



November 2011

Downward trend on the sugar market

World sugar prices have substantially decreased in November 2011. On November 30, raw sugar was traded at 522 USD/t (23,7 cts/lb) while white sugar quoted 614 USD/t for delivery in March 2012. Raw sugar (respectively white sugar) prices have therefore depreciated 7% (respectively 10%) over the month. Although macroeconomics weighted strongly on the market during the first two weeks of November, fundamentals are back over the last two weeks with new marketing decisions over exports announced in India and the EU (p.9-10). The white sugar premium (Mar/Mar) is currently set at 85 USD/t (p.3).

On futures markets, the activity has remained relatively slow despite an increase of open interest during the last days of November. It is worth noting the general impact of US dollar appreciation (p.7) against other national currencies in November: Brazilian Real depreciated 6% and Euro 3,5% against US dollar over the month.

On other agricultural commodity markets, wheat has depreciated 3% over the month while soya decreased by 5% and corn by 10 % (p.6).

On the energy markets (p.4), crude oil is now back to the 100-USD level per barrel. Influenced by the price decrease in corn, US ethanol is down at 67 USD/hl against 72-73 USD/hl on November 1.

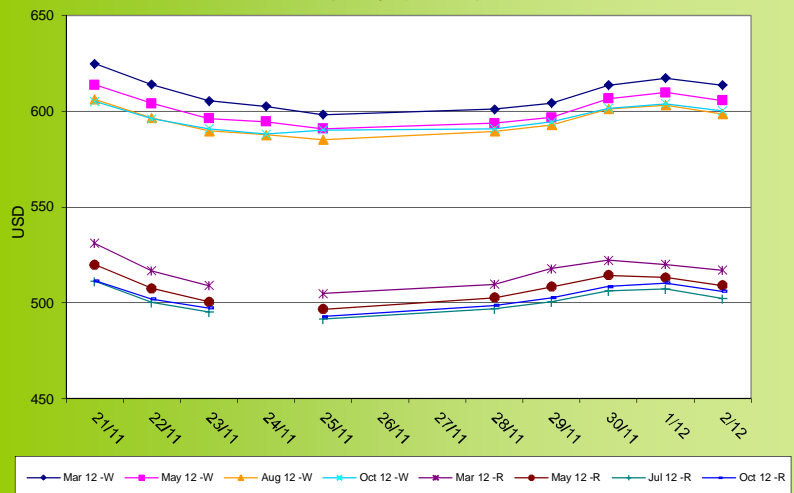
In Brazil, prices remain high with ethanol currently uncompetitive with gasoline. Anhydrous ethanol is currently traded at 75 USD/hl while hydrous ethanol reached 70 USD/hl. In the EU, T2 quotation for domestic ethanol remain steady at 61 EUR/hl.

The respective price level for by-products remain high despite a decrease for both molasses and beet pulp (p.8). Fertilizers and freight indexes remain stable with no significant downward or upward revisions.

SUGAR #11 and #5 - Prices

Settling date	Previous week	Current week	Difference
Refined sugar price - London Euronext (USD/t)			
Mar 12	609,0	609,9	1,0
May 12	599,9	602,5	2,5
Aug 12	593,0	597,0	4,0
Oct 12	594,0	598,2	4,1
Raw sugar - ICE #11 (USD/t)			
Mar 12	515,4	517,4	1,9
May 12	506,1	509,7	3,5
Jul 12	499,5	502,7	3,2
Oct 12	500,9	505,1	4,2
Raw sugar - ICE #11 (cts/lb)			
Mar 12	23,38	23,47	0,09
May 12	22,96	23,11	0,15
Jul 12	22,66	22,80	0,14
White premium (USD/t)			
Mar/Mar	84,5	85,1	0,6

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



Sugar Prices #11 and #5 since october 2009

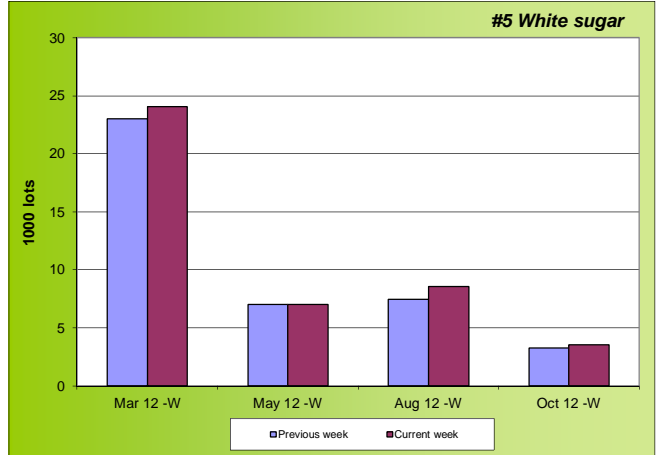
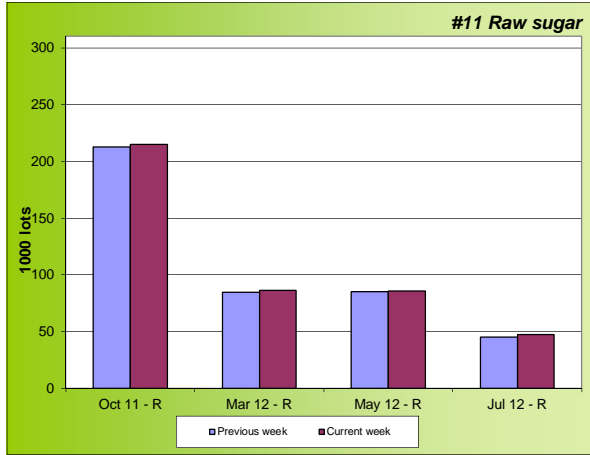




