



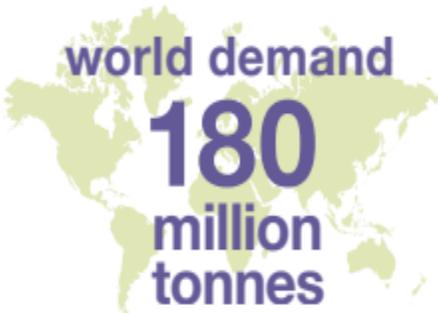
Market Intelligence Report for Jaggery

Global Consumption of Jaggery on rise in 2020

Jaggery is one of the organic food; prepared by concentrating the sugarcane juice and it is available in the form of solid block and in semiliquid form. In this health conscious era where healthy food is preferred over normal food, Jaggery plays an important role. It is also called as non-centrifugal sugar. Jaggery had much nutritional and medicinal aspect like its anti-carcinogenic and antitoxic activity. It had proved itself better as it compared to white sugar. In recently sugar consumers turn to other sources of natural sweetener for health issues.

Total global demand

Global sugar consumption was over 180 million tonnes. Consumption is driven by long-term growth of 2% annually which is expected to continue in the future.

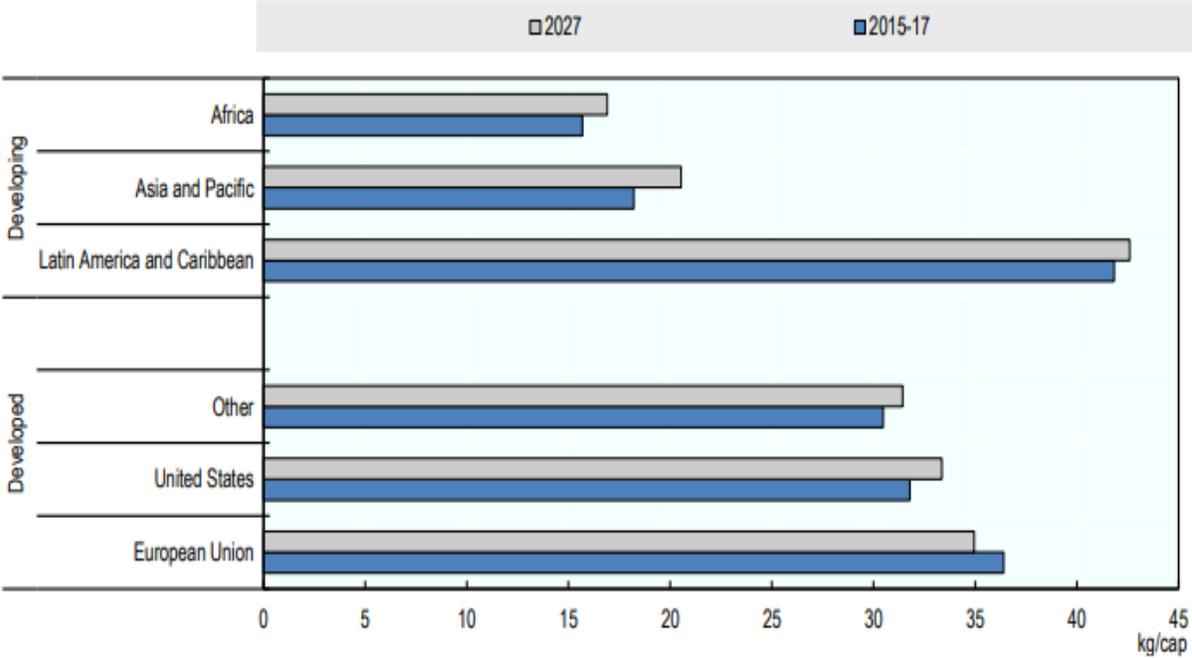


Increases in global sugar consumption over the next ten years are expected to come mainly from the developing countries who will account for 94% of the additional demand. The largest contributions to additional demand will occur in Asia (60%) and Africa (25%), two sugar deficit regions. With higher demand for processed products, sugar-rich confectionery and soft drinks, growth prospects are high in urban areas in Asian and African countries where the levels of consumption are low compared to other regions. Conversely, little growth is foreseen in Latin America and the Caribbean where consumption is already high. In Asia, it is expected that India, followed by China, Indonesia and Pakistan, will experience the largest increases in sugar consumption.

Global consumption of sugar is projected to grow at around 1.48% p.a., slightly lower than in the previous decade, to reach 198 Mt in 2027. The average world level of per capita consumption is expected to increase from 22.4 kg/cap to 23.8kg/cap

Per capita consumption is very low in China and LDC Asia, less than 12 kg per year during the base period, but the annual growth rate in those countries will not change much compared to the last decade. In Africa, the highest increases in total consumption are projected in Egypt and several SubSaharan countries but per capita consumption will stay below 10 kg per year in LDC SubSaharan countries.

