



**The VM Group**  
101 Ashmill Street, London - NW1 6RA, United Kingdom  
Tel + 44 (0) 20 7569 5930  
Web: <http://www.virtualmetals.co.uk>  
Email: [info@virtualmetals.co.uk](mailto:info@virtualmetals.co.uk)

## PRESS RELEASE

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### **ABN AMRO/VM Group: Agricommodities Monthly – SUGAR QUARTERLY**

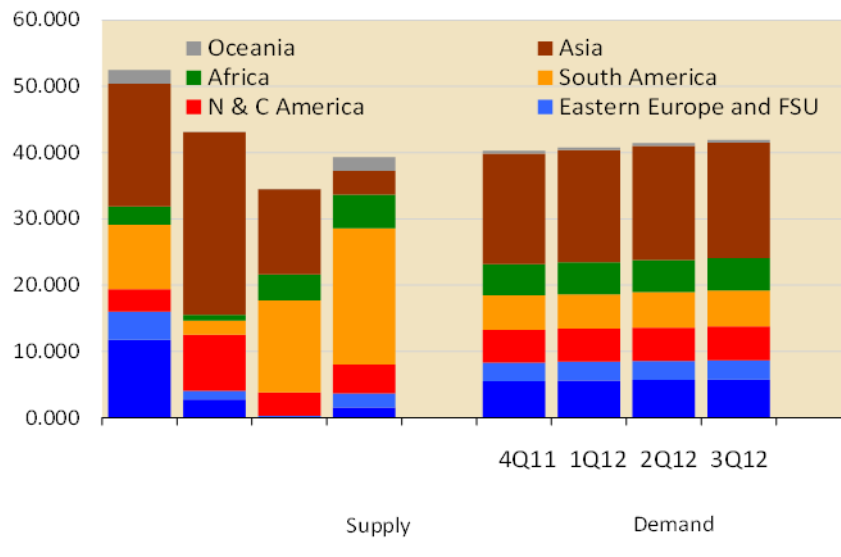
VM Group in partnership with ABN AMRO today publishes the September 2011 edition of ***The Agricommodities Monthly***, which reports on and analyses key developments in the global markets for agricommodities.

The September issue is a **Sugar Quarterly**, Our previous estimate, from our last *Sugar Quarterly* (published in June 2011) was that the period between Q4 2010, up to and including Q3 2011, would see a global deficit of 1.45 million MTRV. We have raised our global supply estimate from the June report to 174.01 million MTRV, while our consumption estimate is now 167.61 million MTRV, giving an overall surplus by the end of Q3 2012 of 6.4 million MTRV. We envisage significant choke points emerging in Q2-Q3 2012, with deficits of 7.6 million MTRV and 5.24 million MTRV respectively. International sugar prices therefore ought to ease in the six months between the last quarter of this year and the end of the first quarter of next calendar year, although much depends on weather factors and the propensity of major potential importers – notably China – to buy, if prices prove sufficiently tempting.

In addition, the report each month carries a commodity-related feature. In this issue we look at the buoyant impact of a favourable monsoon on the Indian farm sector this year, but also explore the vulnerability of the broader growth story to continuing underinvestment in agricultural infrastructure.

***The Agricommodities Monthly*** is free of charge and open-access and is available directly from the VM Group at [www.vmgroupp.co.uk](http://www.vmgroupp.co.uk). If you have not received a copy of this report, or should you require further details or commentary, please contact:

Clare Hayter, VM Group, +44 20 7569 5930, [info@virtualmetals.co.uk](mailto:info@virtualmetals.co.uk)


**Sugar balance, million MTRV (October 2010-September 2011)**

	Q4 2011	Q1 2012	Q2 2012	Q3 2012	Season total
Western Europe	13.53	3.29	0.03	1.42	<b>18.27</b>
Eastern Europe & FSU	5.94	2.22	0.82	3.17	<b>12.14</b>
North & C. America	3.43	8.44	3.60	4.59	<b>20.07</b>
South America	9.28	2.10	12.69	18.89	<b>42.96</b>
Africa	2.39	1.93	2.89	3.10	<b>10.30</b>
Asia	19.46	28.06	14.18	4.13	<b>65.84</b>
Oceania	1.79	0.01	0.43	2.21	<b>4.44</b>
<b>TOTAL SUPPLY</b>	<b>55.82</b>	<b>46.05</b>	<b>34.64</b>	<b>37.50</b>	<b>174.01</b>
Western Europe	4.80	4.86	4.93	4.99	<b>19.58</b>
Eastern Europe & FSU	3.38	3.42	3.47	3.51	<b>13.78</b>
North & Central America	4.95	5.01	5.09	5.15	<b>20.20</b>
South America	5.44	5.50	5.59	5.66	<b>22.19</b>
Africa	4.32	4.38	4.45	4.50	<b>17.65</b>
Asia	17.78	18.00	18.29	18.51	<b>72.58</b>
Oceania	0.40	0.41	0.41	0.42	<b>1.64</b>
<b>TOTAL DEMAND</b>	<b>41.06</b>	<b>41.57</b>	<b>42.24</b>	<b>42.74</b>	<b>167.61</b>
Western Europe	<b>8.74</b>	<b>(1.56)</b>	<b>(4.90)</b>	<b>(3.58)</b>	<b>(1.30)</b>
Eastern Europe & FSU	<b>2.56</b>	<b>(1.20)</b>	<b>(2.66)</b>	<b>(0.35)</b>	<b>(1.64)</b>
North & Central America	<b>(1.51)</b>	<b>3.43</b>	<b>(1.49)</b>	<b>(0.56)</b>	<b>(0.13)</b>
South America	<b>3.84</b>	<b>(3.40)</b>	<b>7.10</b>	<b>13.23</b>	<b>20.78</b>
Africa	<b>(1.94)</b>	<b>(2.45)</b>	<b>(1.56)</b>	<b>(1.40)</b>	<b>(7.35)</b>
Asia	<b>1.68</b>	<b>10.06</b>	<b>(4.11)</b>	<b>(14.38)</b>	<b>(6.74)</b>
Oceania	<b>1.39</b>	<b>(0.40)</b>	<b>0.02</b>	<b>1.79</b>	<b>2.80</b>
<b>TOTAL NET POSITION</b>	<b>14.76</b>	<b>4.48</b>	<b>(7.60)</b>	<b>(5.24)</b>	<b>6.40</b>