November 2011

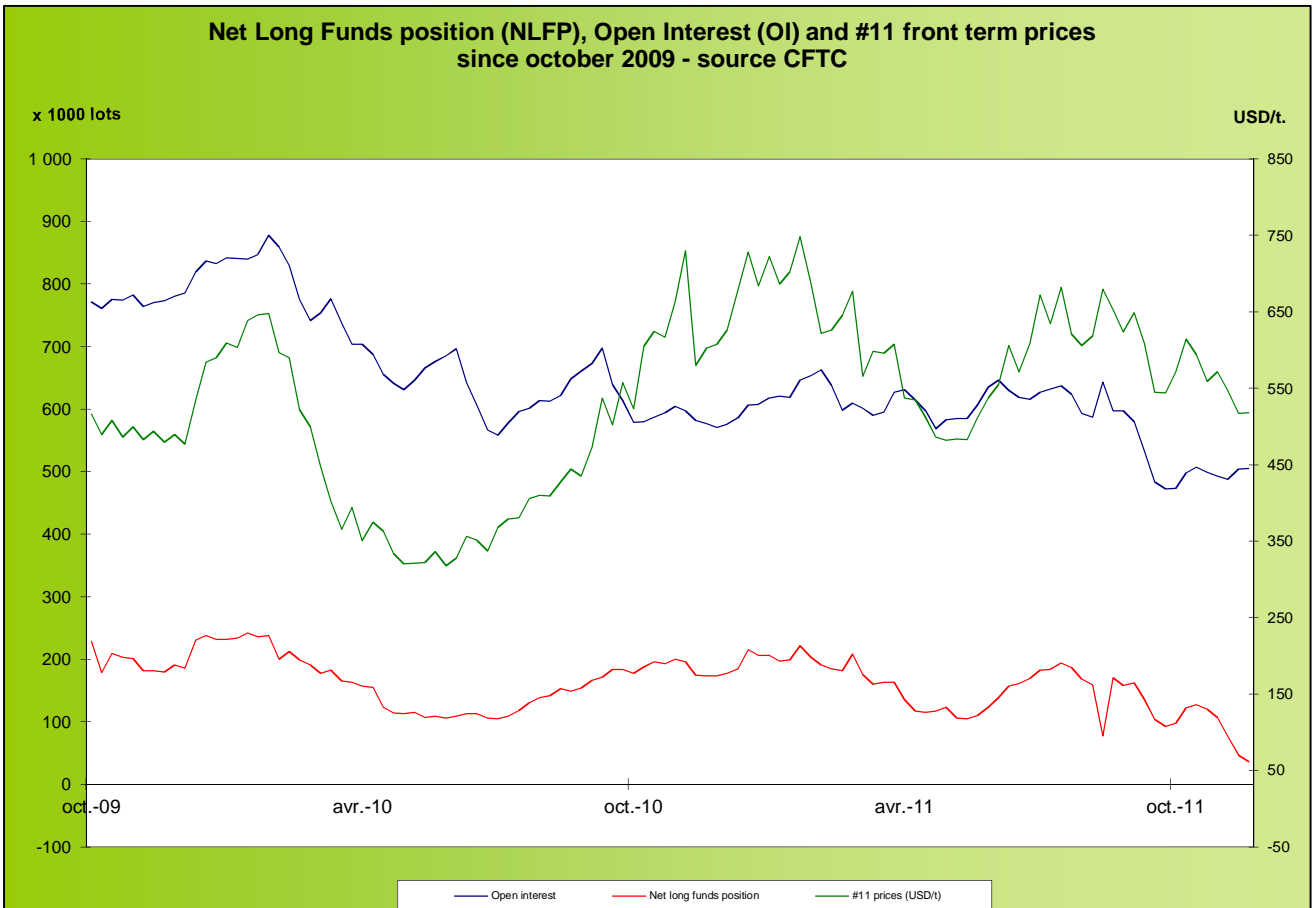
SUGAR #11 & #5 - Open interest + Funds positions

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 (%)
Oct 11 - R	213	215	2,14	1%
Mar 12 - R	85	86	1,42	2%
May 12 - R	86	86	0,31	0%
Jul 12 - R	46	47	1,86	4%
Total	500	510	10,51	2%

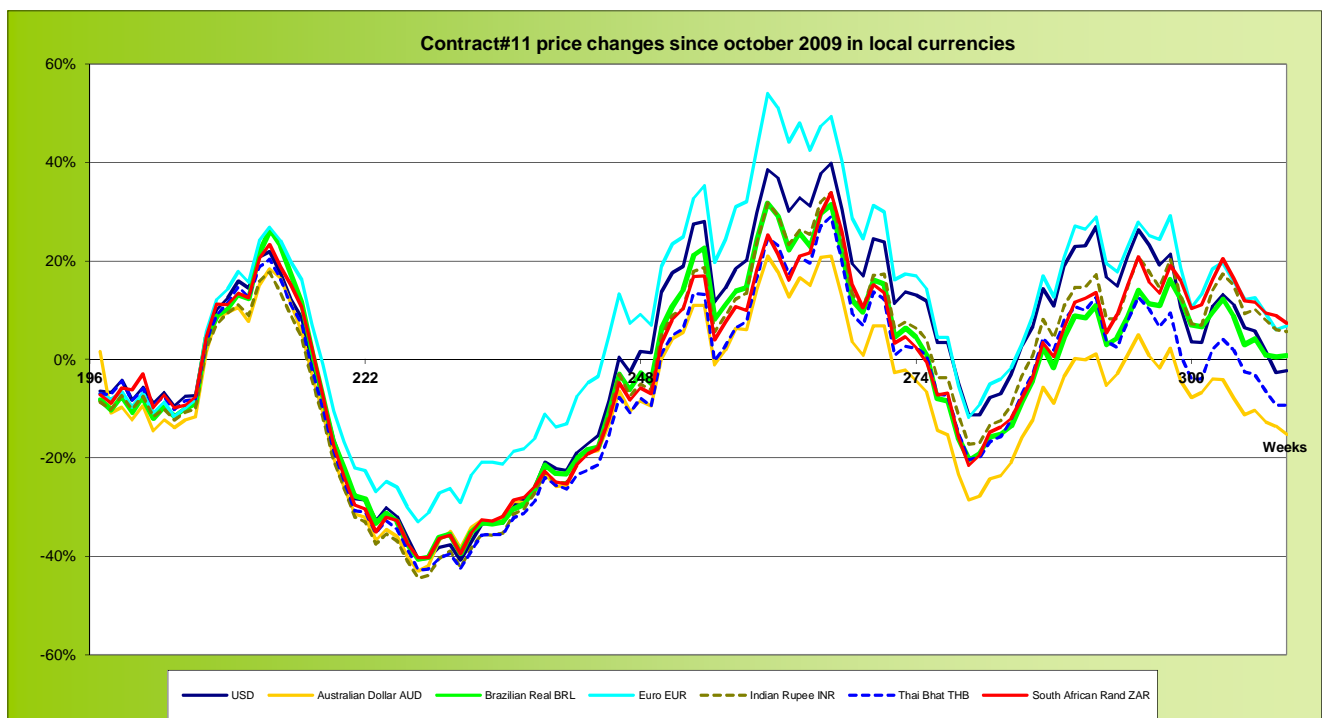
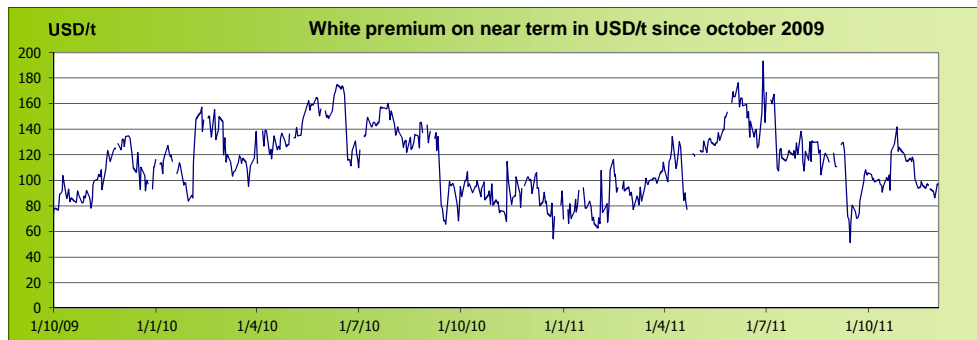
#5 Average weekly open interest				
(1000 lots)	Week n-1	Week n	Diff (lots)	Diff (%)
Mar 12 - W	23,0	24,1	1,0	5%
May 12 - W	7,0	7,0	0,0	0%
Aug 12 - W	7,5	8,6	1,1	14%
Oct 12 - W	3,2	3,5	0,3	9%
Total	43	45	2,6	6%