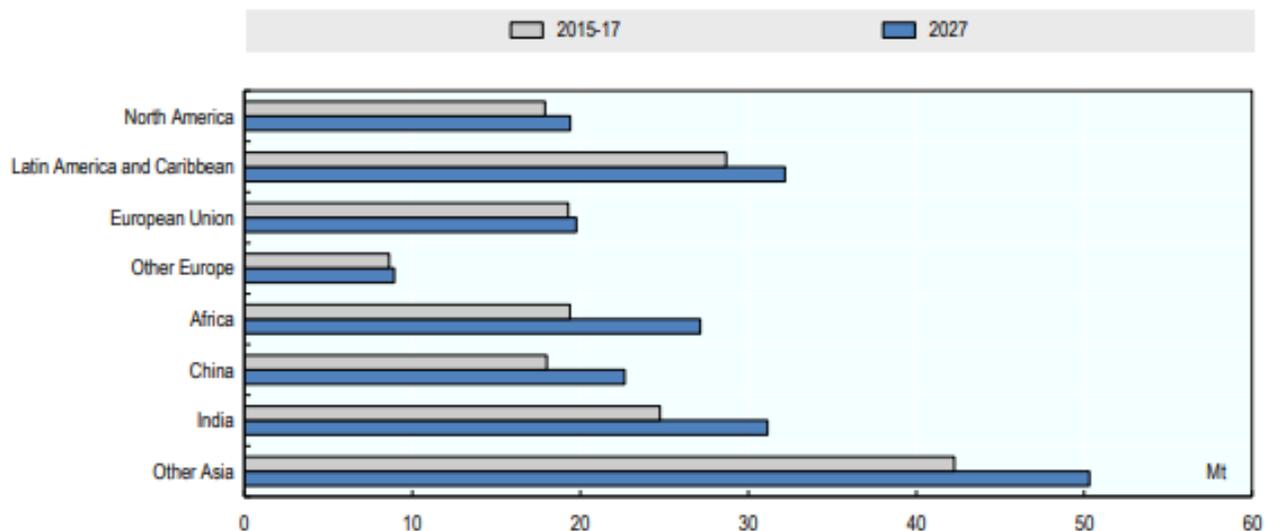
Per capita sugar demand in major countries and regions



In contrast, the level of sugar intake per person in many developed countries is projected to show a decline, consistent with their status as mature or saturated sugar markets. Slowing population growth, dietary changes based on increased health consciousness and nutritional commitments taken by multinationals will continue to impact their markets. The reverse will however occur in the United States where even if sweetener consumption is expected to be steady, the share of sugar in sweetener consumption is expected to increase. Rapid expansion of sugar demand is, however, foreseen in the Russian Federation and Ukraine where sugar will be considered as a staple product as long as slow economic growth persists.

Demand for caloric sweeteners as Jaggery is projected to grow by 33 Mt over the outlook period to reach 213 Mt in 2027 . In countries with lower consumption levels, particularly in Asia and Africa, population growth and urbanisation are expected to sustain growth in sugar consumption, driven by increased consumption of sweetened beverages and prepared food products, particularly in Asia and Africa.

Global caloric sweetener consumption

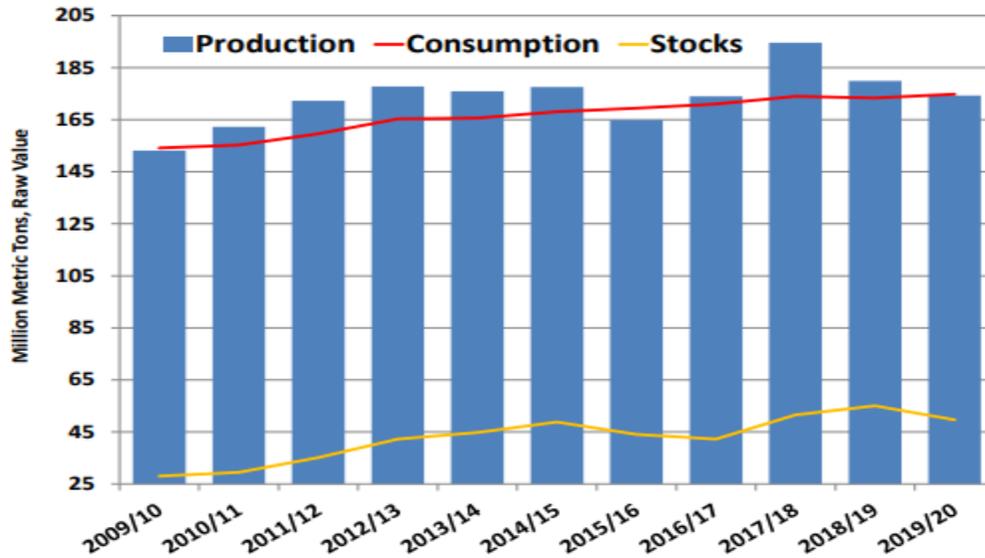


The annual growth rate of 1.5% comes from certain developing countries (Brazil, Egypt, Mexico, Paraguay, South Africa, Turkey), where per capita consumption has reached levels that raise health concerns (obesity, diabetes and other associated health issues) wherein the jaggery consumption as a form of sugar is expected to increase.

