



From 03rd to 14th January 2011

Week # 2

Prices remain firm

During the first two weeks of January 2011, the sugar market has remained firm. On January 11, white sugar was trading at 807 \$/t (623 €/t) while raw sugar reached 722 \$/t (557 €/t) for delivery in March 2011. The white premium (Mar/Mar) is consequently around 80 \$/t (p.3). The announcing of a potential delay of shipments for the additional 500 000 tons of exports from India as well as the delay in the start of the crushing season in Thailand have reduced the current availability of sugar on the world market (p.9). Together with the appreciation of the dollar against other currencies (except the Chinese Yuan, the Mexican Peso and the Russian Rouble) and despite a possible increase in the Mexican and Pakistani production, the market remains bullish.

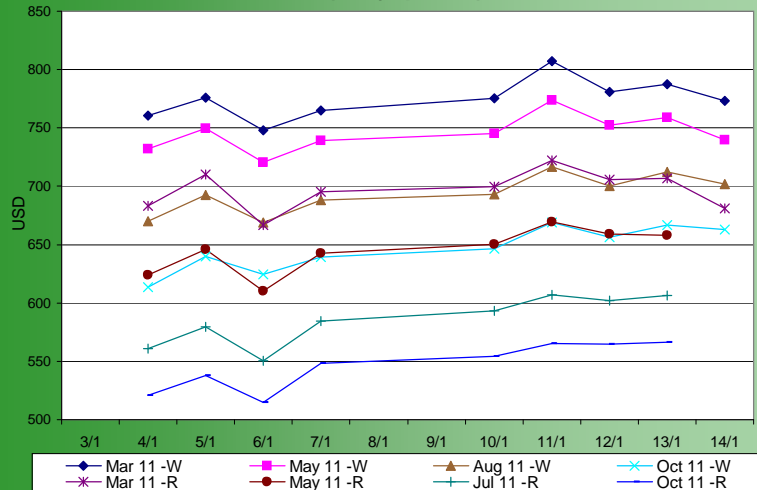
On the energy markets, crude oil (p.4) is now traded above 90 \$/barrel and has helped gasoline (p.4) to reach more than 65 \$/hl. Driven by a general increase in the price of grain markets (p.5), including maize, the American ethanol is currently above the 60\$-level per hl. In Brazil, ethanol prices remain firm : anhydrous ethanol is currently traded at 73 \$/hl and hydrous ethanol remains above 65 \$/hl. In order to avoid any excessive rise of ethanol prices during the off-season, future discussions with the Brazilian government may lead to a decrease of 25 % to 20 % blending percentage.

In the EU, the FOB T2 Rotterdam quotation is around 60 €/hl and prices remain relatively firm during the last quarter of year 2010. Cane molasses and beet pulp pellets (p.-) are also on higher trends, as well as fertilizers (p.8). Freight Supramax is now at 1350 points.

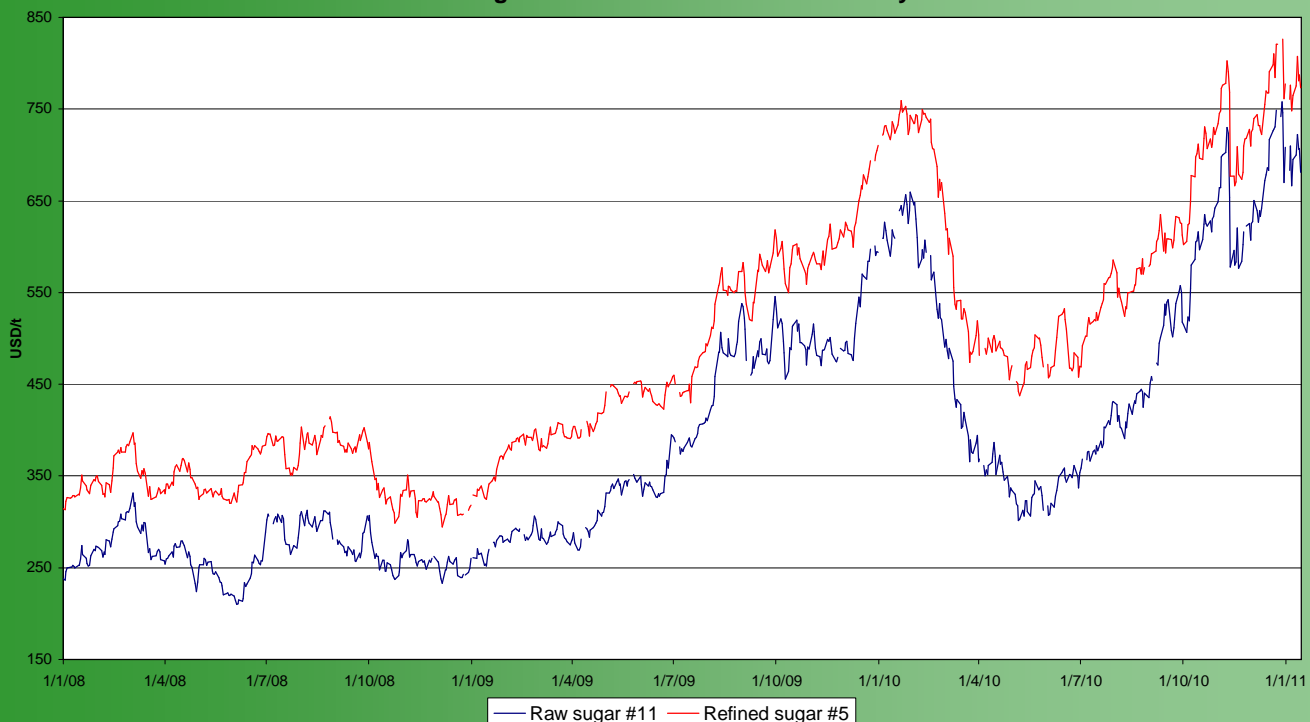
SUGAR #11 and #5 - Prices

| Settling date | Previous week | Current week | Difference |
|--|---------------|--------------|------------|
| Refined sugar price - London Euronext (USD/t) | | | |
| Mar 11 | 762.5 | 784.9 | 22.4 |
| May 11 | 735.4 | 754.1 | 18.7 |
| Aug 11 | 680.1 | 705.0 | 25.0 |
| Oct 11 | 629.4 | 660.3 | 30.9 |
| Raw sugar - ICE #11 (USD/t) | | | |
| Mar 11 | 688.8 | 703.1 | 14.3 |
| May 11 | 630.6 | 659.3 | 28.7 |
| Jul 11 | 568.8 | 602.1 | 33.3 |
| Oct 11 | 530.3 | 562.7 | 32.4 |
| Raw sugar - ICE #11 (cts/lb) | | | |
| Mar 11 | 31.24 | 31.89 | 0.65 |
| May 11 | 28.61 | 29.71 | 1.11 |
| Jul 11 | 25.80 | 27.22 | 1.42 |
| White premium (USD/t) | | | |
| Mar/Mar | 73.7 | 81.8 | 8.0 |