November 2011

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

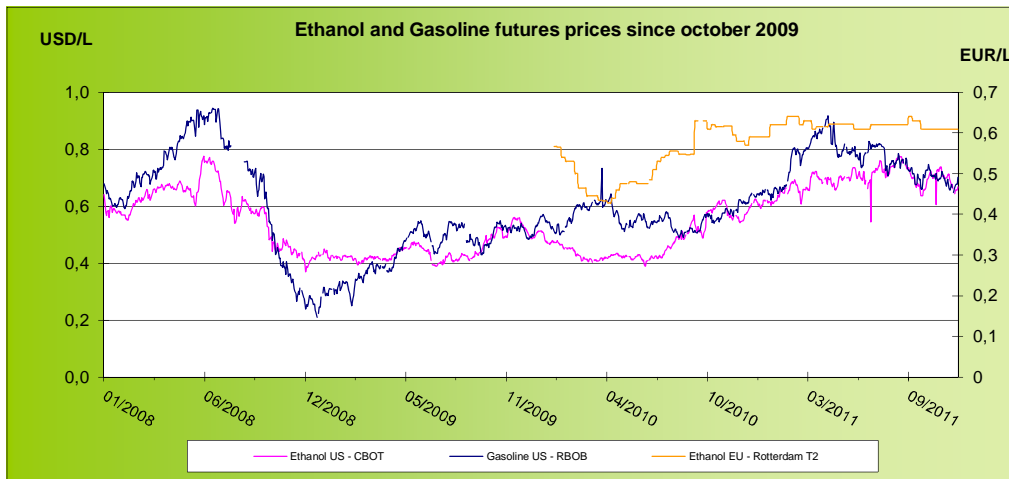
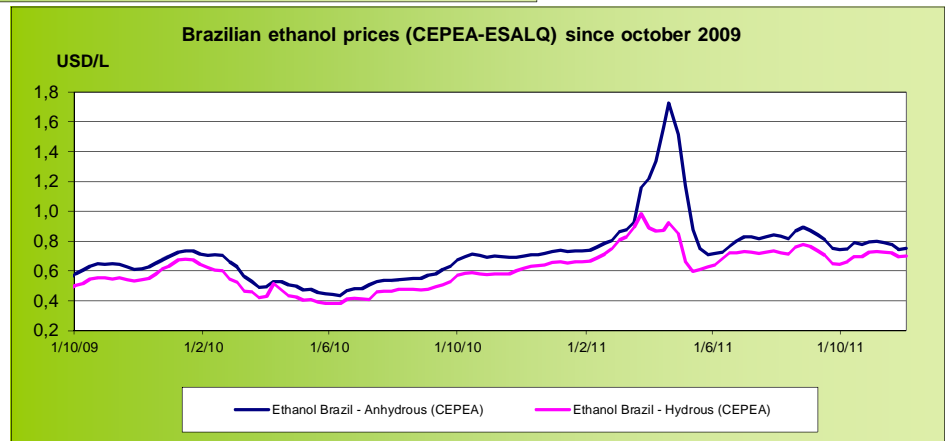
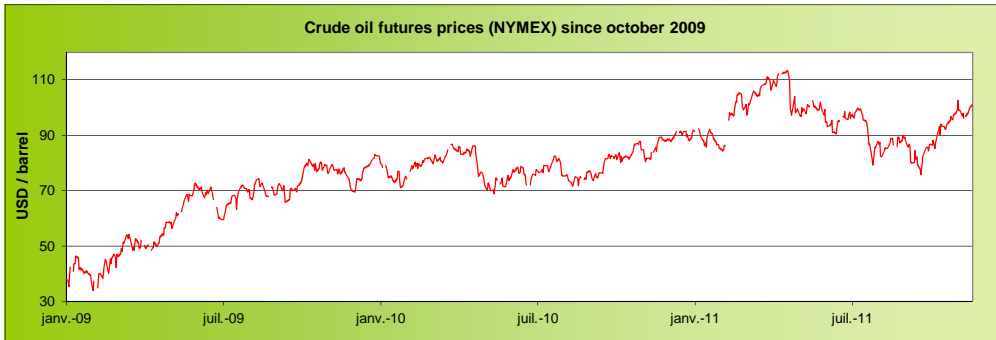
Currencies	Sugar prices in currency	Sugar prices in currency	Difference from previous week	Difference from previous week	Difference from week#1 2006
	Past week	Current week	In currency	In %	In %
USD	548,7	517,4	-31,3	-5,7%	-2,3%
Australian Dollar AUD	560,5	514,9	-45,6	-8,1%	-15,3%
Brazilian Real BRL	1006,3	946,9	-59,4	-5,9%	0,7%
Chinese Yuan CNY	3503,3	3286,9	-216,4	-6,2%	-8,9%
Euro EUR	400,5	386,9	-13,6	-3,4%	6,8%
Indian Rupee INR	27200,3	26790,7	-409,6	-1,5%	5,6%
Mexican Peso MXN	7458,2	7151,1	-307,1	-4,1%	-0,5%
Russian Rouble RUB	17579,4	15998,8	-1580,6	-9,0%	0,7%
Thai Bhat THB	16942,6	15990,3	-952,3	-5,6%	-9,4%
South African Rand ZAR	4383,1	4261,1	-121,9	-2,8%	7,3%

