



**Prices continue to decrease**

From mid-april to mid-may, world sugar prices have continued to further decrease mainly due to a "seasonal" surplus of sugar available on the market by that time of the year (p.9). On may 13, raw sugar was traded 473 USD/t for delivery in July while white sugar reached 602 USD/t - delivery in August : white premium is now close to 130 USD/t on a July/August basis (p.3).

With current market fundamentals (p.9), operators do not seem to fear any further strong tensions on the short term. Consequently, future prices for faraway deliveries start to be above short-term deliveries (p.1).

On the currency market, dollar has appreciated (p.7) therefore mitigating the fall of prices when labelled in local currencies (p.3).

On the energy market, oil is currently at 100 USD/barel (p.4) while gasoline is at 84 USD/hl. In the frame of a price decrease for maize (p.5), prices of US ethanol have slightly decreased to 66 USD/hl (p.4). In Europe, ethanol T2 Rotterdam is stable at 88 USD/hl (62 €/hl). On the other hand, Brazilian ethanol has dramatically fallen when compared to april : anhydrous ethanol is now at 87 USD/hl while hydrous ethanol is at 60 USD/hl (p.4).

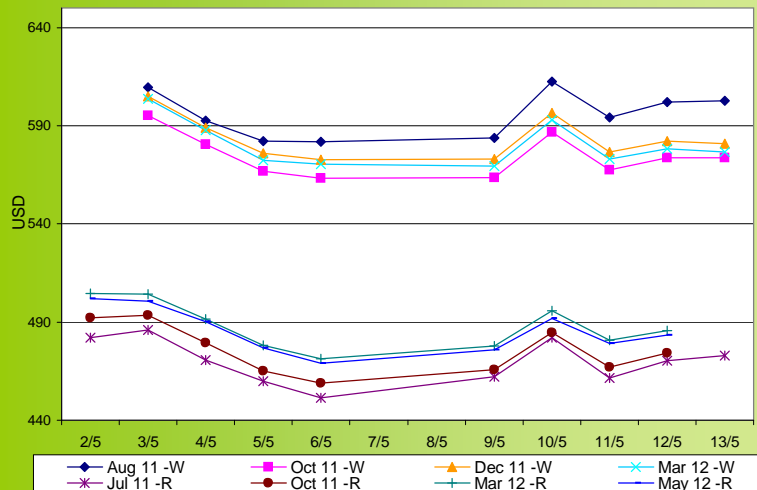
For by-products, Rotterdam molasses quotation reached 220 USD/t while beet pulp is on average traded at 300 USD/t in March 2011 (p.6).

Finally, freight remains stable around 1050 points and fertilizers' prices are on the rise (p.8).

**SUGAR #11 and #5 - Prices**

Settling date	Previous week	Current week	Difference
<b>Refined sugar price - London Euronext (USD/t)</b>			
Aug 11	591.6	599.1	7.5
Oct 11	576.6	573.0	-3.6
Dec 11	585.8	581.8	-4.0
Mar 12	583.6	578.0	-5.6
<b>Raw sugar - ICE #11 (USD/t)</b>			
Jul 11	470.0	469.8	-0.2
Oct 11	477.8	472.9	-4.9
Mar 12	490.0	485.0	-5.0
May 12	487.8	482.5	-5.3
<b>Raw sugar - ICE #11 (cts/lb)</b>			
Jul 11	21.32	21.31	-0.01
Oct 11	21.67	21.45	-0.22
Mar 12	22.23	21.97	-0.26
<b>White premium (USD/t)</b>			
Jul/Aug	121.6	129.3	7.7

**Raw and white sugar prices on the past two weeks USD/t (daily prices)**



**Sugar Prices #11 and #5 since January 2008**

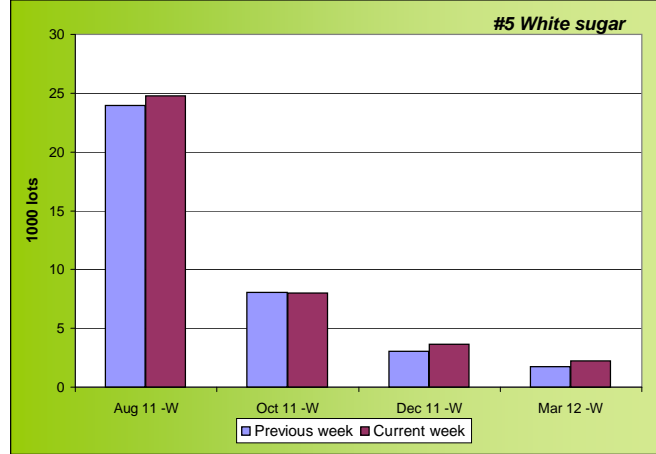
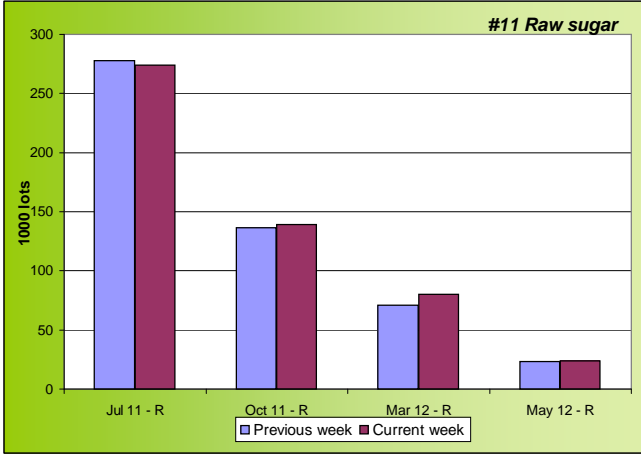