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



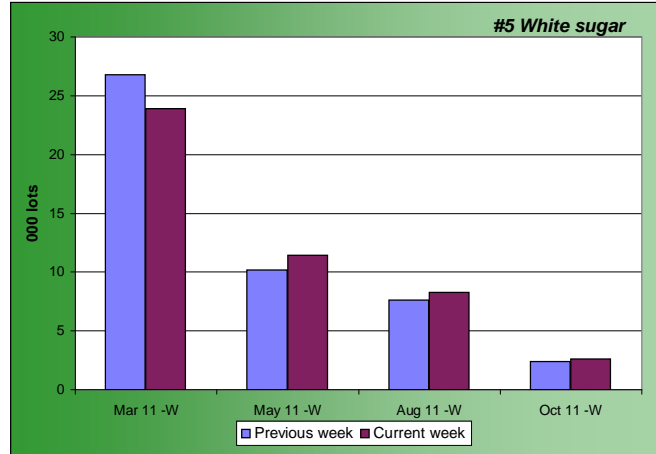
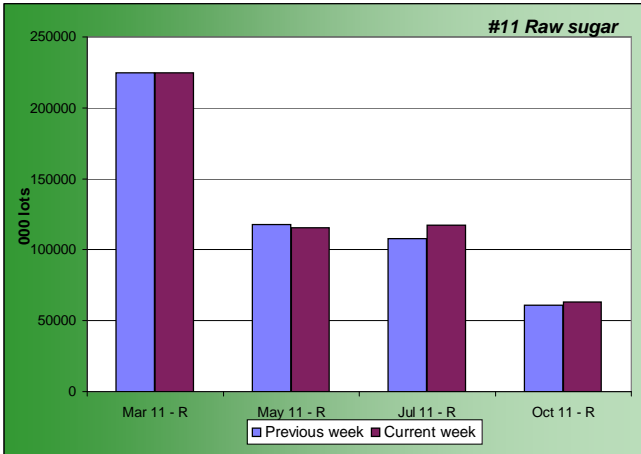
Sugar Prices #11 and #5 since January 08



From 03rd to 14th January 2011

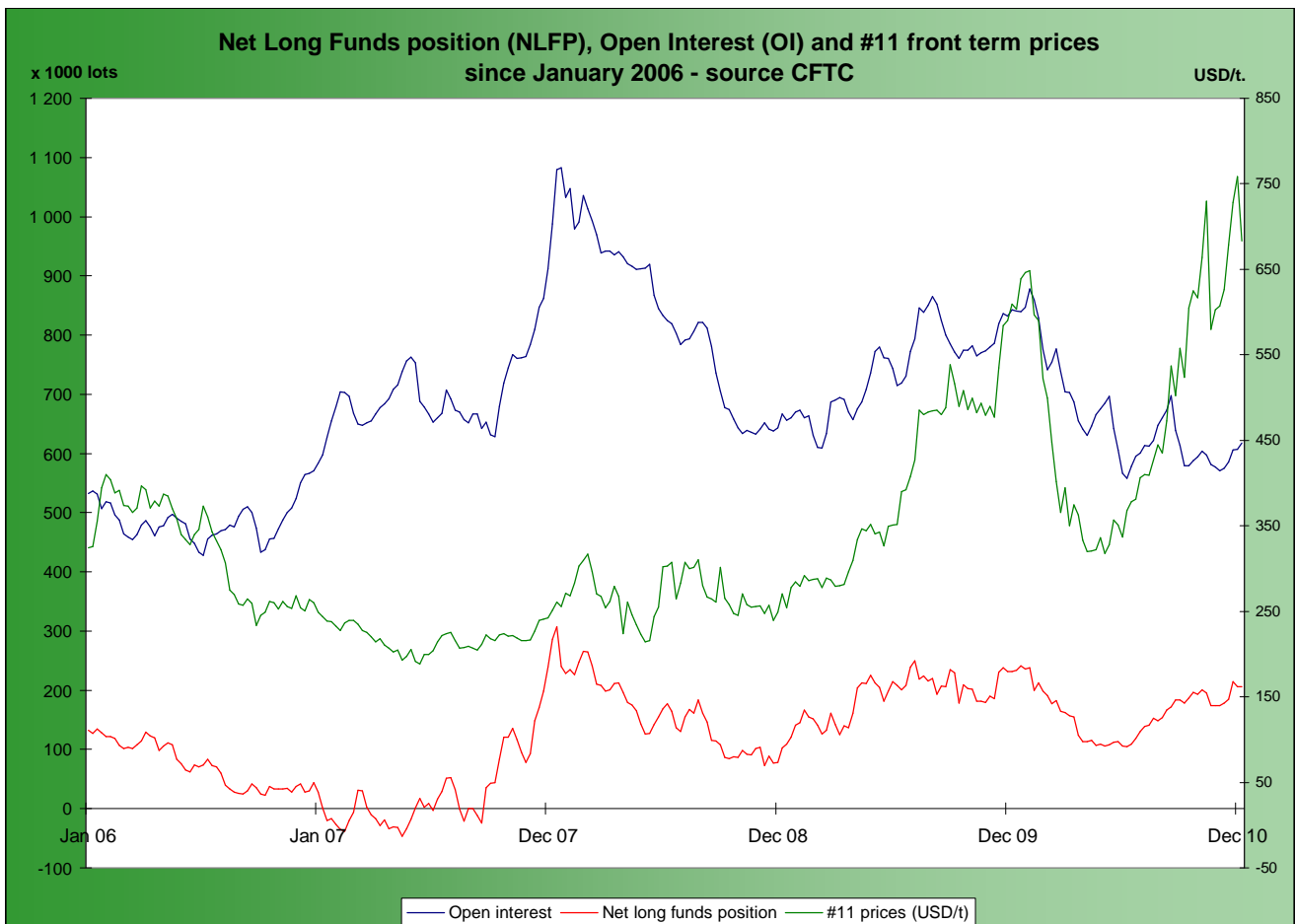
SUGAR #11 & #5 - Open interest + Funds positions