Sugar prices and currencies data are based on weekly average.



November 2011

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>	0,6744	0,6565	-0,0179	-2,65%	14,8%
<i>Ethanol CBOT (USD/gal)</i>	2,5078	2,4954	-0,0123		
<i>Oil (USD/barrel)</i>	96,97	99,90	2,94	3,03%	56,9%
<i>Gazoline RBOB (USD/l)</i>	0,6625	0,6786	0,016	2,42%	164,0%
<i>Sugar #11 (USD/t)</i>	515,44	517,38	1,9	0,38%	59,7%
<i>Products</i>	Past week	Current week	In USD	In %	In %
<i>Ethanol CEPEA (USD/l) - Anhydrous</i>	0,7446	0,7505	0,0059	0,79%	59,7%
<i>Ethanol CEPEA (USD/l) - Hydrus</i>	0,6956	0,6993	0,0037	0,53%	55,9%
<i>Products</i>	Past week (€/l)	Current week (€/l)	In €	In %	In %
<i>Ethanol EU - Rotterdam T2</i>	0,61	0,61	0	0,00	



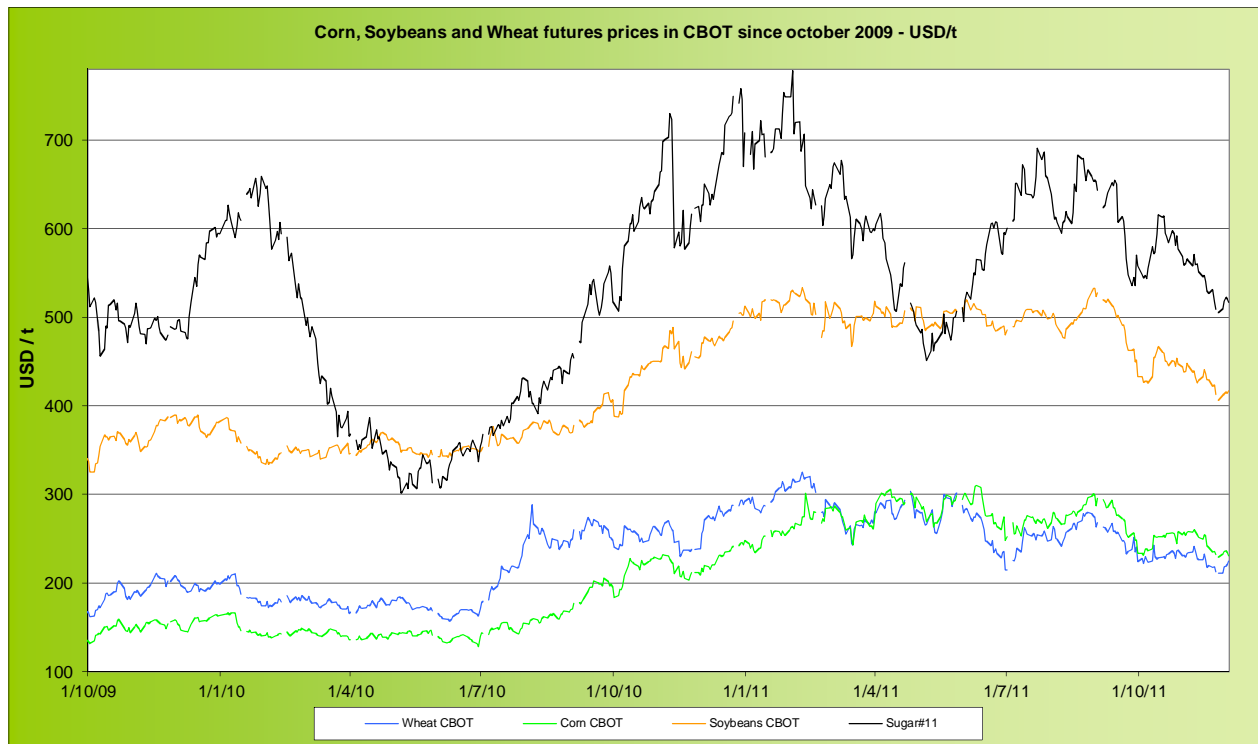
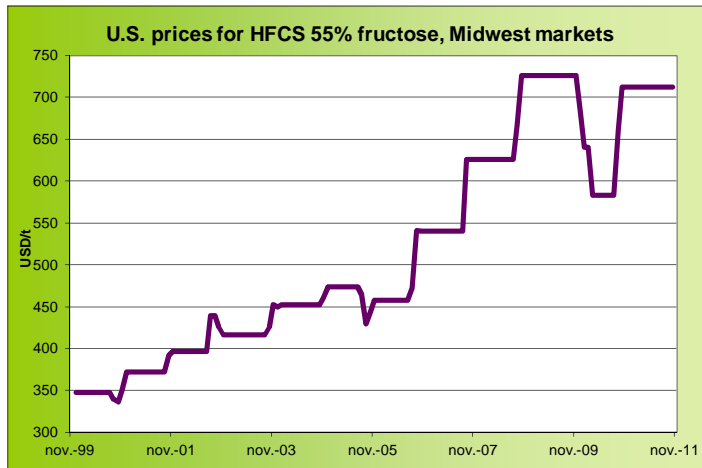
November 2011