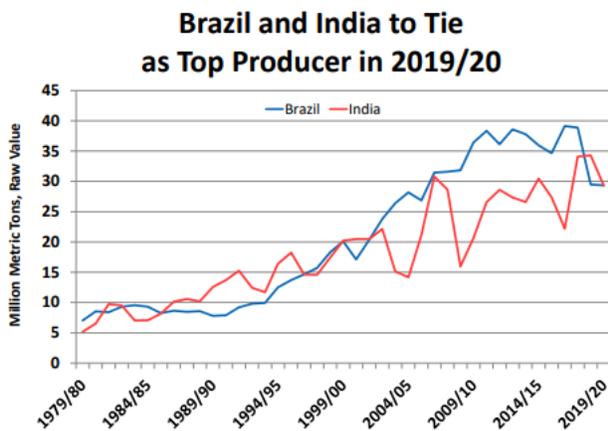
Global Production highlights

Global production for 2019/20 is estimated down 6 million tons to 174 million primarily due to the 5-million ton drop in India resulting from lower area and expected yields. Brazil and India are essentially tied as top producers. Consumption is projected to continue to rise due to record use in India. Exports are estimated to be flat while global stocks are projected down 5 million tons to 50 million with lower stocks in China, India, and Pakistan. Over the next ten years, 83% of the increase in sugar output is projected to originate in developing countries. In absolute terms, major changes in global production are expected in India (+20%), followed by China (+11%), Brazil (+11%), Thailand (+9%) and the European Union (+5%).

Stocks to Decline with Smaller Production Consumption to Hit a Record



Brazil is projected to remain the main producer, providing more than a fifth of the world's sugar production, although its sugar sector could face increased competition from the use of sugarcane for ethanol. Brazil's production is estimated down slightly to 29.4 million tons due to more sugarcane being diverted towards ethanol production and less to sugar (35 percent of the total sugarcane output is expected to be used for sugar as opposed to 35.9 percent during the previous crop).



Exports are projected to drop 1.0 million tons to 18.6 million representing the lowest level in the past 12 years. Exports have not been competitive against sugar (domestic consumption) and ethanol production (both domestic consumption and exports). Stocks are up 80,000 tons while consumption is up slightly.

Production in the European Union is forecast up 119,000 tons to 17.9 million. With stable consumption expected to be above production yet again, the EU is estimated to be a net importer of about half a million tons. Stocks are forecast to be 1.0 million tons.

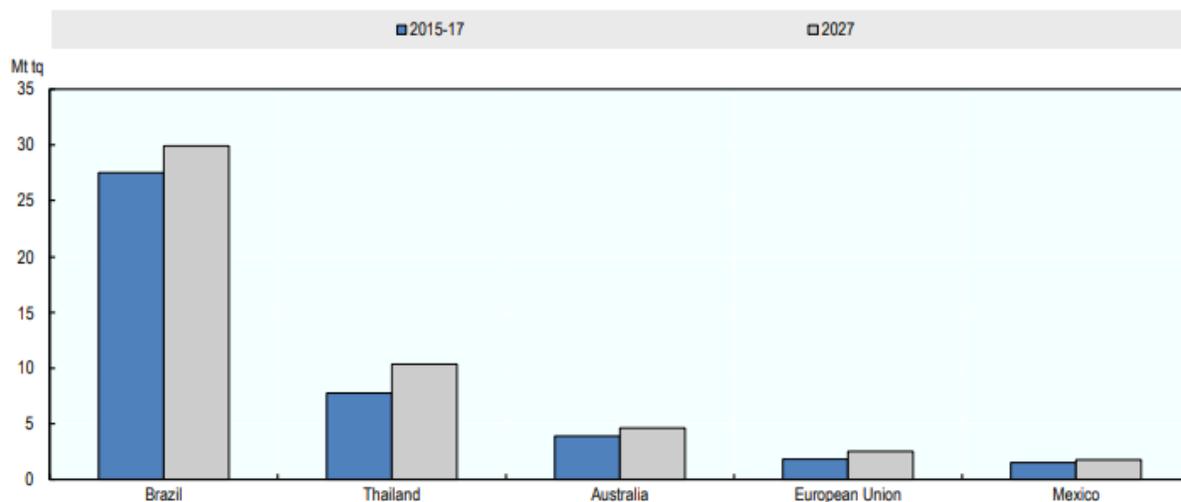
- **Thailand's** production is forecast to decline 1.0 million tons to 13.5 million on lower sugarcane yields and sugar extraction rates due to lower-than-expected precipitation. Consumption is up slightly with increased household use more than offsetting weaker demand from non-alcohol beverage manufactures and canned pineapple processors. Exports are forecast at 10.5 million tons, bringing stocks to 10.0 million.
- **China's** production is estimated up for the fourth straight year, to 10.9 million tons, due to expanded cane and beet area. Imports are estimated lower based on anticipated draw-down of stocks and stricter border controls. Consumption is unchanged.
- **Mexico's** production is estimated to fall 10 percent to 6.1 million tons due to drought conditions. Although area harvested is up 1 percent, sugarcane yield is down 11 percent from last year as drought has severely reduced yields in the Northeast and Gulf of Mexico production regions. Consumption is projected flat. Exports are projected down due to the expected lower supplies. Mexico is forecast to fully meet its export allocations to supply the U.S. market as provided in the AD/CVD Suspension Agreements. Stocks are estimated to be sufficient to cover delivery needs before the start of the 2020/21 campaign.
- **Pakistan's** production is forecast down 300,000 tons to 5.2 million because of reduced area. Consumption continues to grow at a steady rate, largely because of a growing population and an expanding domestic food-processing sector. Exports and stocks are projected to decline.
- **Australia's** production is forecast to fall 5 percent to 4.5 million tons on lower yields due to dry weather. Consumption is unchanged while exports are expected to be down due to the lower production. Australia's largest export markets include Japan, Indonesia, Singapore, and South Korea with about 80 percent of Australia's sugar production going into exports.