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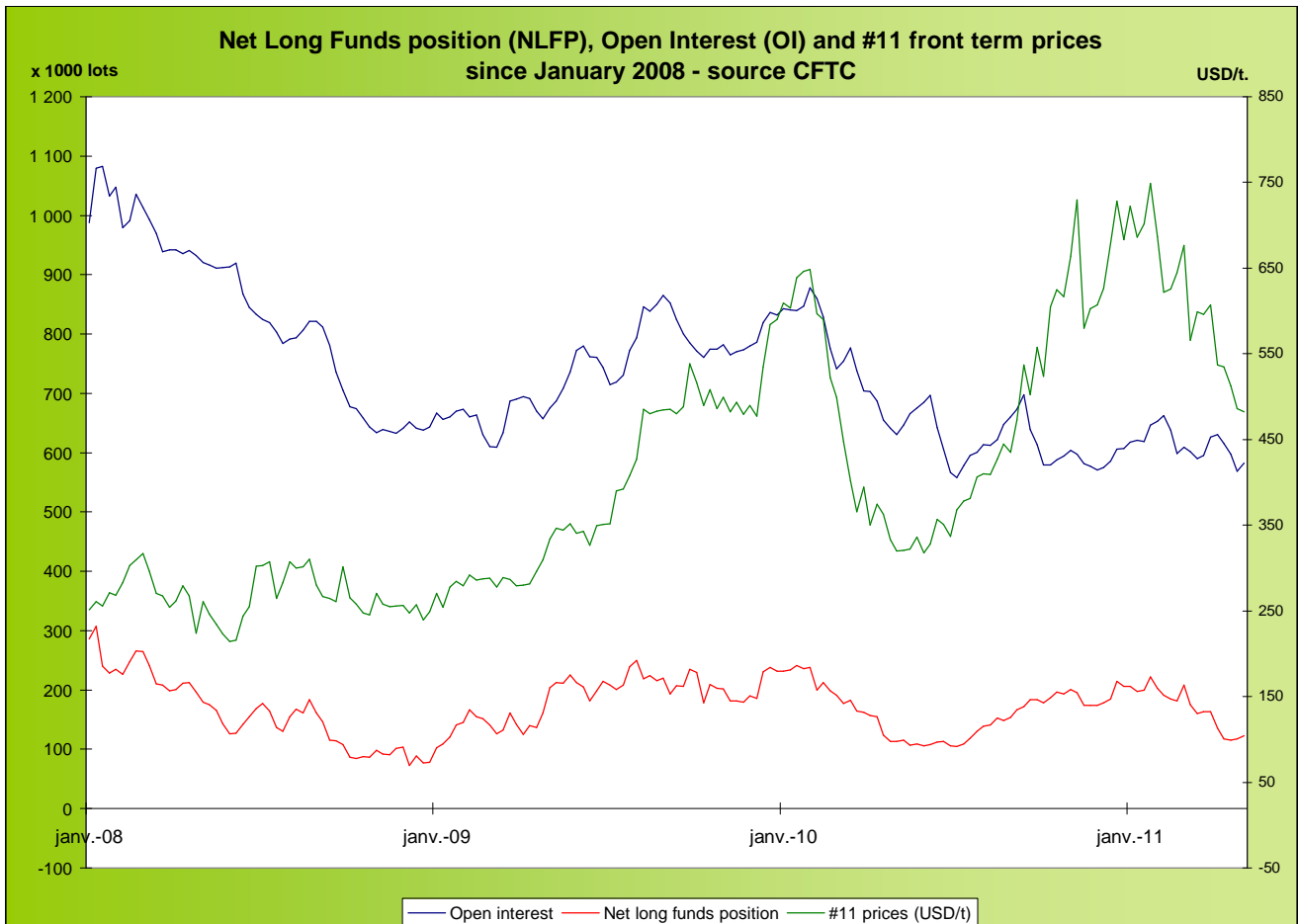
**SUGAR #11 & #5 - Open interest + Funds positions**

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



#11 Average weekly open interest				
(1000 lots)	Week n-1	Week n	Diff (lots)	Diff (%)
Jul 11 - R	278	274	-3.37	-1%
Oct 11 - R	136	139	2.98	2%
Mar 12 - R	71	80	9.27	13%
May 12 - R	23	24	0.86	4%
<b>Total</b>	<b>567</b>	<b>581</b>	<b>13.17</b>	<b>2%</b>