GRAINS MARKETS - Corn, Soybeans, Wheat and HFCS

Price changes

	Current month-3	Current Month-2	In USD
HFCS 55 - USD/t	712,11	712,11	0,00
HFCS 55 - cts/lb	32,31	32,31	0,00

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



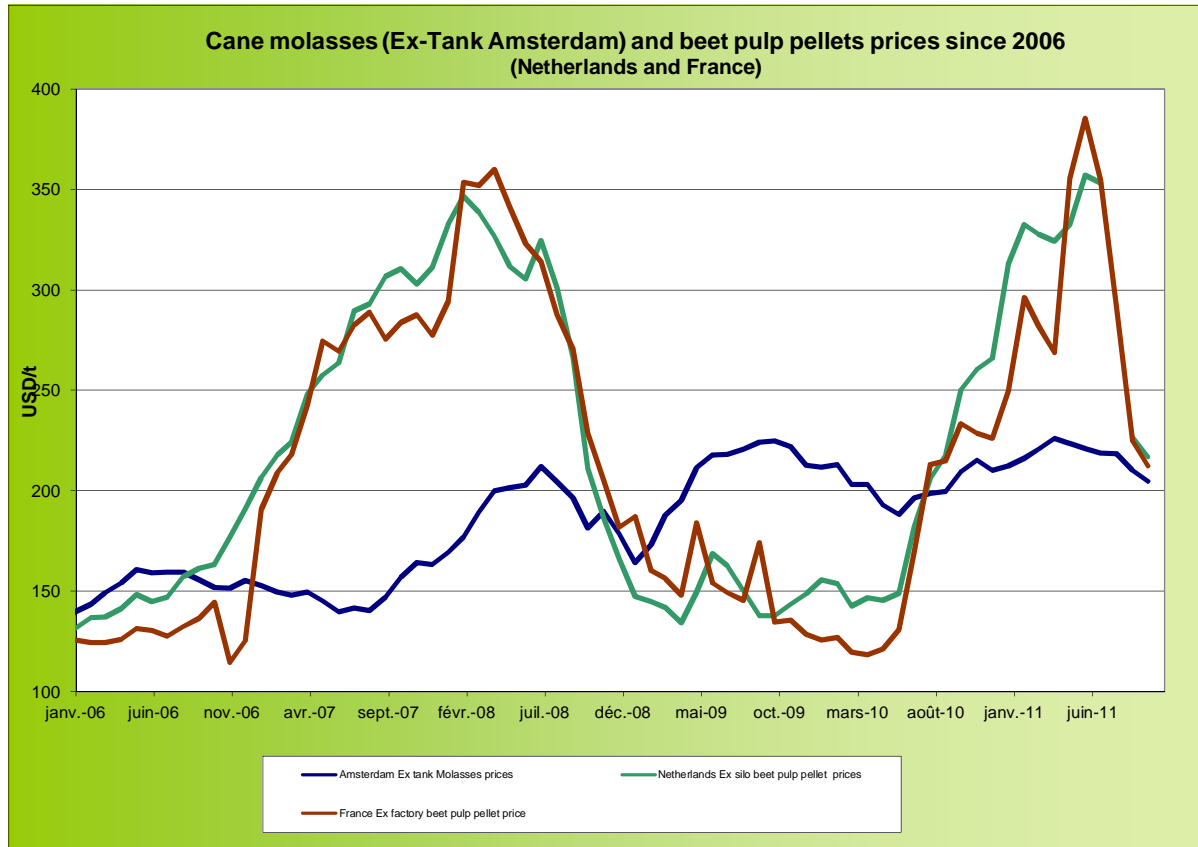
Corn, soybeans and wheat prices, changes from the past week and from the week#01 2006 in USD/t and in percentage

		Front term	Front term	Difference	Difference	Diff week#1 2006
Products		Past week	Current week	In USD	In %	In %
Corn (CBOT)	USD/t	233,03	234,00	0,97	0,4%	175,5%
	cts/bsl	591,90	594,36	2,46		
Soybeans (CBOT)	USD/t	416,06	414,49	-1,58	-0,4%	88,6%
	cts/bsl	1132,45	1128,16	-4,29		
Wheat (CBOT)	USD/t	214,84	218,88	4,05	1,9%	75,6%
	cts/bsl	584,75	595,76	11,01		



November 2011

BY-PRODUCTS - Molasses and Beet Pulp



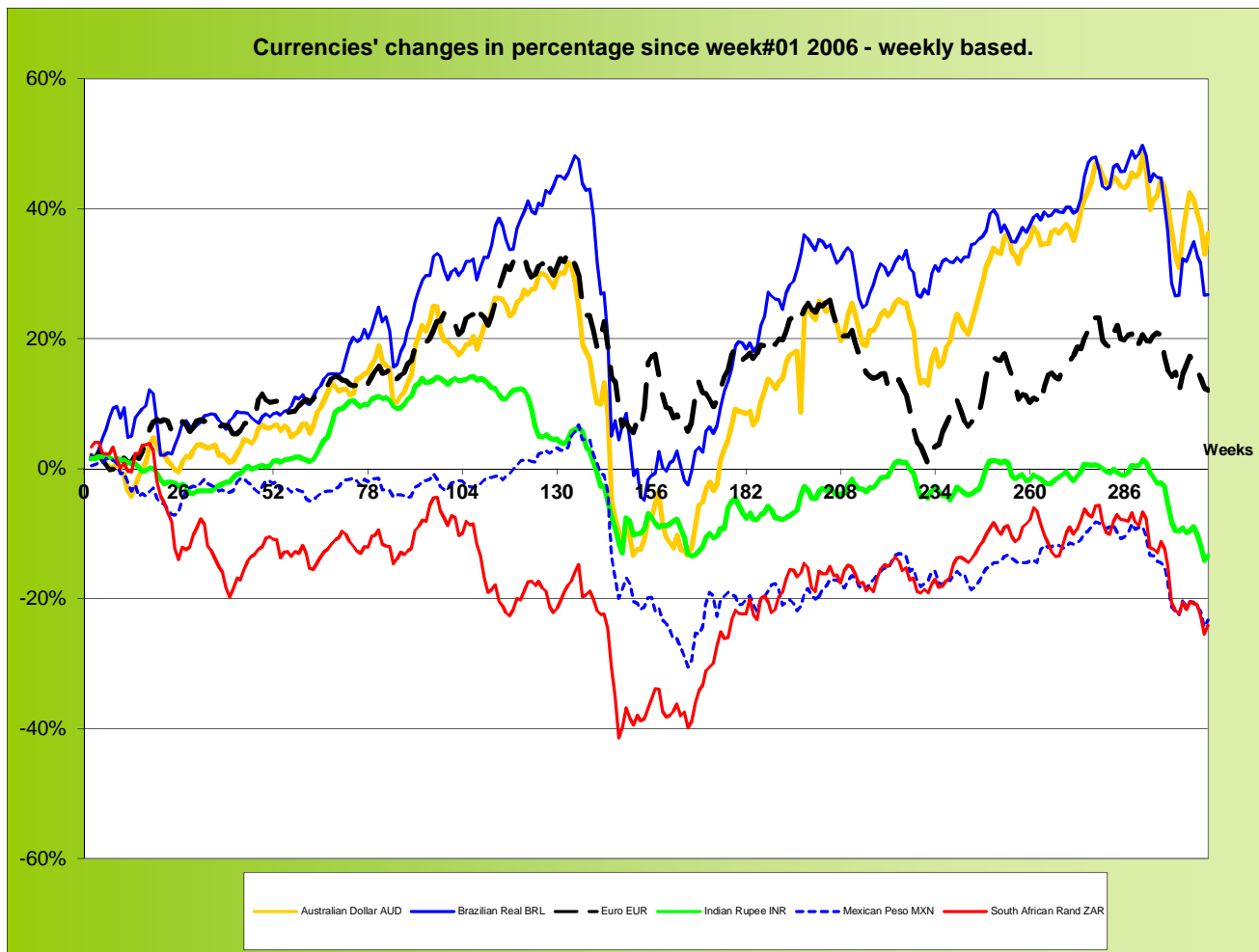
Molasses and beet pulp pellets prices and changes between three and two months before and from month#01 2006