Trade Highlights

- The distribution of global trade is expected to remain fairly constant over the projection period, with Brazil keeping its role as the main sugar exporter (45% of global trade). The weakening of its currency vis-à-vis the US dollar over the projection period will help maintain the industry's competitiveness, but the country will be challenged by Thailand, an established Asian competitor.
- White sugar exports will represent nearly 34% of global trade over the outlook period, an increase from the 31% observed during the base period.

- Exports of white sugar are expected to increase in the European Union in the short term following the end of production quotas, and in countries that have built refineries (Middle Eastern countries and Algeria).
- Imports will remain diversified, mostly driven by demand from Africa and Asia.
- Thailand, the world's second largest exporter, will benefit from steady growth in production and will as a result continue to gain market share, accounting for 16% of world exports in 2027 versus 13% during the base period.
- In Australia, investments in irrigation, expansion of the sugarcane area and increased milling capacities will lead to higher production, which will in turn boost export sales over the medium term.

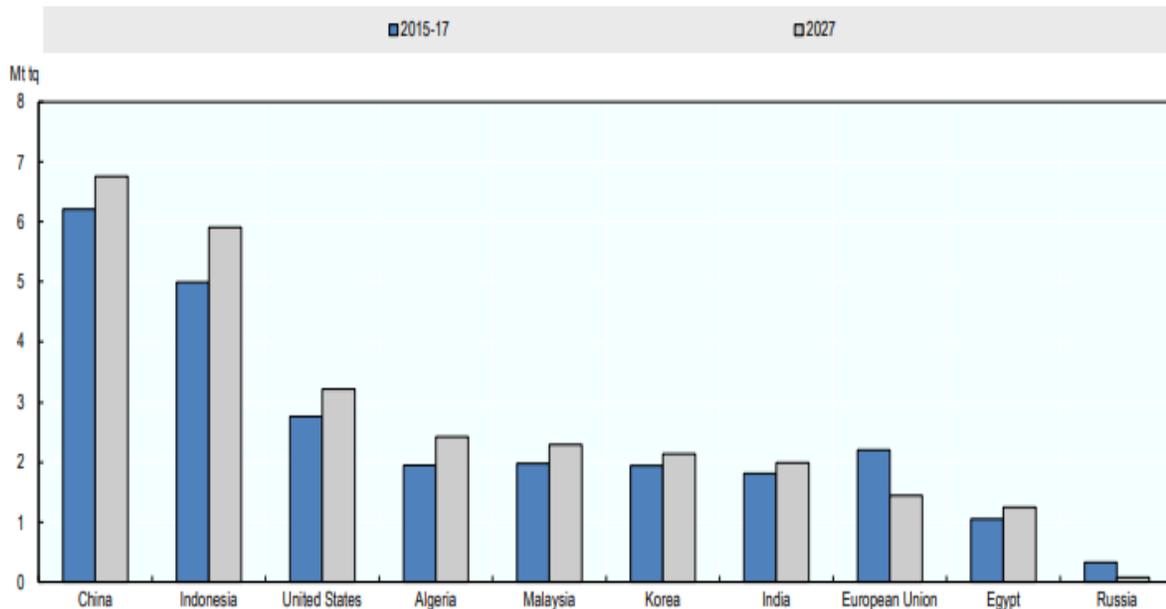
Sugar exports for major countries and regions