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



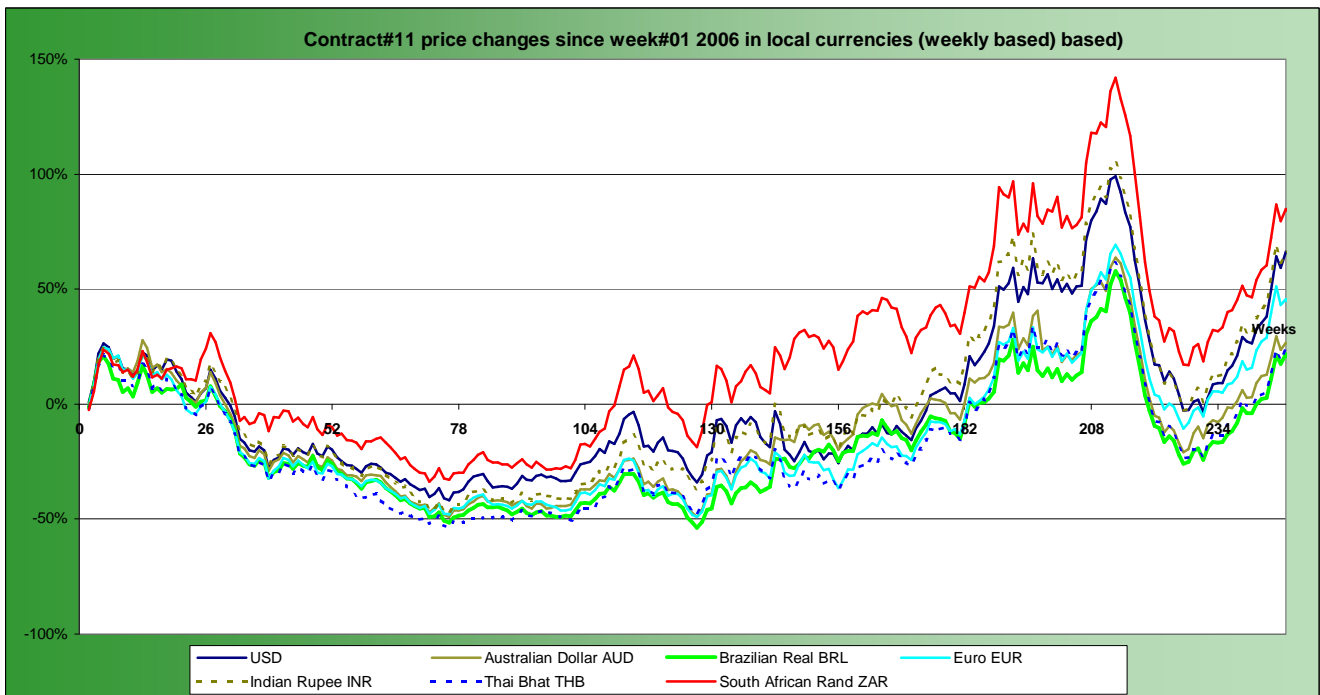
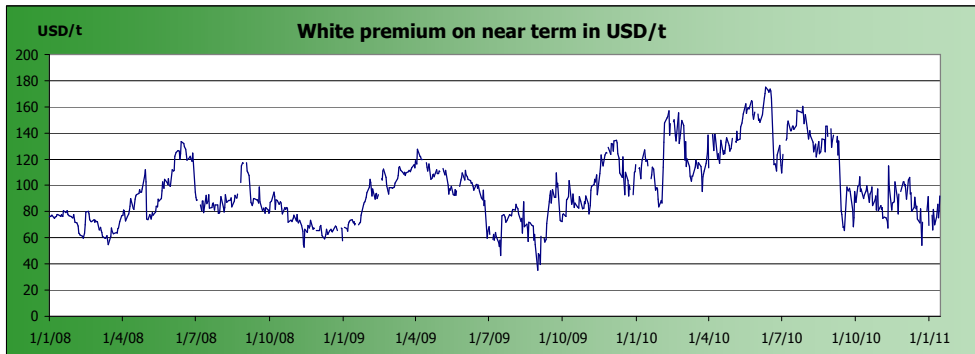
| #11 Average weekly open interest | | | | |
|----------------------------------|---------------|---------------|----------------|-----------|
| (1000 lots) | Week n-1 | Week n | Diff (lots) | Diff (%) |
| Mar 11 - R | 224749 | 224616 | -132.3 | 0% |
| May 11 - R | 117679 | 115658 | -2020.8 | -2% |
| Jul 11 - R | 107839 | 117223 | 9383.8 | 9% |
| Oct 11 - R | 60818 | 62999 | 2181.5 | 4% |
| Total | 607485 | 616050 | 8565.25 | 1% |

| #5 Average weekly open interest | | | | |
|---------------------------------|-----------|-----------|-------------|------------|
| (1000 lots) | Week n-1 | Week n | Diff (lots) | Diff (%) |
| Mar 11 -W | 26.8 | 23.9 | -2.9 | -11% |
| May 11 -W | 10.2 | 11.4 | 1.3 | 12% |
| Aug 11 -W | 7.6 | 8.3 | 0.7 | 9% |
| Oct 11 -W | 2.4 | 2.6 | 0.2 | 9% |
| Total | 49 | 48 | -0.6 | -1% |



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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