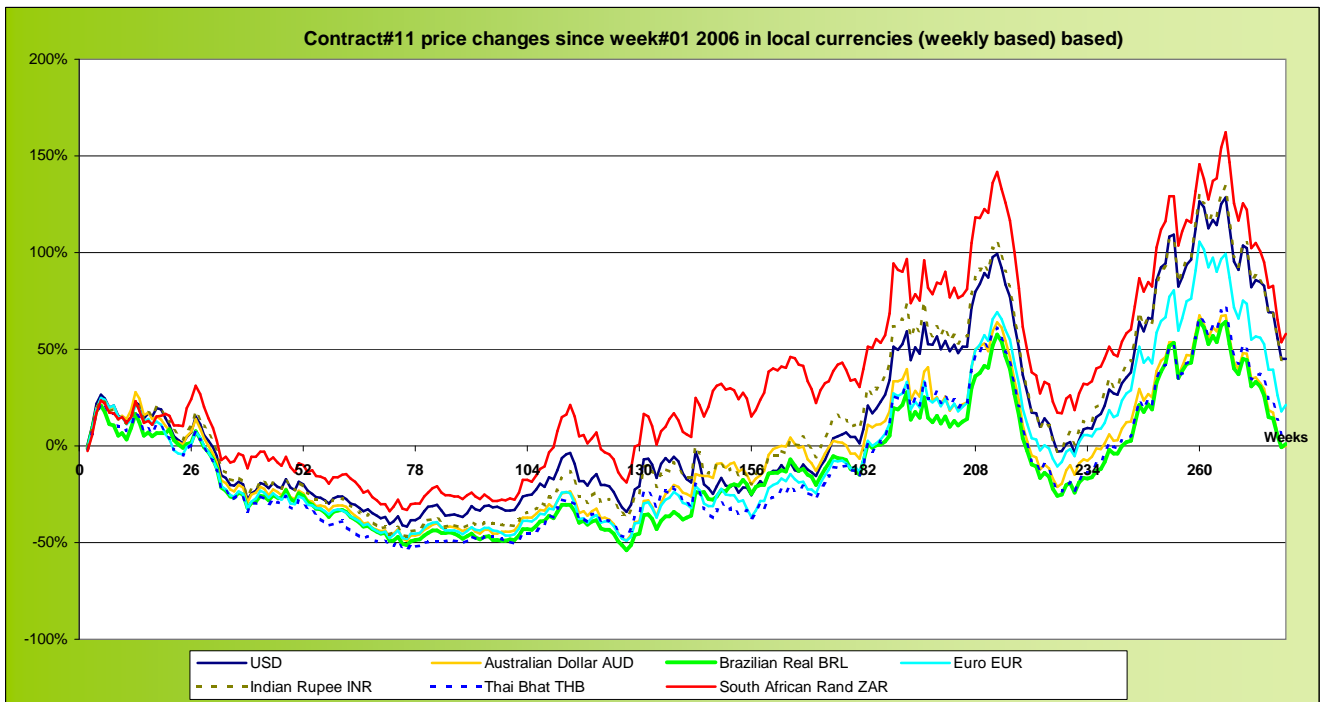
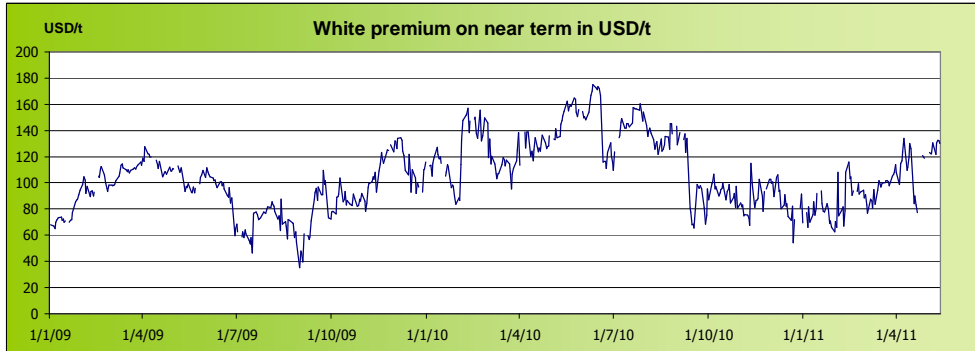
#5 Average weekly open interest				
(1000 lots)	Week n-1	Week n	Diff (lots)	Diff (%)
Aug 11 - W	24.0	24.8	0.8	3%
Oct 11 - W	8.1	8.0	-0.1	-1%
Dec 11 - W	3.0	3.6	0.6	20%
Mar 12 - W	1.7	2.2	0.5	30%
<b>Total</b>	<b>39</b>	<b>41</b>	<b>2.4</b>	<b>6%</b>





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**SUGAR #11 - White premium + Prices in local currencies**



**Contract#11 sugar price changes from past week and from week#01 2006 in local currency and in percentage**

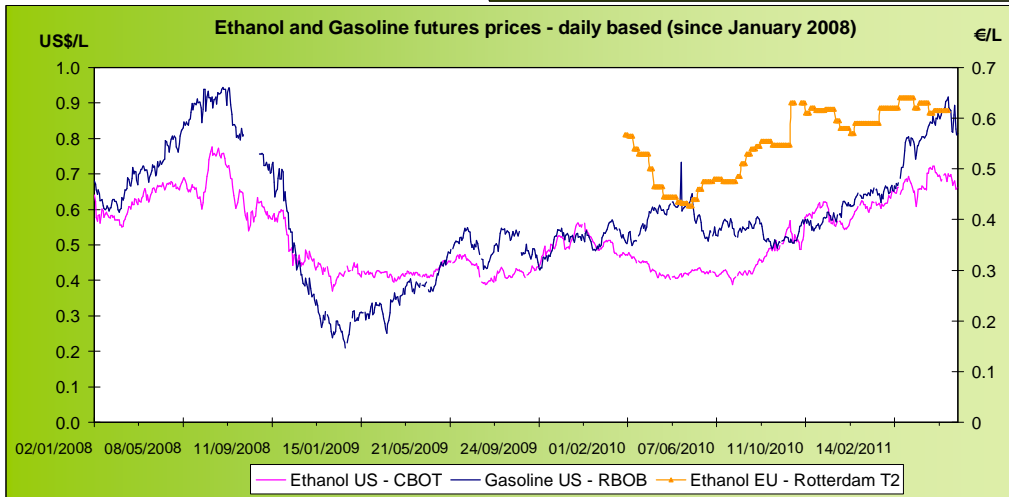
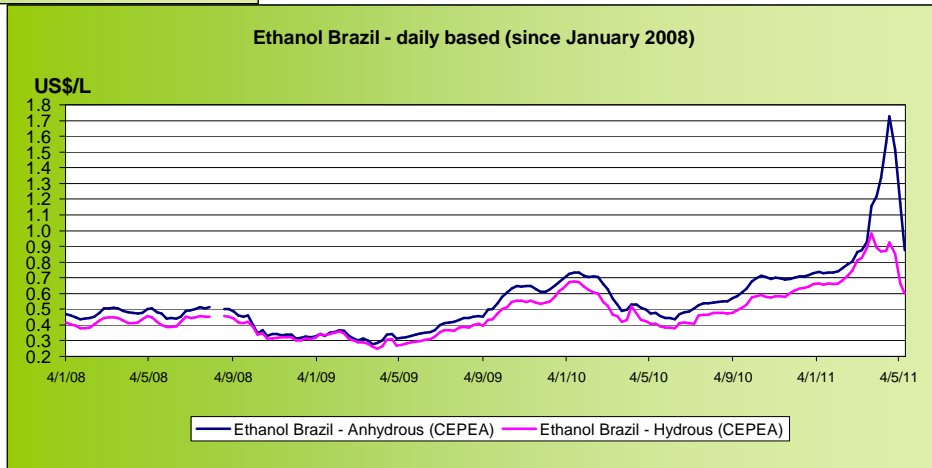
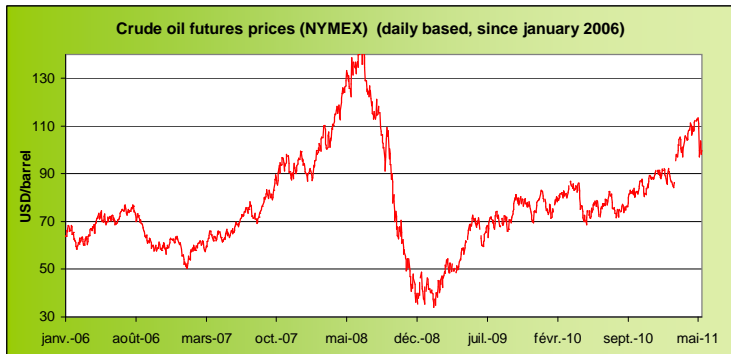
Currencies	Sugar prices in currency	Sugar prices in currency	Difference from previous week	Difference from previous week	Difference from week#1 2006
	Past week	Current week	In currency	In %	In %
USD	470.0	<b>469.8</b>	-0.2	<b>0.0%</b>	45.0%
Australian Dollar AUD	434.5	<b>438.9</b>	4.4	<b>1.0%</b>	0.0%
Brazilian Real BRL	748.1	<b>759.8</b>	11.7	<b>1.6%</b>	1.0%
Chinese Yuan CNY	3049.0	<b>3049.4</b>	0.4	<b>0.0%</b>	16.7%
Euro EUR	319.8	<b>329.1</b>	9.2	<b>2.9%</b>	21.1%
Indian Rupee INR	20988.0	<b>21059.5</b>	71.4	<b>0.3%</b>	44.9%
Mexican Peso MXN	5440.9	<b>5464.3</b>	23.4	<b>0.4%</b>	59.0%
Russian Rouble RUB	12896.2	<b>13093.8</b>	197.6	<b>1.5%</b>	40.7%
Thai Bhat THB	14036.0	<b>14106.7</b>	70.7	<b>0.5%</b>	7.0%
South African Rand ZAR	3115.3	<b>3199.8</b>	84.6	<b>2.7%</b>	57.9%