- Asia and Africa will see the strongest growth in sugar/jaggery demand and this will influence the growth in imports for those regions.
- China and Indonesia were the leading importers followed by the United States and the European Union, but over the projection period, **China is expected to become the leading jaggery importer, followed by Indonesia and the United States** (respectively 6.8 Mt, 5.9 Mt and 3.2 Mt).
- EU sugar imports are projected to drop by 34% over the next ten years due to the abolition of the sugar quotas.
- The United States, traditionally a sugar deficit region, will continue to be influenced by its policies which tend to foster domestic production and control the level of imports. The projected low sugar prices provide little incentive to expand sugar production. This will result in a continuation of imports established under the TRQ duty-free imports through WTO and FTAs agreements, and the Export Limit set by

the US Department of Commerce that defines Mexico's market access to the United States.

Sugar imports for major countries and regions

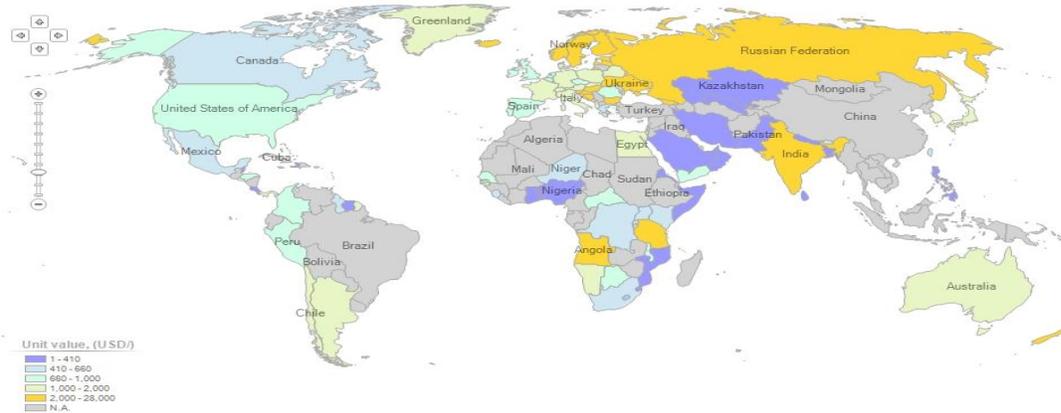


Most of these sugar importing countries have also been importing sugar in the form of jaggery. This has been seen in case of China, Australia, Chile, Egypt and USA. Russia and Angola are expected to be the largest importer of jaggery.

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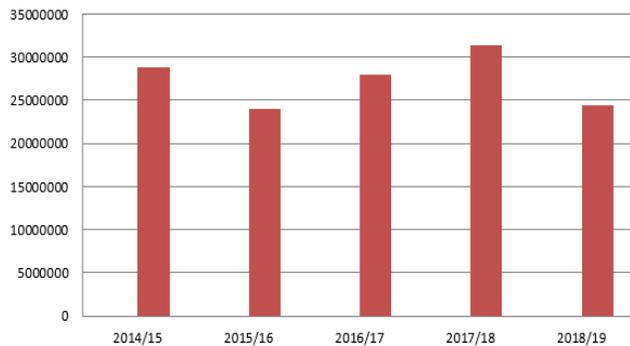
List of importing countries for the selected product in 2018

Product : 170113 Raw cane sugar, in solid form, not containing added flavouring or colouring matter, obtained without centrifugation, with sucrose content 69° to 93°, containing only natural anhydral microcrystals (see subheading note 2.)

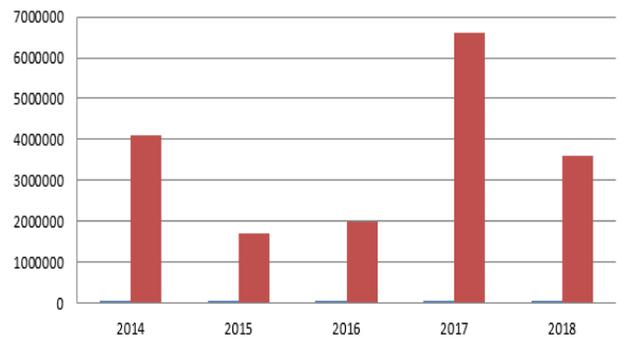


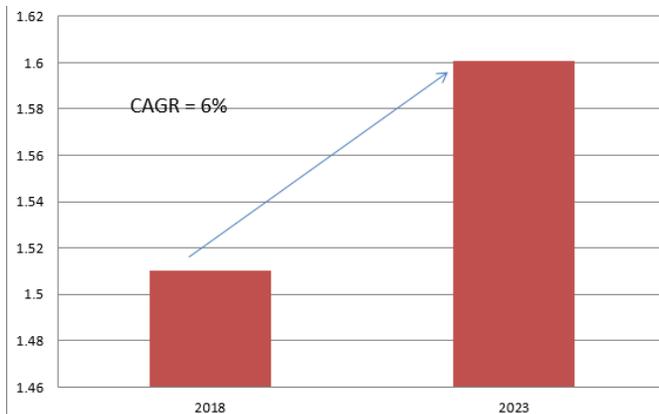
This rise in sugar imports and consumption patterns will have a direct impact on the global consumption and perspective imports of Jaggery. Despite facing a fluctuating trend in jaggery imports globally, the jaggery market is expected to grow at the rate of 6% by the end of 2023.

