



Sugar and Sweeteners Outlook



SSS-M-372 | August 16, 2019

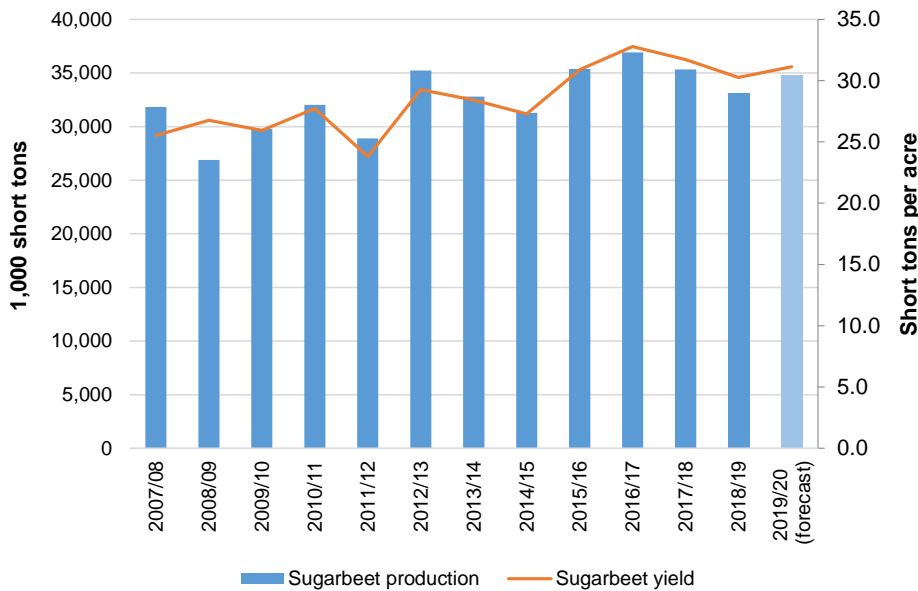
Next release is Sept. 18, 2019

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Raised Domestic Production and Deliveries Keep Stocks-to-Use Relatively Unchanged

The August *World Agricultural Supply and Demand Estimates (WASDE)* raised U.S. sugar production for both beet and cane sugar based on higher yields and harvested area forecasts. Domestic deliveries are also raised for 2018/19 reported data through the first three quarters of the fiscal year. The stocks-to-use ratio for the U.S. sugar market is forecast at 14.4 percent for 2018/19 and 13.7 percent for 2019/20.

Sugarbeet production and yields, 2007/08 to 2018/19



Source: USDA, National Agricultural Statistics Service.

U.S. Domestic Outlook

Sugarbeet and Sugarcane Crop Forecasts Raise Sugar Production Outlook for 2018/19 and 2019/20

The August *World Agricultural Supply and Demand Estimates* (WASDE) increased both supplies and use in the U.S. sugar market for 2018/19 and 2019/20. Increased production expectations for the 2019/20 sugarbeet and sugarcane crops, from information released in the National Agricultural Statistics Service's (NASS) August *Crop Production* report, raises the outlook for sugar supplies for both 2018/19 and 2019/20. Total supplies for 2018/19 are increased 88,000 short tons, raw value (STRV) from the July WASDE. The increased supplies are partially offset by higher estimated use as well, for a net a 14,000-STRV increase in carryover between 2018/19 and 2019/20.