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



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**ENERGY MARKETS - Ethanol, Crude oil and Gazoline**



**Oil, gasoline and ethanol price changes from past week and from week#01 2006**

	Price in USD	Price in USD	Difference	Difference past week	Difference from the week#1
<i>Products</i>	Past week	Current week	In USD	In %	In %
<i>Ethanol CBOT (USD/l)</i>	0.6874	0.6672	-0.0201	<b>-2.93%</b>	15.9%
<i>Ethanol CBOT (USD/gal)</i>	2.5982	<b>2.5222</b>	-0.0760		
<i>Oil (USD/barrel)</i>	106.16	<b>100.65</b>	-5.51	<b>-5.19%</b>	58.1%
<i>Gazoline RBOB (USD/l)</i>	0.8564	<b>0.8423</b>	-0.014	<b>-1.64%</b>	164.0%
<i>Sugar #11 (USD/t)</i>	470.02	<b>469.80</b>	-0.2	<b>-0.05%</b>	45.0%
<i>Products</i>	Past week	Current week	In USD	In %	In %
<i>Ethanol CEPEA (USD/l) - Anyhydrous</i>	1.1743	0.8741	-0.3002	<b>-25.56%</b>	86.0%
<i>Ethanol CEPEA (USD/l) - Hydrous</i>	0.6647	0.5975	-0.0672	<b>-10.11%</b>	33.2%
<i>Products</i>	Past week (€/l)	Current week (€/l)	In €	In %	In %
<i>Ethanol EU - Rotterdam T2</i>	0.64	0.64	0	0.00	



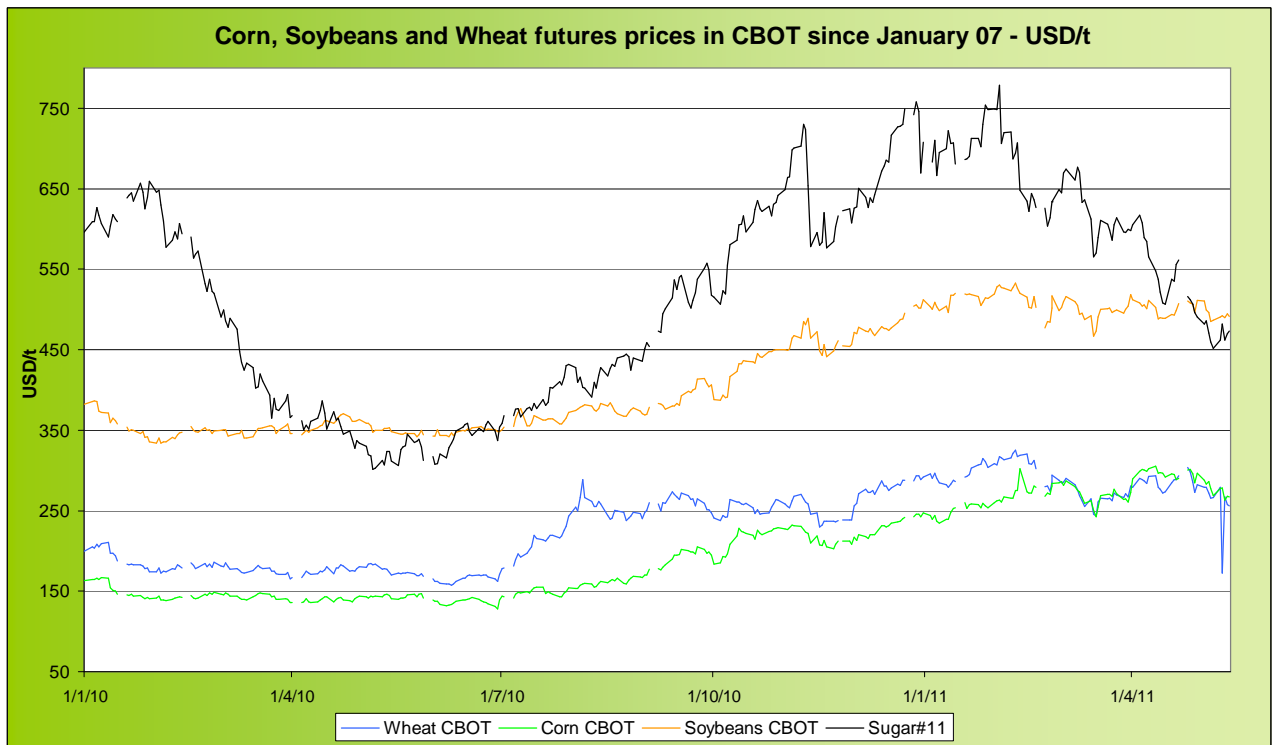
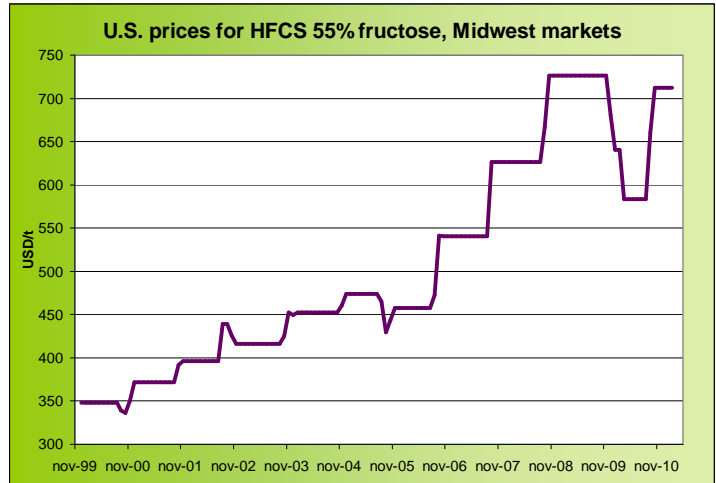
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**GRAINS MARKETS - Corn, Soybeans, Wheat and HFCS**