		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 %
Amsterdam Ex tank Cane Molasses	<i>USD/t</i>	218,32	210,05	-8,27	-3,8%	50,3%
	<i>EUR/t</i>	152,20	152,20	0,00	0,0%	31,7%
Netherlands Beet Pulp Pellets	<i>USD/t</i>	NA	226,68			
	<i>EUR/t</i>	NA	164,25			
<i>Products</i>		Month -3	Month -2	In USD and €	In %	In %
France Beet Pulp Pellets	<i>USD/t</i>	291,19	224,96	-66,23	-22,7%	78,9%
	<i>EUR/t</i>	203,00	163,00	-40,00	-19,7%	56,7%



November 2011

EXCHANGE RATES



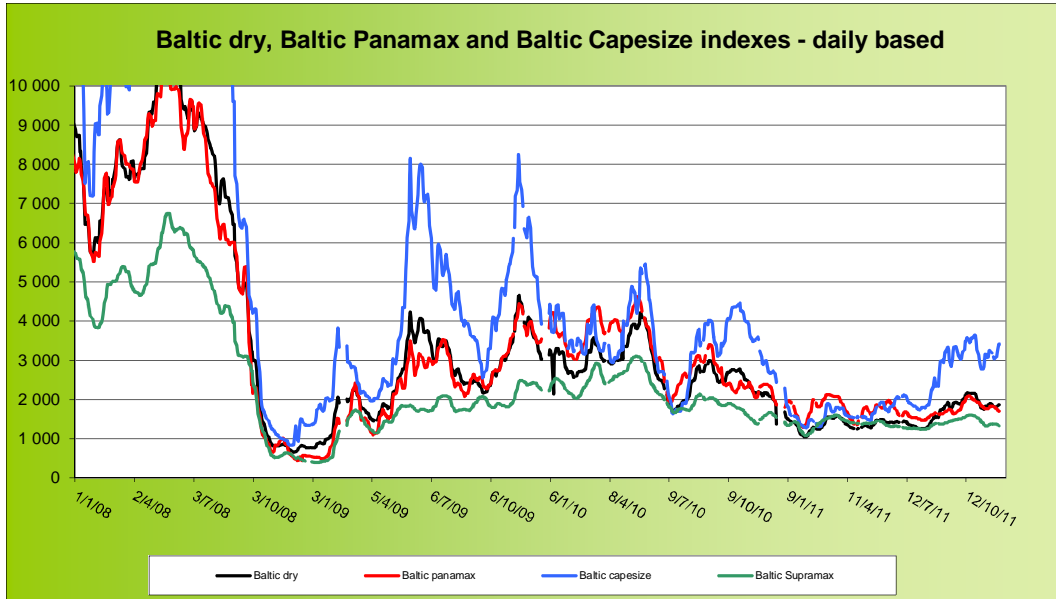
**Currencies' changes from the past week and from the week#01 2006
in USD and in percentage**

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>	0,9813	1,0049	0,02359	2,4%	36,2%
<i>Brazilian Real BRL</i>	0,5458	0,5464	0,00060	0,1%	26,8%
<i>Chinese Yuan CNY</i>	0,1571	0,1574	0,00026	0,2%	27,0%
<i>Euro EUR</i>	1,3407	1,3371	-0,00364	-0,3%	12,1%
<i>Indian Rupee INR</i>	0,0192	0,0193	0,00016	0,8%	-13,4%
<i>Mexican Peso MXN</i>	0,0713	0,0723	0,00102	1,4%	-23,2%
<i>Russian Rouble RUB</i>	0,0322	0,0323	0,00016	0,5%	-7,1%
<i>Thai Bhat THB</i>	0,0322	0,0324	0,00015	0,5%	31,7%
<i>South African Rand ZAR</i>	0,1193	0,1214	0,00215	1,8%	-24,1%