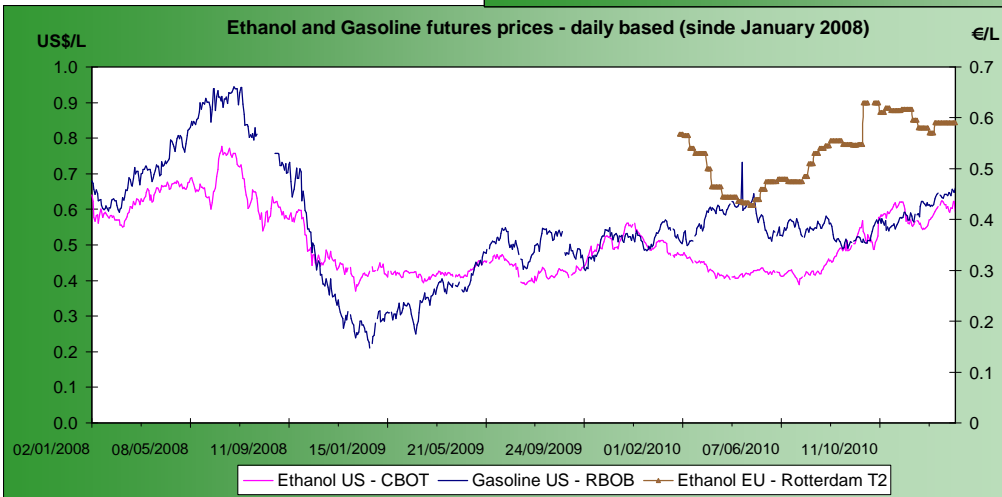
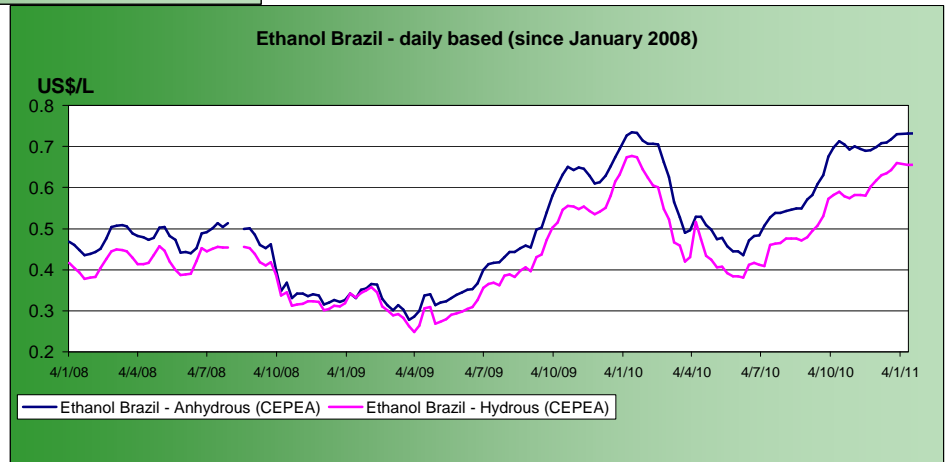
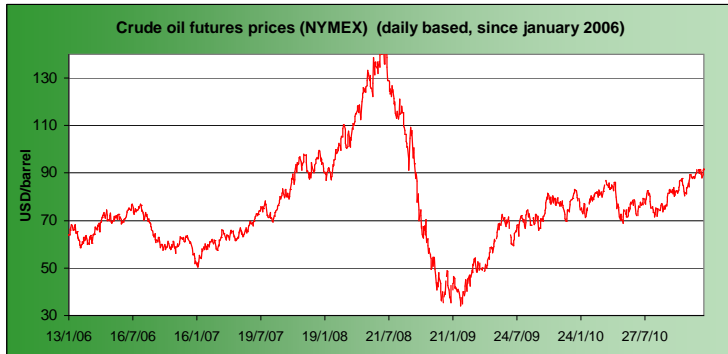
| Currencies | Sugar prices in currency | Sugar prices in currency | Difference from previous week | Difference from previous week | Difference from week#1 |
|------------------------|--------------------------|--------------------------|-------------------------------|-------------------------------|------------------------|
| | Past week | Current week | In currency | In % | In % |
| USD | 688.8 | 703.1 | 14.3 | 2.1% | 117.0% |
| Australian Dollar AUD | 684.6 | 708.6 | 24.0 | 3.5% | 61.4% |
| Brazilian Real BRL | 1148.8 | 1180.4 | 31.6 | 2.8% | 57.0% |
| Chinese Yuan CNY | 4547.5 | 4641.7 | 94.2 | 2.1% | 77.6% |
| Euro EUR | 522.5 | 536.6 | 14.1 | 2.7% | 97.5% |
| Indian Rupee INR | 31284.4 | 32040.1 | 755.7 | 2.4% | 120.5% |
| Mexican Peso MXN | 8545.3 | 8531.2 | -14.1 | -0.2% | 148.2% |
| Russian Rouble RUB | 21077.2 | 21324.1 | 246.9 | 1.2% | 129.1% |
| Thai Bhat THB | 20668.0 | 21302.4 | 634.5 | 3.1% | 61.6% |
| South African Rand ZAR | 4606.6 | 4804.2 | 197.6 | 4.3% | 137.1% |

Sugar prices and currencies data are based on weekly average.



From 03rd to 14th January 2011

ENERGY MARKETS - Ethanol, Crude oil and Gasoline



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 |
|-----------------------------------|-----------------|--------------------|------------|----------------------|----------------------------|
| Products | Past week | Current week | In USD | In % | In % |
| Ethanol CBOT (USD/l) | 0.6023 | 0.6083 | 0.0060 | 1.00% | 3.4% |
| Ethanol CBOT (USD/gal) | 2.2766 | 2.2994 | 0.0228 | | |
| Oil (USD/barrel) | 89.53 | 91.03 | 1.50 | 1.68% | 43.0% |
| Gasoline RBOB (USD/l) | 0.6432 | 0.6505 | 0.007 | 1.14% | 164.0% |
| Sugar #11 (USD/t) | 688.78 | 703.10 | 14.3 | 2.08% | 117.0% |
| Products | Past week | Current week | In USD | In % | In % |
| Ethanol CEPEA (USD/l) - Anhydrous | 0.7390 | 0.7311 | -0.0079 | -1.07% | 55.6% |
| Ethanol CEPEA (USD/l) - Hydrous | 0.6622 | 0.6551 | -0.0071 | -1.07% | 46.0% |
| Products | Past week (€/l) | Current week (€/l) | In € | In % | In % |
| Ethanol EU - Rotterdam T2 | 0.58 | 0.58 | 0 | 0.00 | |