**Price changes**

	Current month-3	Current Month-2	In USD
<b>HFCS 55 - USD/t</b>	712.11	712.11	0.00
<b>HFCS 55 - cts/lb</b>	32.31	32.31	0.00

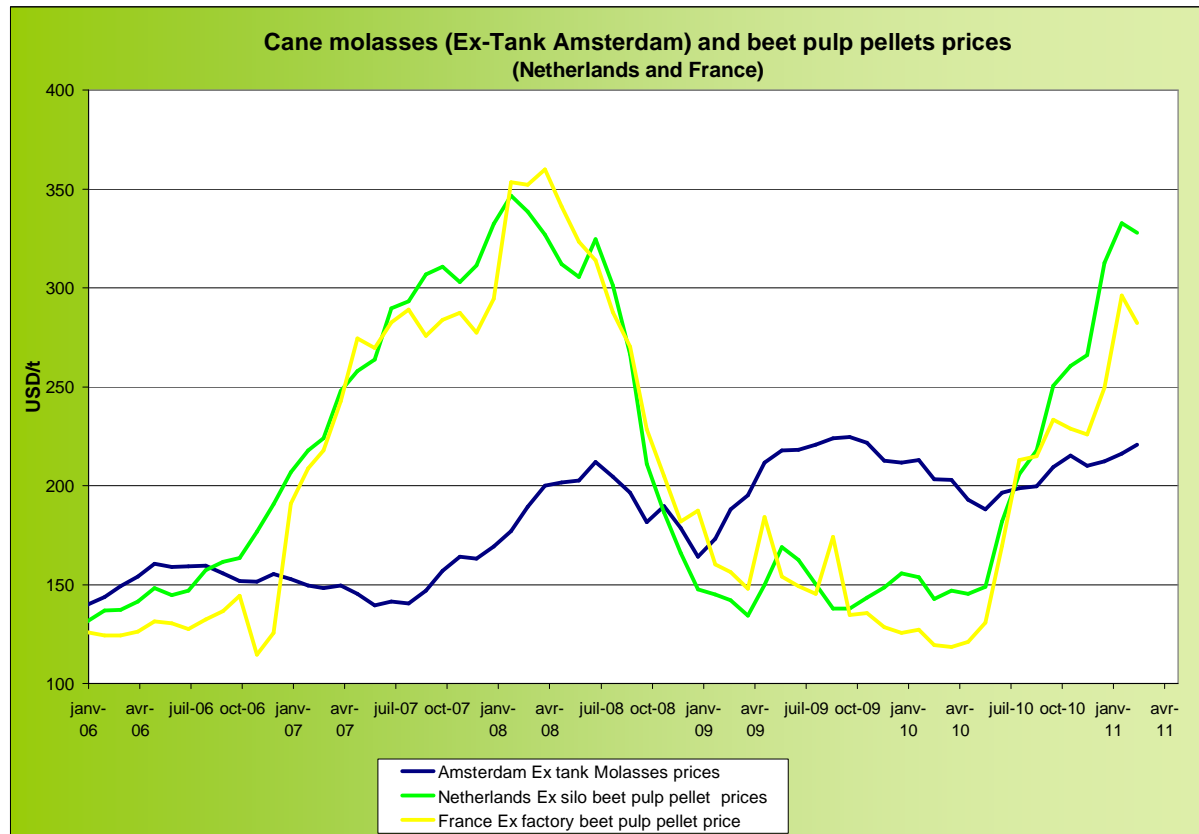
Dry weight, monthly averages, source Milling and baking news



**Corn, soybeans and wheat prices, changes from the past week and from the week#01 2006 in USD/t and in percentage**

Products		Front term	Front term	Difference	Difference	Diff week#1 2006
		Past week	Current week	In USD	In %	In %
<b>Corn (CBOT)</b>	<b>USD/t</b>	280.60	<b>270.80</b>	<b>-9.80</b>	<b>-3.5%</b>	218.8%
	<b>cts/bsl</b>	712.72	687.84	-24.88		
<b>Soybeans (CBOT)</b>	<b>USD/t</b>	495.58	<b>491.63</b>	<b>-3.95</b>	<b>-0.8%</b>	124.6%
	<b>cts/bsl</b>	1348.88	1338.12	-10.76		
<b>Wheat (CBOT)</b>	<b>USD/t</b>	272.46	<b>246.32</b>	<b>-26.14</b>	<b>-9.6%</b>	97.7%
	<b>cts/bsl</b>	741.60	670.44	-71.16		

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**BY-PRODUCTS - Molasses and Beet Pulp**