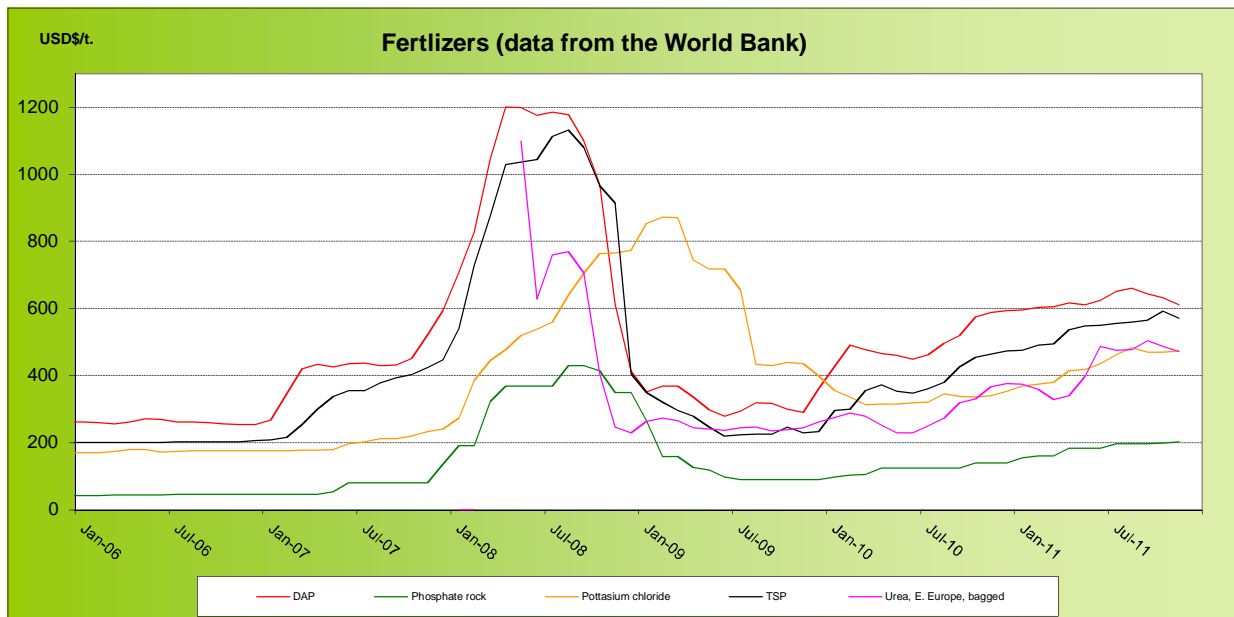
November 2011

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	1831,3	1842,2	11,0	0,6%	-60,8%
Baltic Supramax	1382,3	1357,0	-25,3	-1,8%	-54,6%
Baltic panamax	1824,3	1731,6	-92,7	-5,1%	-60,1%
Baltic capesize	3090,5	3274,8	184,3	6,0%	-46,8%



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 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	515,44	517,38	1,94	0,4%	59,7%
	Cts/lb	23,38	23,47	0,09		
Sugar #5	USD/t	608,96	609,94	0,98	0,2%	72,8%
Corn (CBOT)	USD/t	233,03	234,00	0,97	0,4%	175,5%
	cts/bsl	591,90	594,36	2,46		
Soybeans (CBOT)	USD/t	416,06	414,49	-1,58	-0,4%	88,6%
	cts/bsl	1132,45	1128,16	-4,29		
Wheat (CBOT)	USD/t	214,84	218,88	4,05	1,9%	75,6%
	cts/bsl	584,75	595,76	11,01		
Ethanol	EU (€/l)	0,58	0,58	0,00	0,0%	
	US (USD/l)	0,6744	0,6565	-0,02	-2,7%	14,8%
	Brazil (USD/l) Anhydrous	0,7446	0,7505	0,01	0,8%	59,7%
Crude oil	USD/barrel	96,97	99,90	2,94	3,0%	56,9%
Freight supramax	Index	1382,25	1357,00	-25,25	-1,8%	-54,6%

IN BRIEF(Source : FO Licht Sugar Daily) 1/2

According to the ISO, sugar consumption is expected to rise to 201 Mt in 2020. This increase is essentially driven by an increase in demand from the Indian subcontinent and the Far East which may represent around 47% of total world demand in 2020. Indian use of the sweetener will total 32,7 Mt by 2020 while China will surpass the UE as the second-largest global consumer, using 22,1 Mt.

Brazil : According to country's Foreign Trade Minister, sugar exports in November 2011 amounted to 2,518 Mt, raw value, down from 2,554 Mt exported in October and also below the 3,156 Mt seen 12 months earlier. This brought cumulative exports in Apr/Nov 2011 to 19,864 Mt compared to 21,992 Mt exported in the same period a year ago.

UNICA			
BI-WEEKLY BULLETIN - 2011/2012 SUGARCANE HARVEST IN SOUTH - CENTRAL BRAZIL			
Position on November 16, 2011			
2011/2012 harvest TOTAL - to November 16, 2011			
Products	Crop year		Variation (%)
	2010/11	2011/12	
Sugarcane *	525.616,0	479.363,1	-8,80%
Sugar *	32.001,4	30.488,3	-4,73%
Anhydrous ethanol *	6.905,2	7.785,5	12,75%
Hydrous ethanol *	17.062,3	12.203,9	-28,47%
Total ethanol *	23.967,5	19.989,4	-16,60%
ATR *	74.262,1	66.070,8	-11,03%
ATR/ ton of sugarcane *	141,29	137,83	-2,44%
Share (%) sugar	45,23%	48,43%	
Share (%) ethanol	54,77%	51,57%	
Liters of ethanol/ ton of sugar	45,60	41,70	-8,55%
Kilograms of sugar/ ton of sugar	60,88	63,60	4,47%

Source: UNICA. Note: * - thousand tons; - million liters; - kg of ATR/ ton of sugarcane; data subject to minor adjustments; *ATR is the amount of product obtained per ton of crushed sugarcane.

UNICA			
BI-WEEKLY values (1st two-week period of November)			
Products	Crop year		Variation (%)
	2010/11	2011/12	
Sugarcane *	24.385,0	18.617,4	-23,65%
Sugar *	1.464,3	1.262,9	-13,75%
Anhydrous ethanol *	398,5	297,9	-25,27%
Hydrous ethanol *	609,4	453,4	-25,60%
Total ethanol *	1.007,9	751,2	-25,47%
ATR *	3.255,3	2.606,2	-19,94%
ATR/ ton of sugarcane *	133,50	133,69	0,15%
Share (%) sugar	47,21%	50,85%	
Share (%) ethanol	52,79%	49,15%	
Liters of ethanol/ ton of sugar	41,33	40,35	-2,38%
Kilograms of sugar/ ton of sugar	60,06	67,83	12,96%

Source: UNICA. Note: * - thousand tons; - million liters; - kg of ATR/ ton of sugarcane; data subject to minor adjustments; *ATR is the amount of product obtained per ton of crushed sugarcane.

