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PRESS RELEASE

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FORTIS BANK NEDERLAND/VM Group: Agricommodities Monthly – SUGAR QUARTERLY

VM Group in partnership with Fortis Bank Nederland today publishes the June 2010 edition of *The Agricommodities Monthly*, which reports on and analyses key developments in the global markets for agricommodities.

The June issue is a **Sugar Quarterly**, which contains our first estimate for the global sugar balance for the 2010-2011 season. This segments the supply-demand balance on a quarterly basis within an annual October-September global crop year. Our statistics are expressed as **metric tonnes raw value**, abbreviated to **MTRV**.¹ For the 2010-2011 season we estimate an overall global sugar surplus of 5.64 million MTRV. Within that we envisage by the end of the season an overall deficit of 8.67 million tonnes in the Asia region, although in Q3 2011 we estimate that the Asian region's deficit could mount to as high as 13.92 million tonnes, again MTRV.

We have also marginally revised our estimates for the global cocoa supply-demand outlook for the 2009-2010 season, with an estimated global deficit now put at 88,000t. For the 2010-2011 season, we now estimate there will be a 72,000t surplus in cocoa's supply-demand balance – however it's still quite early in the development of that season as we emphasise that our estimates for that are highly tentative at this stage.

In addition, the report each month will carry an informative commodity-related feature. In the June report we examine the upsurge in arable land prices and the extent to which the availability of land suitable for growing crops has now caught the attention of investors and governments alike.

The Agricommodities Monthly is free of charge and open-access and is available directly from the VM Group at www.vmgroupp.co.uk

If you have not received a copy of this report, or should you require further details or commentary, please contact:

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¹ Converting MTRV into million tonnes (Mt) white value incurs a 6% weight loss; so 1,000 tonnes of raw sugar converts to ~940 tonnes of white.

Estimated sugar balance, MTRV

	Q4 10	Q1 2011	Q2 2011	Q3 2011	Season total
Europe	11.17	1.01	0.04	7.34	19.56
Eastern Europe & FSU	4.39	1.31	0.24	2.20	8.14
North & C. America	3.17	7.67	3.32	4.29	18.46
South America	9.16	1.91	14.29	21.25	46.61
Africa	2.98	1.04	3.52	5.04	12.59
Asia	18.86	26.44	12.82	3.83	60.92
Oceania	2.41	0.01	0.01	2.41	4.84
TOTAL SUPPLY	52.13	39.40	34.24	46.37	171.10
Western Europe	5.53	5.60	5.69	5.76	22.58
Eastern Europe & FSU	2.78	2.82	2.86	2.89	11.35
North & Central America	5.19	5.26	5.34	5.41	21.20
South America	5.04	5.10	5.18	5.24	20.55
Africa	4.54	4.60	4.67	4.73	18.54
Asia	17.05	17.26	17.54	17.75	69.59
Oceania	0.41	0.41	0.42	0.42	1.65
TOTAL DEMAND	40.54	41.04	41.70	42.19	165.47
Western Europe	5.64	(4.59)	(5.65)	1.59	(3.02)
Eastern Europe & FSU	1.61	(1.51)	(2.62)	(0.69)	(3.22)
North & Central America	(2.03)	2.42	(2.02)	(1.11)	(2.74)
South America	4.12	(3.19)	9.11	16.01	26.06
Africa	(1.56)	(3.56)	(1.15)	0.31	(5.95)
Asia	1.81	9.18	(4.71)	(13.92)	(8.67)
Oceania	2.00	(0.40)	(0.41)	1.99	3.18
TOTAL NET POSITION	11.59	(1.64)	(7.46)	4.18	5.64