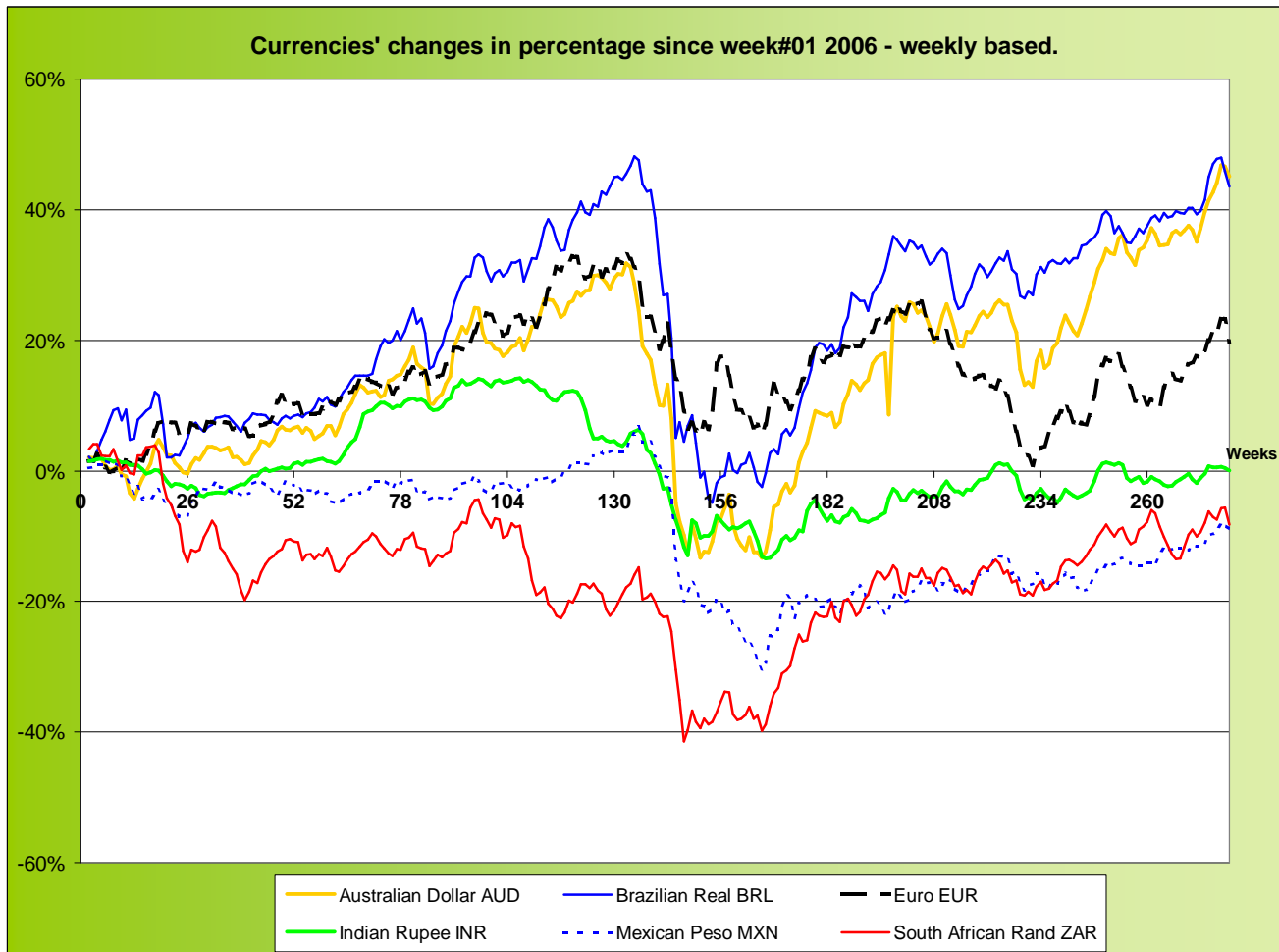
**Molasses and beet pulp pellets prices and changes  
between three and two months before and from month#01 2006**

		Commodity	Commodity	Difference from previous month	Difference from previous month	Difference from month#1 2006
<i>Products</i>		Month -3	Month -2	In USD and €	In %	In %
<i>Amsterdam Ex tank Cane Molasses</i>	<i>USD/t</i>	216.30	220.66	4.36	2.0%	57.9%
	<i>EUR/t</i>	158.50	157.60	-0.90	-0.6%	36.4%
<i>Netherlands Beet Pulp Pellets</i>	<i>USD/t</i>	332.64	327.91	-4.73	-1.4%	149.6%
	<i>EUR/t</i>	243.75	234.20	-9.55	-3.9%	115.6%
<i>Products</i>		Month -3	Month -2	In USD and €	In %	In %
<i>France Beet Pulp Pellets</i>	<i>USD/t</i>	296.14	282.27	-13.87	-4.7%	124.5%
	<i>EUR/t</i>	217.00	201.60	-15.40	-7.1%	93.8%