Table 1: U.S. sugar: supply and use, by fiscal year (Oct./Sept.), August 2019

| Items | 2017/18 | 2018/19 (estimate) | 2019/20 (forecast) | 2017/18 | 2018/19 (estimate) | 2019/20 (forecast) |
|--|-----------------------------|-----------------------|-----------------------|------------------------------|-----------------------|-----------------------|
| | 1,000 Short tons, raw value | | | 1,000 Metric tons, raw value | | |
| Beginning stocks | 1,876 | 2,008 | 1,775 | 1,702 | 1,822 | 1,610 |
| Total production | 9,293 | 9,036 | 9,308 | 8,430 | 8,197 | 8,444 |
| Beet sugar | 5,279 | 5,008 | 5,179 | 4,789 | 4,543 | 4,698 |
| Cane sugar | 4,014 | 4,028 | 4,129 | 3,641 | 3,654 | 3,746 |
| Florida | 1,983 | 2,005 | 2,096 | 1,799 | 1,819 | 1,901 |
| Louisiana | 1,862 | 1,875 | 1,900 | 1,689 | 1,701 | 1,724 |
| Texas | 169 | 147 | 134 | 153 | 134 | 121 |
| Hawaii | 0 | 0 | 0 | 0 | 0 | 0 |
| Total imports | 3,277 | 3,091 | 2,981 | 2,973 | 2,804 | 2,704 |
| Tariff-rate quota imports | 1,663 | 1,604 | 1,593 | 1,509 | 1,455 | 1,445 |
| Other program imports | 326 | 400 | 350 | 296 | 363 | 318 |
| Non-program imports | 1,287 | 1,087 | 1,039 | 1,168 | 986 | 942 |
| Mexico | 1,223 | 997 | 969 | 1,110 | 904 | 879 |
| High-duty | 64 | 90 | 70 | 58 | 82 | 64 |
| Total supply | 14,445 | 14,135 | 14,064 | 13,105 | 12,823 | 12,759 |
| Total exports | 170 | 35 | 35 | 154 | 32 | 32 |
| Miscellaneous | 82 | 0 | 0 | 75 | 0 | 0 |
| Deliveries for domestic use | 12,185 | 12,325 | 12,330 | 11,054 | 11,181 | 11,186 |
| Transfer to sugar-containing products for exports under re-export program | 110 | 100 | 80 | 100 | 91 | 73 |
| Transfer to polyhydric alcohol, feed, other alcohol | 28 | 25 | 25 | 25 | 23 | 23 |
| Commodity Credit Corporation (CCC) sale for ethanol, other | 0 | 0 | 0 | 0 | 0 | 0 |
| Deliveries for domestic food and beverage use | 12,048 | 12,200 | 12,225 | 10,930 | 11,068 | 11,090 |
| Total use | 12,438 | 12,360 | 12,365 | 11,283 | 11,213 | 11,217 |
| Ending stocks | 2,008 | 1,775 | 1,699 | 1,822 | 1,610 | 1,542 |
| Private | 2,008 | 1,775 | 1,699 | 1,822 | 1,610 | 1,542 |
| Commodity Credit Corporation (CCC) | 0 | 0 | 0 | 0 | 0 | 0 |
| Stocks-to-use ratio | 16.14 | 14.36 | 13.74 | 16.14 | 14.36 | 13.74 |

Source: USDA, Economic Research Service, Sugar and Sweetener Outlook.

Sugarbeet production for the 2019/20 crop is increased based on NASS's August report, which provided the first survey-based forecast for sugarbeet production and yield for the 2019/20 crop. Higher sugarbeet production translates to more beet sugar production. Most of the additional production is expected to be accounted for in the 2018/19 fiscal year, during the early-harvest period in August and September. The area and yield information provided by NASS indicates that the sugarbeet crop has experienced good development conditions after the weather-induced delayed planting posed a risk to the crop's prospects. With that risk seemingly reduced and increased expectations for the scale of the crop, processors—particularly in the Red River Valley in Minnesota and North Dakota—will likely have to rely on the early-season period to manage processing throughput and capacities; hence, most of the increased beet sugar production will occur in 2018/19.