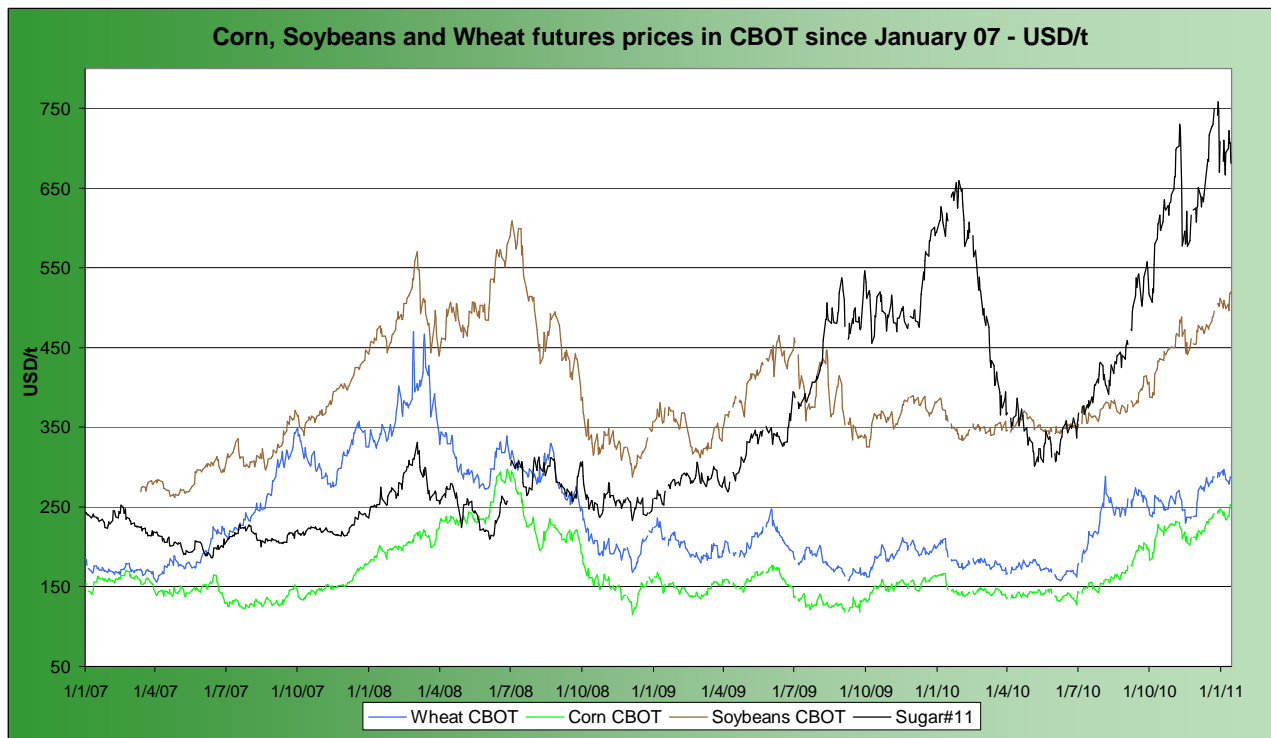
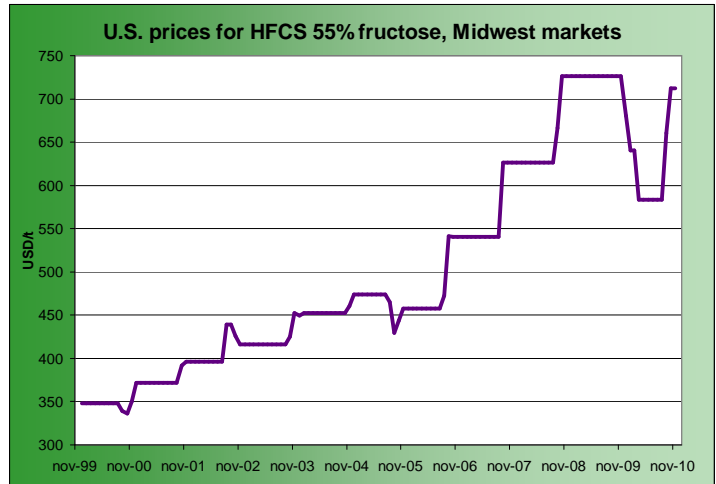
From 03rd to 14th January 2011

GRAINS MARKETS - Corn, Soybeans, Wheat and HFCS

Price changes

| | Current month-3 | Current Month-2 | In USD |
|-------------------------|-----------------|-----------------|--------|
| HFCS 55 - USD/t | 660.54 | 712.11 | 51.57 |
| HFCS 55 - cts/lb | 29.97 | 32.31 | 2.34 |