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**EXCHANGE RATES**

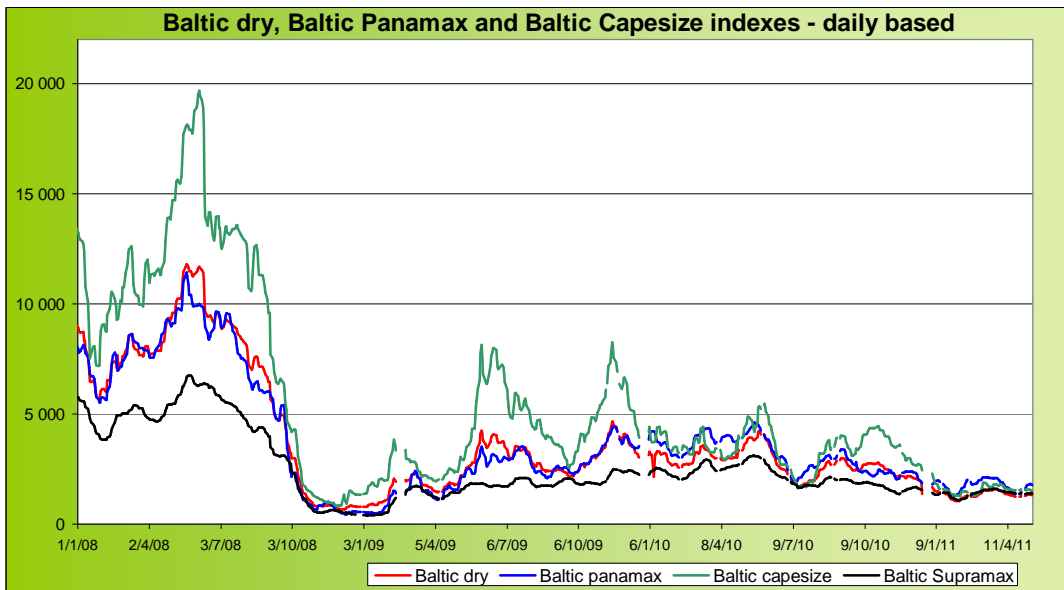


**Currencies' changes from the past week and from the week#01 2006  
in USD and in percentage**

	Currencies in USD - Week#:	Currencies in USD - Week#:	Difference from previous week	Difference from previous week	Difference from week#1 2006
<i>Currencies</i>	Past week	Current week	In USD	In %	In %
<i>Australian Dollar AUD</i>	1.0818	<b>1.0704</b>	-0.01143	<b>-1.1%</b>	45.1%
<i>Brazilian Real BRL</i>	0.6283	<b>0.6183</b>	-0.00998	<b>-1.6%</b>	43.5%
<i>Chinese Yuan CNY</i>	0.1542	<b>0.1541</b>	-0.00009	<b>-0.1%</b>	24.3%
<i>Euro EUR</i>	1.4695	<b>1.4277</b>	-0.04183	<b>-2.8%</b>	19.7%
<i>Indian Rupee INR</i>	0.0224	<b>0.0223</b>	-0.00009	<b>-0.4%</b>	0.0%
<i>Mexican Peso MXN</i>	0.0864	<b>0.0860</b>	-0.00041	<b>-0.5%</b>	-8.8%
<i>Russian Rouble RUB</i>	0.0364	<b>0.0359</b>	-0.00057	<b>-1.6%</b>	3.1%
<i>Thai Bhat THB</i>	0.0335	<b>0.0333</b>	-0.00018	<b>-0.5%</b>	35.5%
<i>South African Rand ZAR</i>	0.1509	<b>0.1468</b>	-0.00406	<b>-2.7%</b>	-8.2%

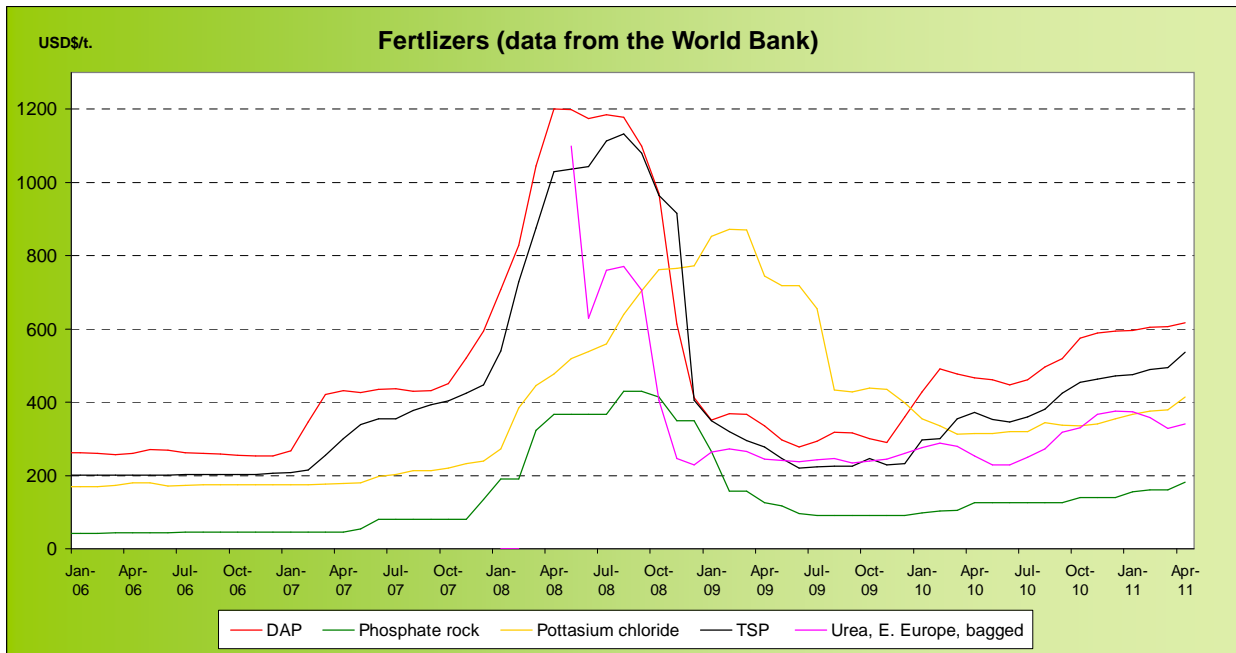


**FREIGHT - Baltic Indexes**



**Baltic indexes, changes from the past week and from the week#01 2007**

	Freight indexes	Freight indexes	Difference from previous week	Difference from previous week	Difference from week#01 2007
Indexes	Past week	Current week	Index	In %	In %
<i>Baltic dry</i>	1049.6	1069.2	19.6	<b>1.9%</b>	-78.6%
<i>Baltic Supramax</i>	1100.0	1118.8	18.8	<b>1.7%</b>	-62.6%
<i>Baltic panamax</i>	1338.8	1441.8	103.0	<b>7.7%</b>	-66.7%
<i>Baltic capesize</i>	1248.0	1218.6	-29.4	<b>-2.4%</b>	-80.2%



**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)



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**MARKET OVERVIEW - The Grower Dashboard**