Table 2: Beet sugar production projection calculation, 2018/19 and 2019/20

| | 2014/15 | 2015/16 | 2016/17 | 2017/18 | 2018/19 | 2018/19 | 2019/20 | 2019/20 |
|---|---------|---------|---------|---------|---------|---------|---------|---------|
| | | | | | July | August | July | August |
| Sugarbeet production (1,000 short tons) 1/ | 31,285 | 35,371 | 36,881 | 35,325 | 33,145 | 33,145 | 34,071 | 34,751 |
| Sugarbeet shrink 2/ | 5.4% | 6.5% | 8.3% | 7.3% | 5.0% | 5.0% | 6.5% | 6.5% |
| Sugarbeet sliced (1,000 short tons) | 29,595 | 33,066 | 33,834 | 32,742 | 31,488 | 31,488 | 31,857 | 32,492 |
| Sugar extraction rate from slice | 14.61% | 14.58% | 13.72% | 15.18% | 14.81% | 14.81% | 14.58% | 14.58% |
| Sugar from beets slice (1,000 STRV) | 4,325 | 4,820 | 4,643 | 4,970 | 4,663 | 4,663 | 4,645 | 4,738 |
| Sugar from molasses (1,000 STRV) 2/ | 341 | 380 | 352 | 368 | 368 | 368 | 368 | 368 |
| Crop-year sugar production (1,000 STRV) 3/ | 4,667 | 5,201 | 4,995 | 5,338 | 5,031 | 5,031 | 5,013 | 5,106 |
| August-September sugar production (1,000 STRV) | 461 | 688 | 606 | 715 | 655 | 655 | 511 | 600 |
| August-September sugar production of subsequent crop (1,000 STRV) | 688 | 606 | 715 | 655 | 511 | 600 | 633 | 633 |
| Sugar from imported beets (1,000 STRV) 4/ | -- | -- | -- | -- | 33 | 33 | 40 | 40 |
| Fiscal year sugar production (1,000 STRV) | 4,893 | 5,119 | 5,103 | 5,279 | 4,920 | 5,008 | 5,175 | 5,179 |

Notes: 1/ USDA, National Agricultural Statistics Service. 2/ Projections based on processor forecasts published by USDA, Farm Service Agency. 3/ August-July basis. 4/ Sugar from imported beets split out for projections only, included in total once full crop-year slice is recorded. Sugar from imported beets are incorporated into total production in historical data.

Source: USDA, Economic Research Service and World Agricultural Outlook Board.

Harvested sugarbeet area is forecast at 1.117 million acres in August—a 12,000-acre increase from the July forecast. Most of the increase from the previous month is due to higher forecasts for Minnesota and North Dakota, which account for the majority of the early-harvest season production. If realized, the harvested area would be a 1.9-percent increase from the 2018/19 crop.

Table 3: Sugarbeet harvested area, 2015/16 to 2019/20, July 2019

| State | 2015/16 | 2016/17 | 2017/18 | 2018/19 | 2019/20 | | Annual Change |
|--------------|--------------------|---------|---------|---------|---------------|---------------|----------------|
| | | | | | Jul. forecast | Aug. forecast | |
| | <i>1,000 acres</i> | | | | | | <i>Percent</i> |
| Minnesota | 435.0 | 417.0 | 409.0 | 408.0 | 413.0 | 421.0 | 3.2 |
| North Dakota | 206.0 | 203.0 | 212.0 | 199.0 | 205.0 | 209.0 | 5.0 |
| Idaho | 172.0 | 170.0 | 166.0 | 163.0 | 166.0 | 166.0 | 1.8 |
| Michigan | 151.0 | 149.0 | 143.0 | 147.0 | 144.0 | 145.0 | -1.4 |
| Nebraska | 46.8 | 47.2 | 45.2 | 44.1 | 43.7 | 43.2 | -2.0 |
| Montana | 43.7 | 45.3 | 42.7 | 42.4 | 41.9 | 41.5 | -2.1 |
| Wyoming | 31.2 | 30.0 | 31.6 | 30.7 | 30.8 | 30.6 | -0.3 |
| Colorado | 27.3 | 27.6 | 29.0 | 25.5 | 25.0 | 24.5 | -3.9 |
| Oregon | 7.7 | 10.2 | 9.1 | 9.3 | 9.5 | 9.7 | 4.3 |
| Washington | N/A | 1.9 | 1.8 | 1.8 | 2.0 | 2.0 | 11.1 |
| U.S. Total | 1,145.4 | 1,126.2 | 1,113.8 | 1,095.4 | 1,105.1 | 1,116.7 | 1.9 |

Source: USDA, National Agricultural Statistics Service.