Dry weight, monthly averages, source Milling and baking news



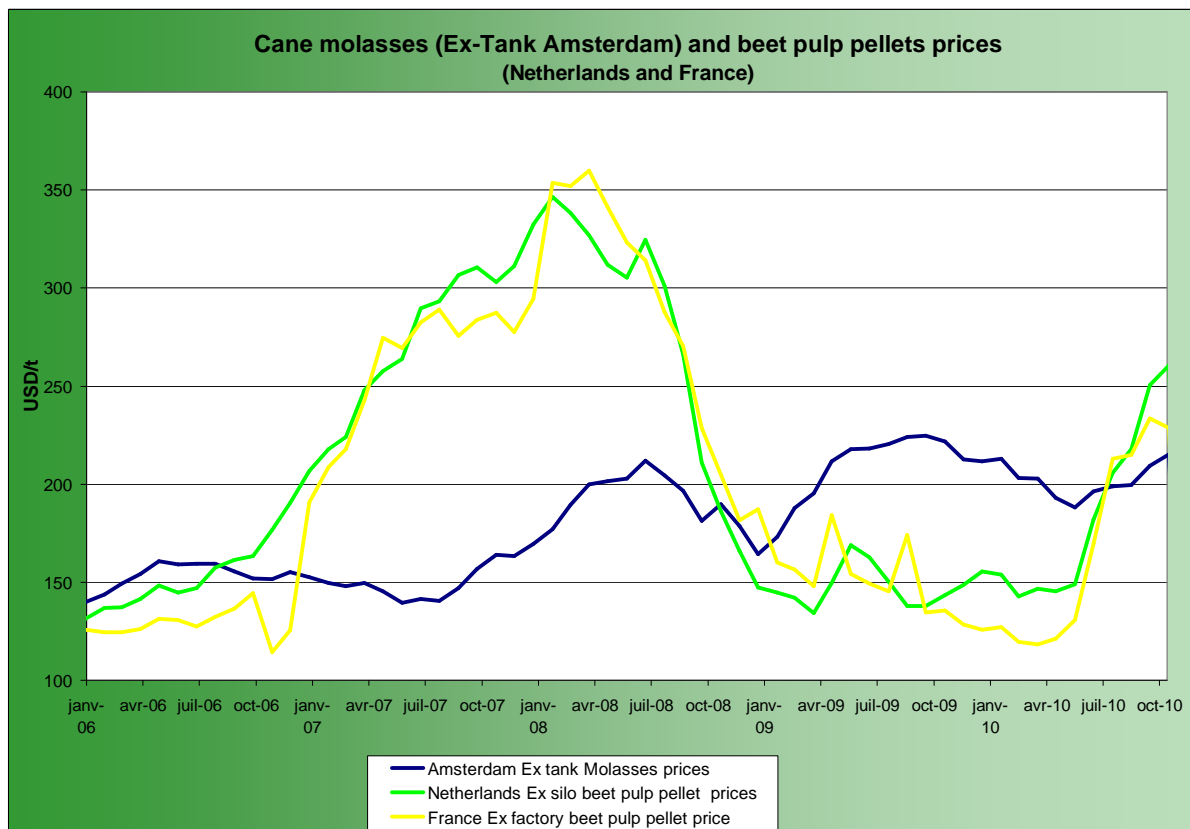
Corn, soybeans and wheat prices, changes from the past week and from the week#01 2006 in USD/t and in percentage

| Products | | Front term | Front term | Difference | Difference | Diff week#1 2006 |
|------------------------|----------------|------------|---------------|--------------|--------------|------------------|
| | | Past week | Current week | In USD | In % | In % |
| Corn (CBOT) | USD/t | 239.76 | 246.52 | 6.76 | 2.8% | 190.2% |
| | cts/bsl | 609.00 | 626.16 | 17.16 | | |
| Soybeans (CBOT) | USD/t | 502.91 | 511.24 | 8.33 | 1.7% | 127.9% |
| | cts/bsl | 1368.84 | 1391.52 | 22.68 | | |
| Wheat (CBOT) | USD/t | 291.41 | 283.66 | -7.74 | -2.7% | 127.6% |
| | cts/bsl | 793.16 | 772.08 | -21.08 | | |



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BY-PRODUCTS - Molasses and Beet Pulp



Monthly averages - Source: LIE and web agri

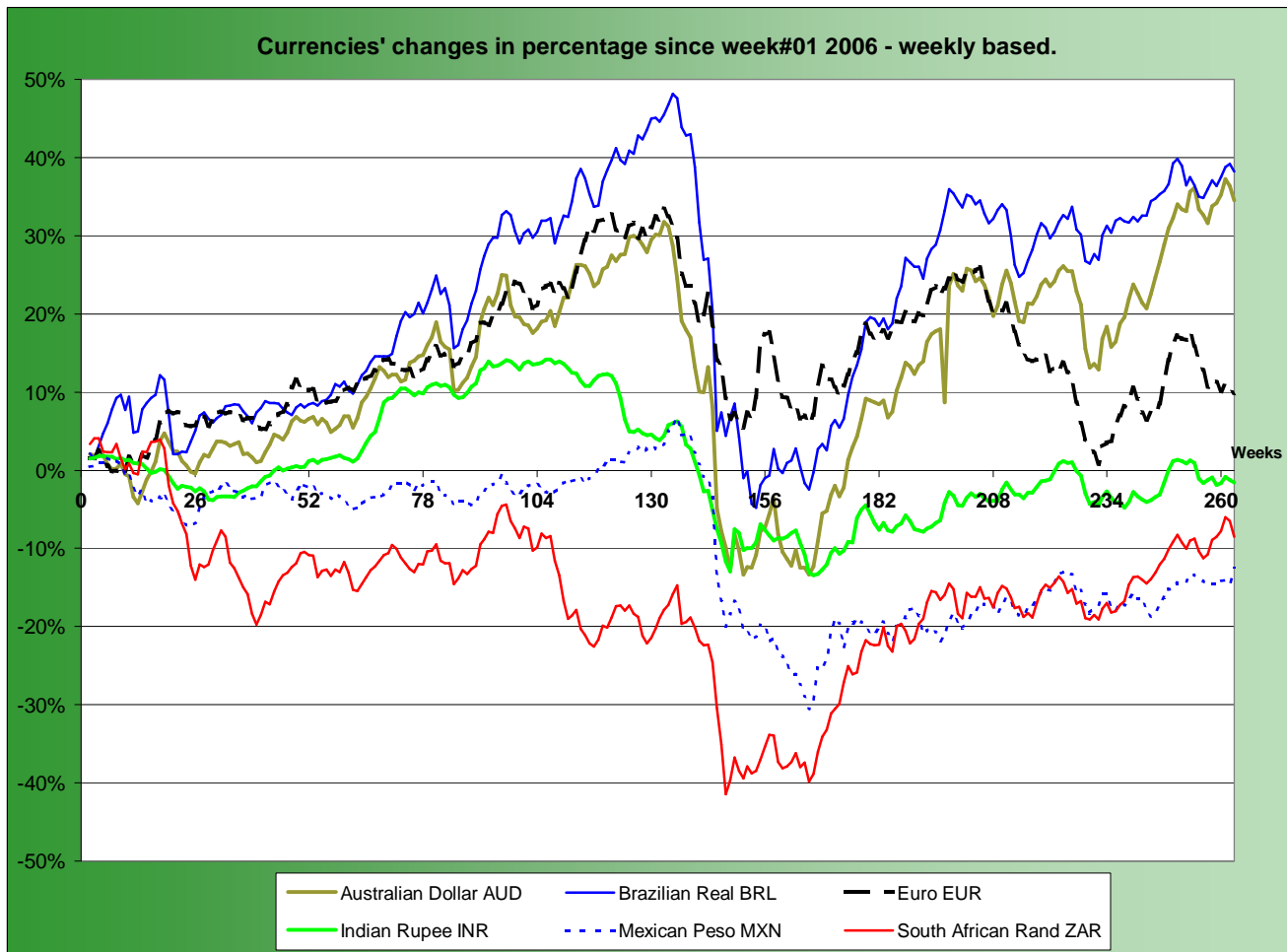
Molasses and beet pulp pellets prices and changes between three and two months before and from month#01 2006