**Comparison of futures prices for sugar, ethanol, crude oil, grains  
in USD and in %**

	Commodity	Commodity	Difference from	Difference from	Difference from	
			previous week	previous week	week#1 2006	
	Products	Past week	Current week	In USD	In %	In %
<b>Sugar (#11)</b>	USD/t	470.02	<b>469.80</b>	-0.22	<b>0.0%</b>	45.0%
	Cts/lb	21.32	<b>21.31</b>	-0.01		
<b>Sugar #5</b>	USD/t	591.63	<b>599.12</b>	7.50	<b>1.3%</b>	69.8%
<b>Corn (CBOT)</b>	USD/t	280.60	<b>270.80</b>	-9.80	<b>-3.5%</b>	218.8%
	cts/bsl	712.72	<b>687.84</b>	-24.88		
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	cts/bsl	741.60	<b>670.44</b>	-71.16		
<b>Ethanol</b>	EU (€/l)	0.58	<b>0.58</b>	0.00	<b>0.0%</b>	
	US (USD/l)	0.6874	<b>0.6672</b>	-0.02	<b>-2.9%</b>	15.9%
	Brazil (USD/l) Anhydrous	1.1743	<b>0.8741</b>	-0.30	<b>-25.6%</b>	86.0%
<b>Crude oil</b>	USD/barrel	106.16	<b>100.65</b>	-5.51	<b>-5.2%</b>	58.1%
<b>Freight supramax</b>	Index	1100.00	<b>1118.80</b>	18.80	<b>1.7%</b>	-62.6%

**IN BRIEF (Source : FO Licht Sugar Daily)**

**ICE - May contract expired:** Around 894 257 t of raw sugar was delivered. Louis Dreyfus was the sole receiver, with Cargill delivering 448 485 t of Thai raws and 385 590 t of Brazilian sugar while Bunge reportedly delivered 60 201 t of Thai raw sugar.

**LIFFE - May contract expired:** A total of 375 200 t of white sugar were delivered against the May contract, with Cargill receiving 323 750 tons and ED&F Man receiving 51 400 t. The biggest deliverer was Louis Dreyfus with 301 400 t, Bunge with 68 600 t and Sucden with 5 200 t.

**Australia:** ABARE estimated raw sugar production to reach 3,85 Mt in 2011/12, up 6,8 % from last year's 3,62 Mt. In the meantime, Rabobank is forecasting a further fall in 2011/12 sugar production to 3,2 Mt, which may cut export availability to as low as 2 Mt.

**Brazil:** According to local analyst Canaplan, Brazil's Centre/South region may crush only 541 Mt of sugarcane in 2011/12, down from the previous season's record of 556 Mt due to poor investments in cane fields since the beginning of the 2008 financial crisis. Canaplan estimated Centre/South sugar production to 32.1 Mt tel quel while the region produced 33.5 Mt in 2010/11. Canaplan also estimated Centre/South ethanol output for 2011/12 at 255 Mhl.

According to Datagro, the 11/12 cane crush is supposed to reach 561 Mt from 550 Mt seen in February : ample rains in March and April may boost cane yields in the second half of 11/12 Centre/South harvest season. Sugar output may increase to 35,15 Mt tel quel and ethanol may be close to 250 Mhl.

The government has lowered the bottom end of a range within which the blend can be adjusted : [18%-25%]. The ethanol sector from production through distribution will be monitored by ANP (MME) instead of the Agriculture Ministry : this may give the government more control over supplies.

**China:** Total imports in the first half of 2010/11 campaign are up sharply at 493 471 t from 207 035 t in the same period last year. Total imports in 09/10 were 1,49 Mt : the country is expected to raise imports significantly after the end of the crushing season despite recent claims from the Chinese government to have imported enough sugar for 10/11.

**Colombia:** The 2011/12 sugar production is expected to reach 2,3 Mt, up from 2,1 Mt in 2010. Better weather and improved agricultural practices due to profit from high sugar prices are expected to stimulate production this year.

**Cuba:** The country has met its production plan of around 1,1 Mt raw sugar for the 2010/11 season.

**EU:** Requests under the 300 000 t exceptional import quota totalled 16,6 Mt as any eligible operator was allowed to apply for the entire quota amount. As a result, operators that applied for the full 300 000 t quota would receive licenses to import 5 415 t.

**India:** As the campaign had reached the estimated level of domestic sugar consumption by the end of April, the federal government may consider additional exports under OGL after the 500 000 t already allowed for this 10/11 campaign. Total output for 10/11 season may reach 24,2 Mt white value with India's top producer Maharashtra producing up to 9,2 Mt (against 7,09 Mt produced in 09/10). According to the first official forecast for the season, the country should receive normal monsoon rain this year, with the June/September rainfalls expected to be 98% of the long-term average i.e. 89 cm during the four-month rainy season.

**Indonesia:** The country will import 226 000 t of raw sugar from May until the end of 2011 in order to fill idle milling capacity. The permits for these imports will be issued in place of previously authorized white sugar import licenses that were never fully used.

**Mauritius:** Sugar output in Mauritius is likely to decline by almost 12% to about 400 000 t in 2011/12 as dry weather during the growing season impacted the sugarcane.

**Mexico:** As of May 05, the country has produced 4,86 Mt for 10/11 season up 13% from last year at the same period. The total output forecasted for 10/11 is 5,2 Mt.

**Pakistan:** The country's sugar production is estimated to have reached about 4,1 Mt white value according to Pakistan Sugar Mills Association (PSMA).

Considering this level of production, the country may not need to import before the start of next crushing season in November 2011. For 2011/12, Pakistan sugar production may rise 15% to 4,7 Mt white value as farmers may increase the area planted by 40% to 1,4 Mha.

**Philippines:** The country's raw sugar output could top 2 Mt for 10/11 campaign after producing 1,97 Mt of sugar in 09/10.

**Russia:** Russian farmers sowed only 194 700 ha of land with sugar beet by April 1, only 50% of 378 700 ha sown by the same date last year. The delay was attributed to a late spring. On May 11, the area sown with sugar beet reached 1,093 Mha. The country aims to increase the area sown to sugar beet to 1,21 Mha this season.

**South Africa:** The 11/12 sugar output is estimated to rise marginally to 1,92 Mt from 1,9 Mt this season. The sugarcane crush is forecast to recover to 16,5 Mt from the previous season's 16 Mt.

**Thailand:** The country may export a record 6.67 Mt of sugar for 2010/11, up from a previous projection of 6,3 Mt. As of May 8, total output for 10/11 reached 9,75 Mt raw value with cane production surging to 92,3 Mt.

**Ukraine:** Ukrainian farmers had sown 245 000 ha to sugar beet as of April 15 : 43% of the total 570 000 ha planned for this season.

**USA:** Only 5% of the area expected to be sown to sugarbeet this year were reached by April 17, down sharply from 33% at the same time last year.