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NEWS RELEASE

Cautious optimism for global sugar prices

Growers have cause for some optimism about the outlook for world sugar prices, according to a senior Wilmar sugar trader.

Peter Bingham, from Wilmar's global trading desk in Singapore, told Burdekin growers a number of favourable developments in the global sugar industry had potential to reverse the current slump in sugar prices.

"There's broad consensus that we're moving from an oversupply situation to a global deficit in 2019-20. There are a range of forecasts for what that deficit will be, but Wilmar's analysts anticipate it will be in the order of seven million tonnes," he said, referring to the approaching shortfall in production versus consumption globally.

Mr Bingham said sugar consumption was continuing to grow in developing countries, and remained strong in Asia and Africa.

The Australian sugar industry was well positioned to capitalise on this growth due to its proximity to Asia and reputation for high-quality sugar.

"We expect to see an increase in Indonesian imports of raw sugar next year – from 3.6 million tonnes in 2019 to an estimated 4.5 million tonnes in 2020."

Other good news for Australian producers was Japan's new tariff advantage for Australian raw sugar, emissions regulations in the freight market that may increase Australia's freight advantage, India's fledgling investment in sugarcane ethanol and Brazil's potential moves to bring in a stronger ethanol mandate in a push for more biofuels.

Mr Bingham was speaking at an information session at Q Street Grill last week, attended by about 45 growers.

He provided an overview of Wilmar's global sugar operations, the challenges facing sugar companies in Brazil, factors influencing the global sugar market and world trends in sugar consumption.

General Manager Marketing David Burgess said Wilmar regularly hosted grower education sessions with visiting speakers from across Wilmar's sugar business.

"Sugar prices are affected by a variety of factors in sugar producing and consuming countries around the world, and Wilmar is uniquely placed with direct insights into many of these markets," he said.

"We want our growers to be well informed so they can make the best possible decisions for their pricing."

ENDS



Wilmar's General Manager Marketing David Burgess and Senior Sugar Trader Peter Bingham met with Burdekin producer Ricky Mio at his Clare farm.



Mardi Russell, Toni Pivotto, Aaron Ahern and Frank Catalano at the Wilmar information session.



Wilmar Grower Marketing and Pricing Manager PJ Gileppa (left) caught up with grower Nick Pucciarmati following Peter Bingham's presentation at Q Street Grill.

Media contact: Leanne Oliveri 0447 791 226