| | | 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> | 209.46 | 215.30 | 5.85 | 2.8% | 54.1% |
| | <i>EUR/t</i> | 150.75 | 157.25 | 6.50 | 4.3% | 36.1% |
| <i>Netherlands Beet Pulp Pellets</i> | <i>USD/t</i> | 250.44 | 260.49 | 10.05 | 4.0% | 98.3% |
| | <i>EUR/t</i> | 180.25 | 190.25 | 10.00 | 5.5% | 75.1% |
| <i>Products</i> | | Month -3 | Month -2 | In USD and € | In % | In % |
| <i>France Beet Pulp Pellets</i> | <i>USD/t</i> | 233.42 | 228.65 | -4.77 | -2.0% | 81.8% |
| | <i>EUR/t</i> | 168.00 | 167.00 | -1.00 | -0.6% | 60.6% |



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EXCHANGE RATES

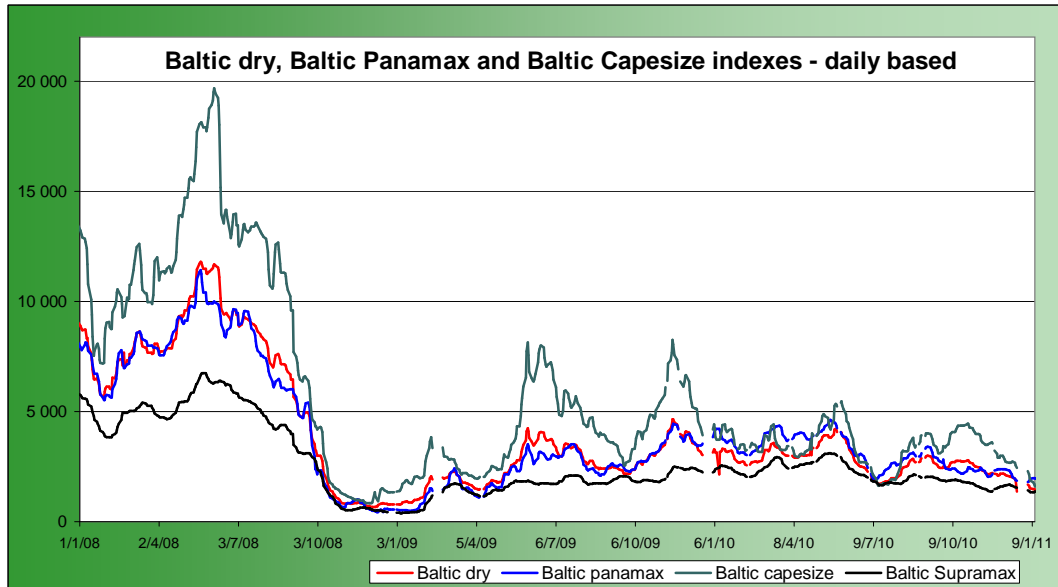


**Currencies' changes from the past week and from the week#01 2006
in USD and in percentage**

| Currencies | Currencies in USD - Week#: | Currencies in USD - Week#: | Difference from previous week | Difference from previous week | Difference from week#1 2006 |
|-------------------------------|----------------------------|----------------------------|-------------------------------|-------------------------------|-----------------------------|
| | Past week | Current week | In USD | In % | In % |
| <i>Australian Dollar AUD</i> | 1.0060 | 0.9922 | -0.01382 | -1.4% | 34.5% |
| <i>Brazilian Real BRL</i> | 0.5996 | 0.5956 | -0.00392 | -0.7% | 38.3% |
| <i>Chinese Yuan CNY</i> | 0.1515 | 0.1515 | 0.00001 | 0.0% | 22.2% |
| <i>Euro EUR</i> | 1.3183 | 1.3103 | -0.00805 | -0.6% | 9.9% |
| <i>Indian Rupee INR</i> | 0.0220 | 0.0219 | -0.00007 | -0.3% | -1.6% |
| <i>Mexican Peso MXN</i> | 0.0806 | 0.0824 | 0.00181 | 2.2% | -12.6% |
| <i>Russian Rouble RUB</i> | 0.0327 | 0.0330 | 0.00029 | 0.9% | -5.3% |
| <i>Thai Bhat THB</i> | 0.0333 | 0.0330 | -0.00032 | -1.0% | 34.3% |
| <i>South African Rand ZAR</i> | 0.1495 | 0.1464 | -0.00317 | -2.1% | -8.5% |