Total World Consumption of Jaggery (in USD 000)



Global Jaggery Imports (in Tons)



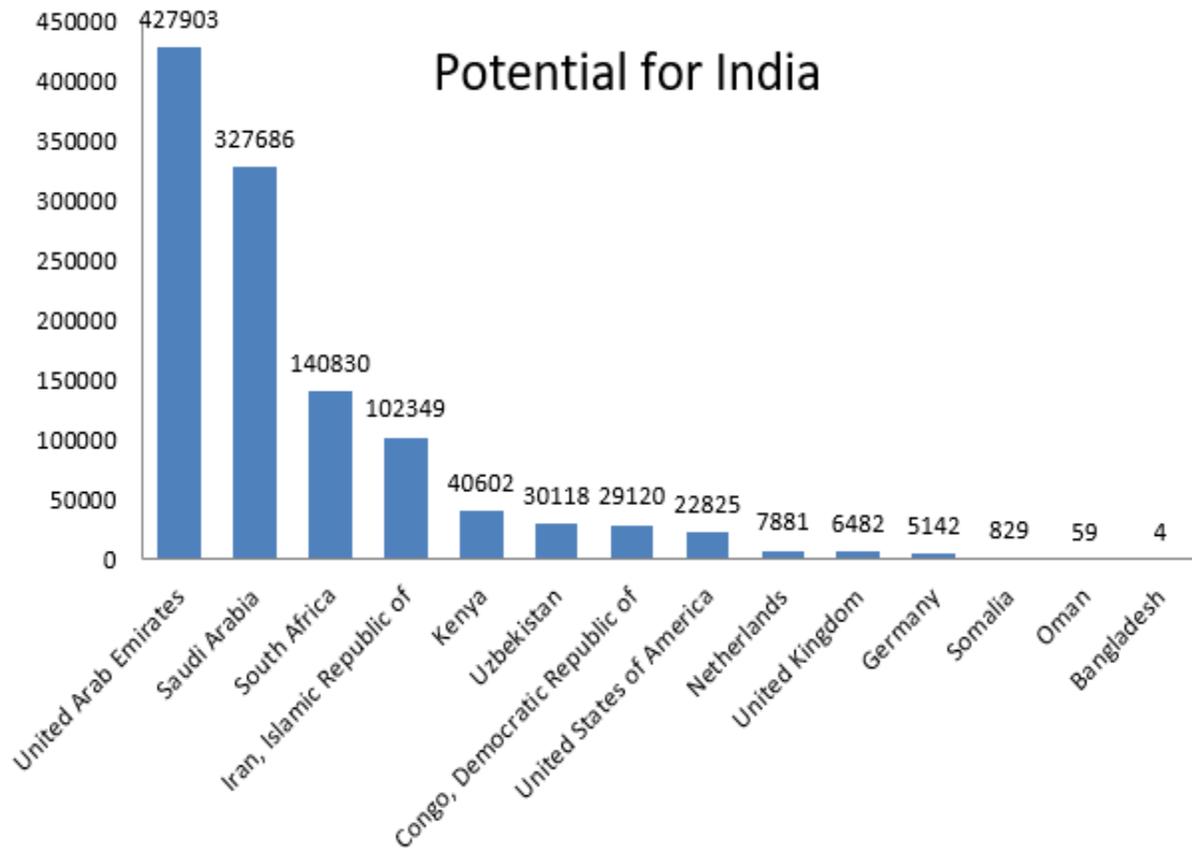


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Jaggery or Gur is mainly for human consumption, and is used in making sweet items. It is also consumed in raw form. Jaggery is also used in making alcoholic drinks and Ayurveda medicines. Jaggery is majorly used in the food processing industry for confectionery items, toffees, chocolates, chewing gums etc. Gur is popular in South East Asia, Latin America, North Africa and Caribbean Islands, though different products (sugar cane, date palm tree, sago palm, coconut palm) are used in making gur in these areas.

India accounts for more than 60% of world jaggery production, but Brazil is the major exporter of gur. It is produced in Brazil, India, Thailand, Australia, Germany, Mexico etc. Major importing countries are USA, China, Indonesia, Malaysia, Japan etc. In India conventional methods are used for jaggery production as most of its manufacturing units are located in rural areas.

