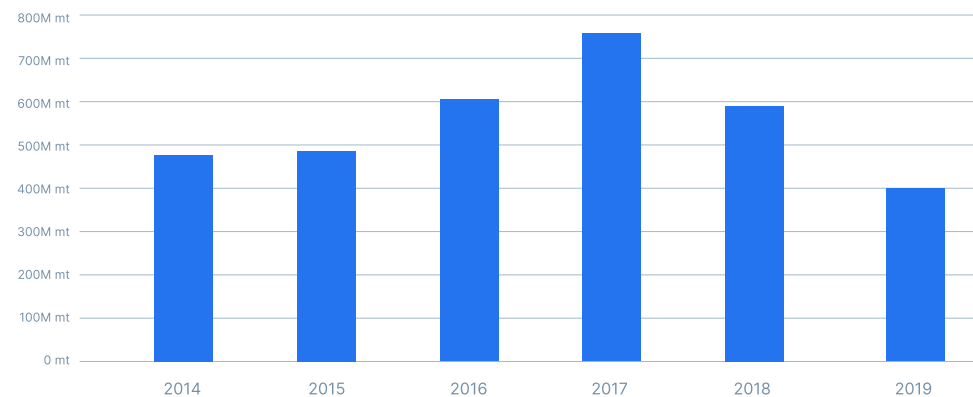


Chart 2. Sugarcane Production in Brazil

It's not surprising to see Brazil has been able to supply sugarcane massively to the US since its production constantly reached 700M MT annually. By 2020 the US had significantly increased demand for Brazilian sugarcane. Entering the US market with lower tax rates on September 30, 2020, Brazil started its trail in exporting domestic production to overseas markets. At the sudden request from the US, this is a chance for Brazil to strengthen its position broadly. Increased production in the Central/Southern region in 2020 from April to November due to dry weather has helped improve sugarcane quality, which made it easier for Brazil to supply sugarcane to the US despite unexpected demand.

02. A Chance for India to Break-In the World's Sugar Trade

India is the second-largest producer of sugar in the world after Brazil and the world's largest consumer of sugar. In particular, when domestic demand grows and remains at its highest level, the availability of resources for the export sector will be affected; one of the things that keep India from spreading its wings in the sugarcane global market.

Sugarcane (FAO Code 0156) Production in India from 2014 to 2019

DIMENSION: VOLUME · FAO CODE: SUGARCANE (FAO CODE 0156) · COUNTRY: INDIA · PERIOD: 2014~20

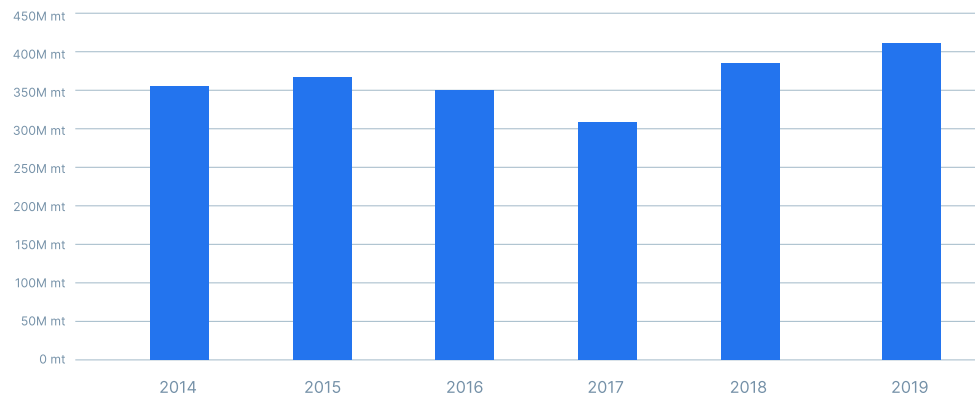


Chart 3. Sugarcane Production in India

Sugarcane is an important commercial crop in the local region of India, with Uttar Pradesh being one of the leading sugarcane producers in the country.

Top 10 Producers of Sugarcane

RANK	PARTNER	COUNTRY 2019	PRODUCTION QUANTITY 2020	1-YEAR GROWTH IN QTY 2018-2019	3-YEAR GROWTH IN QTY 2016-2019	5-YEAR GROWTH IN QTY 2014-2019
1	Brazil	38.62%	752.90M	≈ 0.78%	-2.04%	+2.28%
2	India	20.8%	405.42M	+6.72%	+16.35%	+15.13%
3	Thailand	6.72%	131M	-3.01%	+39.16%	+26.33%
4	China	5.61%	109.39M	+1.19%	+5.98%	-12.92%
5	Pakistan	3.43%	66.88M	≈ -0.44%	-11.4%	+6.45%
6	Mexico	3.04%	59.33M	+4.39%	+5.11%	+4.7%
7	Colombia	1.68%	32.66M	-2.37%	-6.03%	-14.4%
8	Austria	1.66%	32.42M	-3.26%	-5.78%	+6.22%
9	Indonesia	1.49%	29.10M	-1.36%	+3.93%	+7.38%
10	Guatemala	1.49%	29.09M	+5.14%	-13.26%	-12.49%

Chart 4. Top 10 Producers of Sugarcane Across the Globe

Back in 2019, India hit the peak in production by 405.42M MT, an increase of around (+7%) YoY.

On a closer look, India was the only producing country that showed significant production growth over the last 5 years (+15.13%) and recorded a growth of (+6.72%) in 2019.

However, for the first time, Indian traders signed a sugar export contract in 2021 due to the decline in Brazil's production which made importers choose to secure supplies from the country first.

Since India also has an enormous interest in domestic consumption, thus making it quite vulnerable to the international sugar market, if any unforeseen global trade movement results in a surplus or deficit situation. At the same time, it also makes India a potential market producer and likely to have a good prospect in the near future.

Conclusion

Brazil is the world's largest sugarcane producer, which began exporting abroad in 2020, to be exact, shipped to the US. With the lower tariffs, Brazil managed to enter the US market and became the second-largest exporter after Laos.

India is likely to take over the Brazilian market in the coming year

Since production was disrupted in 2021, India is expected to be a potential producer and exporter capable of filling the gap in the global sugar supply left by Brazil.

Tridge provides the world production data of global agricultural products.

ABOUT US



ABOUT TRIDGE

Tridge is a Global Trade Ecosystem in the food and agriculture industry that combines professional network and data intelligence and makes trustworthy and sustainable cross-border trades possible. We create and provide a very unique and powerful global-scale platform for buyers and suppliers to be connected and do business with each other more confidently and seamlessly.

Our mission is to become a go-to place for the ultimate sourcing solutions by creating a safe and reliable trade community. For Buyers, Tridge consistently provides extensive market trend data around the globe, creating opportunities in both untapped and existing markets and connecting them with credible suppliers. For Suppliers, we identify and develop sales opportunities from the regions they could not reach ever before. We combine state-of-the-art technology to make this happen.

For more information visit:

tridge.com

CONTACT

Juhee Yoon, Product Manager
juhee.yoon@tridge.com

EDITOR

Julia Kim

WRITERS

Fardhani Pradipta
Rimelda Rinaldi

DESIGN

Michelle Lee
Victoria Shangina