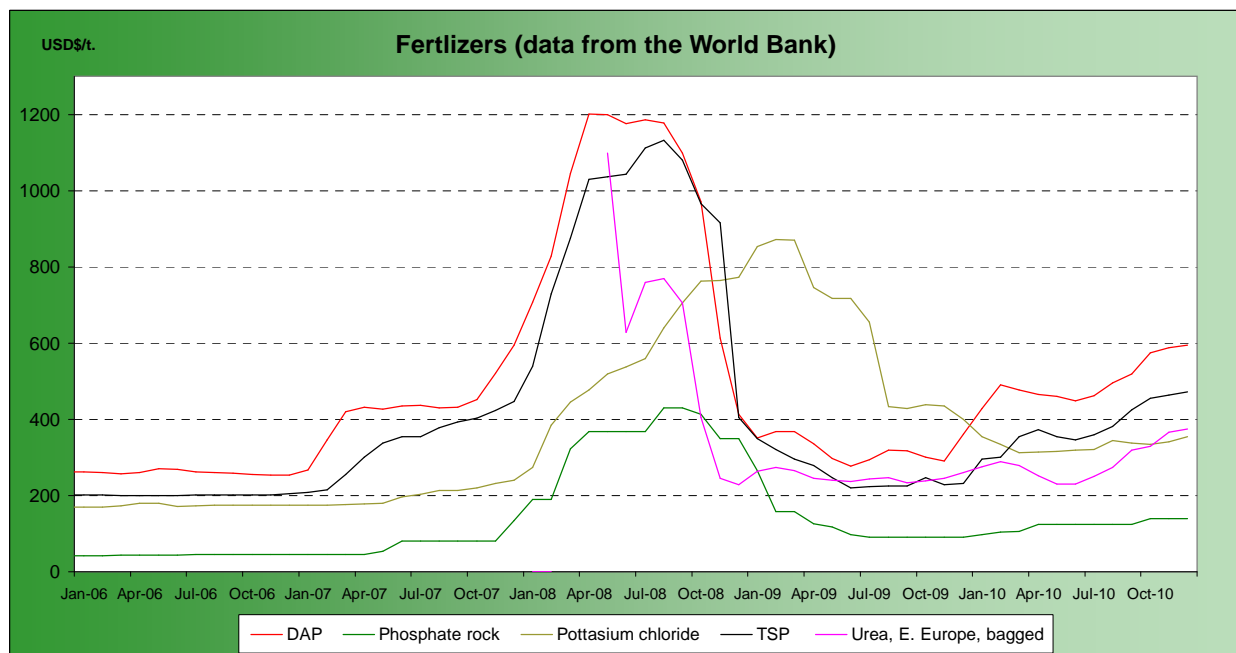


FREIGHT - Baltic Indexes



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 % |
| Baltic dry | 1594.3 | 1466.5 | -127.8 | -8.0% | -69.4% |
| Baltic Supramax | 1375.0 | 1354.3 | -20.8 | -1.5% | -54.7% |
| Baltic panamax | 1860.0 | 1964.5 | 104.5 | 5.6% | -54.7% |
| Baltic capesize | 2062.5 | 1688.0 | -374.5 | -18.2% | -72.6% |



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)



From 03rd to 14th January 2011

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 % |
| Sugar (#11) | USD/t | 688.78 | 703.10 | 14.32 | 2.1% | 117.0% |
| | Cts/lb | 31.24 | 31.89 | 0.65 | | |
| Sugar #5 | USD/t | 762.50 | 784.86 | 22.36 | 2.9% | 122.4% |
| Corn (CBOT) | USD/t | 239.76 | 246.52 | 6.76 | 2.8% | 190.2% |
| | cts/bsl | 609.00 | 626.16 | 17.16 | | |
| Soybeans (CBOT) | USD/t | 502.91 | 511.24 | 8.33 | 1.7% | 127.9% |
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| Wheat (CBOT) | USD/t | 291.41 | 283.66 | -7.74 | -2.7% | 127.6% |
| | cts/bsl | 793.16 | 772.08 | -21.08 | | |
| Ethanol | EU (€/l) | 0.58 | 0.58 | 0.00 | 0.0% | |
| | US (USD/l) | 0.6023 | 0.6083 | 0.01 | 1.0% | 3.4% |
| | Brazil (USD/l) Anhydrous | 0.7390 | 0.7311 | -0.01 | -1.1% | 55.6% |
| Crude oil | USD/barrel | 89.53 | 91.03 | 1.50 | 1.7% | 43.0% |
| Freight supramax | Index | 1375.00 | 1354.25 | -20.75 | -1.5% | -54.7% |

IN BRIEF (Source : FO Licht Sugar Daily)

Brazil : Cumulative exports in 2010 (May/Dec) reached 22.601 mln tons, up from 18.722 mln exported the same period in 2009. Total exports in 2009/10 (May/Apr) were 24.668 mln tons. Conab revised its sugar and ethanol estimates for 2010/11. Sugar production is forecast at 38.68 mln tons, up from 33.07 mln tons produced in 2009/10. Of the total, 33.93 mln tons will be produced in the C/S region and 4.75 mln tons in the N/NE. Ethanol production on the other hand was revised down to 27.7 bln litres compared the 2009/10 figure of 25.763 bln litres. Of the 2010/11 total, 19.492 bln will be hydrous alcohol and 8.108 bln anhydrous alcohol.

China : Output in China's main sugar producing province in Guangxi may be 900 000 tons less than previously thought following frost and heavy sleet. According to the China Sugar Association (CSA), Guangxi was originally forecast to produce 7.6 mln tons, white value this season, more than 60% of the national total.

India : A panel of Indian ministers will review the decision to allow 500 000 tons of sugar exports under the so-called Open General License (OGL) scheme. This move may delay sugar shipments to March or April. On January 3, the government had asked sugar mills to register for OGL exports. India produced 6.43 mln tons of sugar, white value, in the first three months of 2010/11 (Oct/Sep), up 9.2 % from 5.89 mln tons in the same period a year ago, the ISMA said. The association has forecast the country to produce 25.5 mln tons of sugar in 2010/11, while the government has projected output to reach 24.5 mln tons.

Indonesia : Indonesian state-run firm PT PPI bought 6 000 tons of Indian white sugar at prices between \$710 and \$730 per ton fob.

Mexico : Cumulative production so far in 2010/11 season reaches 1.126 mln tons compared with 923 036 tons in the same period a year ago. The industrial yield in 2010/11 is 10.95 % compared with 10.80 % last season. Mexico expects production in 2010/11 to reach 5.3 mln tons compared with 4.8 mln in 2009/10.

South Africa : Higher input costs pushed South Africa's 2009/10 season total sugar production to a 15 year low of 2.18 mln tons. According to Trix Trikkham, executive director of the SASA, "it is anticipated that 2011 will be an improved year compared to 2010, but full recovery, given normal rainfall will only take place in 2010" (Reuters).

Thailand : Sugar production as of January 9 amounted to 1.828 mln tons, raw value, down from 2.108 mln tons produced in the same period a year ago. Of the total 552 000 tons were whites and 1.211 mln tons raws. Thai white sugar is currently commanding a premium of 70 \$ above the London March contract.

USA : Sugar production in 2010/11 (Oct/Sep) is now forecast to reach 8.11 mln short tons, raw value, down 100 000 tons from the December projection but still up on the 7.967 mln tons produced in 2009/10