In light of the rise in jaggery consumption and absence of Indian exports, the countries which give highest potential for exports of Indian jaggery in 2020 would include Africa and Middle East.



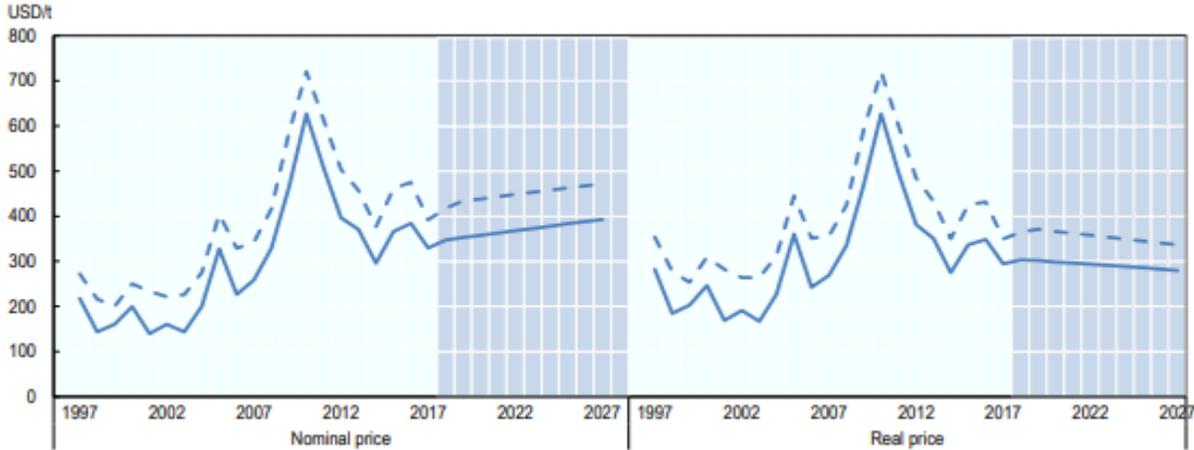
The outlook for sugar markets depends on several factors on the supply side. These include climatic conditions, prices of other competing crops or products, the evolution of input prices and exchange rates, domestic policies and also import tariffs (which have increased in China). The demand side is more stable with stronger prospects in countries where consumption is still relatively low, but weak projections in countries where high levels of per capita consumption have been reached. Many developed countries and some developing countries, including Mexico, Chile, Thailand and Saudi Arabia, have introduced a sugar tax on soft drinks in an attempt to reduce over-consumption of sugar. These taxes have prompted the food industry and manufacturers to adapt through product reformulation or the use of alternative sweeteners.

Prices

Prices of sugar globally will have a direct impact on the prices of jaggery. Sugar prices are foreseen to be higher than the average of the last 25 years in nominal terms, but lower when expressed in real terms. **By 2027, the nominal world price is projected to be USD 392/t (USD 17.8cts/lb) for raw sugar and USD 472/t (USD 21.4cts/lb) for white sugar**The white sugar premium is currently low with higher white sugar deliveries from the European Union and increasing refining capacities in Middle Eastern countries and Algeria. The premium is expected to average around USD 79/t over the outlook

period. Reforms on the demand side are also expected to take place, with cuts to sugar consumption subsidy programmes in response to budgetary pressures (e.g. Malaysia and Egypt). In addition, demand for sugar is expected to be influenced by sugar taxes on sugar-sweetened beverages that are already in place in several countries.

Evolution of world sugar prices



OPPORTUNITIES FOR INDIAN JAGGERY EXPORTS FOR 2020

	Policy	Consumption Habits	Weather and Political Forecast
Iran, Islamic Republic of	PTA	Workers of the 'Haft Tapeh' sugar cane factory have been on strike	US sanctions is having adverse effect on IRAN economy, fuel prices have been hiked by 50% . Food inflation has been stabilized from 52.1% in May'19 to 28.3% in Oct'19 .
Niger	MFN (via WTO membership)		Security conditions have deteriorated in recent years, particularly in the areas bordering Nigeria, Burkina Faso, and Mali, where armed groups have established bases and carry out repeated attacks against the security forces and civilians. To date, the government has declared a state of emergency in the Diffa, Tahoua, and Tillabéri region. Niger has become a host country to populations fleeing conflict. It currently harbors 246,000 refugees and 186,000 displaced persons, primarily in Diffa and Tillabéri and more recently, in Maradi, which is further exacerbating the country's fragility.
Vietnam	FTA (with ASEAN)	Vietnamese sugar industry is suffering from inventory losses	Severe drought warning over the next two to three months starting from Nov'19 , the drought is caused by insufficient rainfall during the wet season with a delayed arrival and earlier departure of the monsoon rain and an El Nino event that has created an abnormally high temperature and high evapotranspiration