Boosted by plentiful rain, Brazil's northeast is to have a record sugarcane crop for 2011-12. According to industry sources, the region's cane crop could reach 67 Mt against 63 Mt last campaign. Nevertheless, the future expansion of the region's output is seen as limited due to limited availability of land and poor yields when compared to CS region.

According to Copersucar chairman, sugar production Brazil CS region will rise to 34 Mt, tel quel, in 2012-13 as crops expand and recover from unfavourable weather conditions, up 10,4 % from the 30,5 Mt mills in the region are expected to produce this year (see UNICA's estimations above). According to DATAGRO, there is however little hope for a substantial recovery in 2012-13 which will be a 'transitional' campaign.



November 2011

NEWS IN BRIEF

IN BRIEF (Source : FO Licht Sugar Daily) 2/2

Cuba : The country's 2011-12 sugar harvest got under way on November 29 as cane cutting began in Eastern Guantanamo province. The first two of 46 mills are scheduled to open in the first week of December. Overall, sugar output of the country is expected to reach 1,45 Mt in April (when the season will end in Cuba), up from the estimated 1,2 Mt during the previous year.

EU : Licences were issued on December 7 for the export of 700 000 tons of out-of-quota sugar. As demand for export licences exceeded the quantitative limit fixed by European Regulation, an acceptance percentage of 51,7% was applied.

The EU's Sugar Management Committee has approved sugar market measures for 2011-12 campaign including :

- the export of an additional 700 000 t of out-of-quota sugar exports on top of an initial 650 000 t approved in March
- the sale of 400 000 t of out-of-quota sugar for food use within the bloc at a reduced levy of 85 EUR/t
- the introduction of a new tendering procedure for sugar imports from all non-EU countries at lower duties, running from December 2011 to July 2012. Only full-time EU refiners will be allowed to bid for import of raw cane sugar for refining during the first three import tenders scheduled in December 2011.

Having passed the scrutiny of the European Council and Parliament, the European Commission gave its long-awaited approval to steviol glycosides in November. This approval refers to Reb-A, the highly purified form of stevia, but also to other steviol glycosides (Rebaudioside B,C,D and F, dulcoside A, rubusoside, steviolbioside)

France : According to CGB, France should produce its biggest-ever sugar beet crop in 2011-12 on the back of record yields. Around 37 Mt of sugarbeets are expected with a record 96 t of beets/ha, assuming a standardised sugar content of 16%. With a total planted area of 389 000 ha (including areas dedicated to ethanol production), the large crop will lead to a record for the production period at French sugar factories, currently estimated at 110 days.

Germany : Cumulative production in 2011-12 (oct/sept) reached 3,535 Mt so far against 2,913 Mt by this time a year ago for a total amount of processed sugarbeets estimated at 20,369 Mt with a theoretical extraction rate of 17,35% on average (up from 16,55% last year but below the 2009-10 rate of 17,62%). According to WVZ - German Sugar Industry Association - estimates, this year's total beet crop is to reach 28,874 Mt against 22,441 Mt last year (including sugarbeets used for ethanol and biogas production).

India : According to the Indian Sugar Mills Association (ISMA), sugar mills have produced a total of 2,2 Mt of sugar in October and November 2011, up 22,2% from last year. Sugar production in 2011-12 is currently forecast to reach 24,7 to 25 Mt, white value, up from 24,3 Mt in 2010-11.

India has issued a formal order for 1 Mt of sugar exports under the OGL system after India's Empowered Group of Ministers finally allowed 1 Mt of white sugar exports on November 22. In 2010-11, the country approved 2,6 Mt of sugar exports, including 1,5 Mt as unrestricted overseas shipments, popularly termed as sales under OGL.

The country has extended its tax exemption for the import of raw and white sugar by another 4 months, until 31 March 2012. This measure aims at keeping domestic prices in check after they had risen in the wake of the government's recent approval of the first tranche of 2011-12 exports (see above).

The Indian government will release a total of 1,91 Mt of sugar, white value, for consumption during December 2011, up sharply from 1,71 Mt in the same month last year. This compares with a total 1,915 Mt of white sugar released for consumption during November 2011.

Indonesia : According to the country's Deputy Trade Minister, the country may face a white sugar shortage of 300 000 to 500 000 t in calendar year 2012 and hence will have to rely on imports to meet domestic demand.

Mexico : According to the Agriculture Ministry, the country's sugar production in 2011-12 is expected to reach 5,34 Mt, tel quel, up 3% from just under 5,2 Mt produced in 2011-11. The 2011-12 harvest started on October 31 at a mill in the northeastern region of the Tamaulipas state, and as of mid-november 13 mills were in operation from a total of 54 expected to operate this season.

Russia : So far (december 5), the country produced 3,97 Mt of sugar up from 2,61 Mt the same date last year. Around 76 mills are still processing newly-harvested sugarbeets while only 19 mills were still operating at this time last year. The average extraction rate is estimated at 13,1% compared with 13,5% last year. If all of the 45 Mt of sugarbeet harvested so far were to be processed, sugar output may reach more than 5,8 Mt in theory, while the Russian Sugar Producers Union sees a range of 5-5,2 Mt as likely.

Thailand : Sugar production in 2011-12 (nov/oct) in the period ended December 1st amounted to 124 250 t (from a total sugarcane output estimated at 1,94 Mt), raw value, up from 3 135 t produced in the same period a year ago. The strong increase is mainly due to an early start of the campaign (november 15) when compared to last year (november 29). In total, the OCSB expects the country to crush 99 Mt of sugarcane with total sugar production reaching 9,9 Mt of sugar. As domestic quota (quota A) level has been set at 2,4 Mt for 2011-12 campaign, this leaves around 7,5 Mt available for exports.

According to the Office of the Cane and Sugar Board (OCSB) and as of November 27, 20 mills (out of 47) had started crushing Thailand's 2011-12 crop.

Ukraine : According to the National Association of Sugar Producers (Ukrtsukor), the country has produced 2,17 Mt of sugar, up 44,5% from the previous year. So far, the average extraction rate is estimated at 13,3% compared with 11,5% a year ago. In total, Ukrtsukor expects 2011-12 ukrainian sugar production to reach 2-2,1 Mt.