Japan	CEPA	In Japan, sugarcane is grown only in the South-western Islands, at the southern most end of the Japanese Archipelago. Most of these islands are in the subtropics, natural and environmental conditions are fairly severe to sugarcane cultivation	
Brazil	PTA (with MERCOSUR)		In the first half of September, "little or no rain" was observed in Brazil's central region, which led some states to delay soybean planting, Brazil. Brazil's production is estimated down slightly to 29.4 million tons due to more sugarcane being diverted towards ethanol production and less to sugar (35 percent of the total sugarcane output is expected to be used for sugar as opposed to 35.9 percent during the previous crop).Exports are projected to drop 1.0 million tons to 18.6 million representing the lowest level in the past 12 years
Switzerland	Privileged Partnership		
United Arab Emirates	MFN (via WTO membership)		

Nicaragua	PTA		Nicaragua is going through a major social and political crisis, which has left hundreds of people dead as a result of the harsh repression by police and paramilitary groups close to President Daniel Ortega. According to the Chilean Red Cross, 20 people have died, at least 2,500 people have been injured, and more than 7,000 have been arrested.
Honduras	MFN (via WTO membership)		
Dominican Republic	MFN (via WTO membership)		
Spain	FTA (under negotiation)		
Thailand	FTA (with ASEAN)		Severe to extreme drought is expected to hit the four lower Mekong River Basin countries of Cambodia, Laos, Thailand and Vietnam from now until January, threatening agricultural production. During a normal year, the monsoon rain usually starts in late May and ends in October. But this year, it began almost two weeks late and departed about three weeks earlier
Israel	FTA (under negotiation)		Israeli Prime Minister Benjamin Netanyahu was indicted on Thursday for bribery, fraud, and breach of trust as part of a long-running corruption investigation. Netanyahu has denounced the charges, but they put his political future in doubt as Israel struggles to break months of political

			deadlock and potentially faces its third general election within a year
Saudi Arabia	FTA (with GCC; negotiations on hold)		
Taipei, Chinese	MFN (via WTO membership; ongoing dispute with India)		
Singapore	FTA (with ASEAN)		
China	PTA (via Asia-Pacific Trade Agreement)		Agricultural production along the middle and lower reaches of the Yangtze River is suffering from lingering heavy drought. By the end of October, provinces of Hubei, Anhui, Jiangsu, Jiangxi and Zhejiang have been hit by moderate and severe drought due to less rainfall and scorching weather, with the central areas of Anhui suffering from excessive drought
Bolivia, Plurinational State of	PTA		
Philippines	FTA (with ASEAN)		

Costa Rica	MFN (via WTO membership)		
Mauritius	CECPA (under negotiation)		
United Kingdom	FTA (under negotiation)		
uzbekistan		Pakistan to help Uzbekistan produce sugarcane	
Haiti	MFN (via WTO membership; not much potential since Haiti only imports finished goods from India)	The rapadou of Haiti is soft and sold in a bread-loaf shape.	Anti-government protests that have exacerbated food insecurity in Haiti. More than one-in-three Haitians need urgent assistance to meet their daily food requirements, meaning nearly 3.7 million people.
		As Sugarcane Farmland Shrinks, Haiti's Craft Distillers Remain Hopeful	

		Extorted and exploited: Haitian labourers on Dominican sugar plantations	
		Haiti, a former sugar colony, was formed through the rebellion of slaves, yet now many Haitians find themselves completely subordinated to the private sugar companies of the Dominican Republic.	

India versus competitive players in prime export destinations

Egypt	Country	% Share	CIF	Duty	FLP
	Brazil	100.00%	1,609	20%	1,931
Iran, Islamic Republic of	United Arab Emirates	26.90%	359	20%	431
	Brazil	20.30%	309	20%	371
	United Kingdom	19.50%	303	20%	364
	Singapore	16.20%	423	20%	508
	Spain	8.80%	603	20%	724
	Switzerland	8.20%	520	20%	624
Haiti	Nicaragua	55.30%	401	3.50%	415
	Honduras	44.60%	374	3.50%	388
	Dominican Republic	0% (nearly)	1250	3.50%	1294
Japan	China	44.80%	1163	27.80%	1486
	Thailand	39.40%	1061	27.80%	1356
	Bolivia, Plurinational State of	8.70%	1211	27.80%	1548
	Philippines	4.50%	1330	27.80%	1700
	Brazil	1.80%	2053	27.80%	2623
	Costa Rica	0.60%	1650	27.80%	2109
	Mauritius	0.20%	950	27.80%	1214

Niger	Benin	100%	625	0%	625
Lesotho	South Africa	100%	615	0%	615
Spain	Columbia	60.40%	1569	27.60%	2002
	France	15.20%	372	0%	372
	Portugal	12.60%	512	0%	512
	Ecuador	4.20%	1724	27.60%	2200
	Netherlands	4%	1906	0%	1906