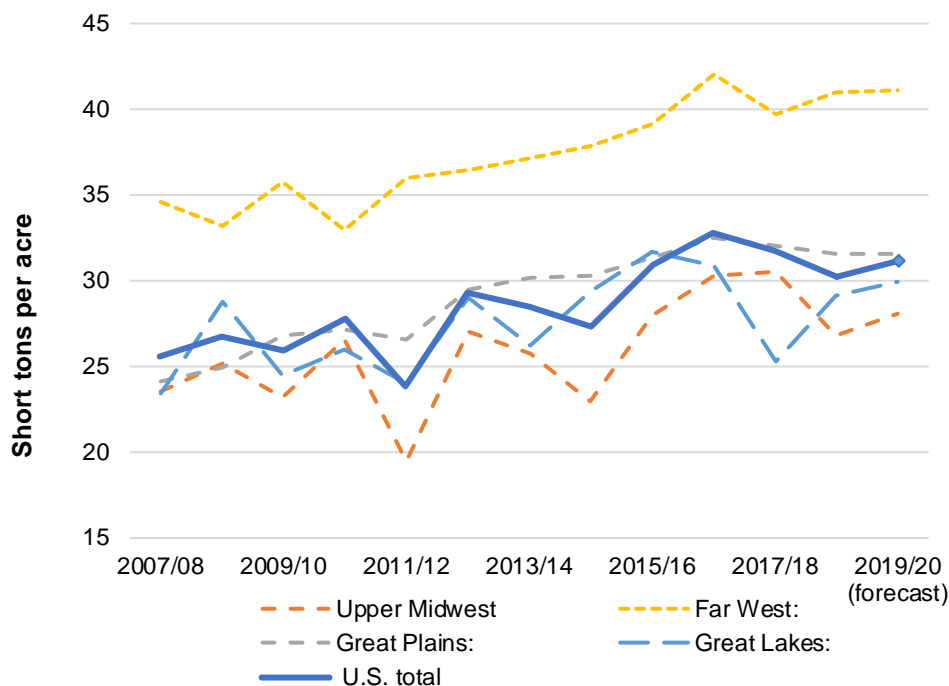
The first NASS forecast for sugarbeet production for the 2019/20 crop is 34.751 million short tons—which would be a 4.8-percent increase from the 2018/19 crop, if realized. Sugarbeet yields are also expected to be higher than the previous year. The national average yield is forecast at 31.1 short tons per acre; a recovery from the previous year’s yield of 30.3 short tons per acre, which was below trend due to exceptionally cold weather conditions in several critical regions during the harvest season. The current forecasts show each sugarbeet-producing region with year-over-year improvement in yields from 2017/18, with the exception of the Great Plains (including Colorado, Montana, Nebraska, and Wyoming), which is forecast to have yields unchanged.

Table 4: Sugarbeet production, 2015/16 to 2019/20, August 2019

| State | 2015/16 | 2016/17 | 2017/18 | 2018/19 | 2019/20 | Annual change |
|--------------|-------------------------|---------|---------|---------|---------|----------------|
| | | | | | | |
| | <i>1,000 short tons</i> | | | | | <i>percent</i> |
| Minnesota | 12,180 | 12,510 | 12,515 | 10,486 | 11,578 | 10.4 |
| North Dakota | 5,747 | 6,252 | 6,445 | 5,731 | 6,124 | 6.9 |
| Idaho | 6,588 | 7,038 | 6,507 | 6,602 | 6,789 | 2.8 |
| Michigan | 4,787 | 4,589 | 3,604 | 4,278 | 4,336 | 1.4 |
| Nebraska | 1,329 | 1,411 | 1,437 | 1,407 | 1,365 | -3.0 |
| Montana | 1,442 | 1,586 | 1,396 | 1,319 | 1,390 | 5.4 |
| Wyoming | 939 | 951 | 891 | 946 | 894 | -5.5 |
| Colorado | 958 | 927 | 1,035 | 831 | 767 | -7.7 |
| California | 1,104 | 1,137 | 1,066 | 1,092 | 1,043 | -4.5 |
| Washington | N/A | 91 | 87 | 87 | 93 | 6.9 |
| U.S. Total | 35,371 | 36,920 | 35,317 | 33,145 | 34,751 | 4.8 |

Source: USDA, National Agricultural Statistics Service.

Figure 1
 Yields, sugarbeets, by region, 2007/08 to 2019/20



Source: USDA, National Agricultural Statistics Service.

Year-Over-Year Cane Sugar Production Growth Driven by Higher Yields in Florida, Higher Area in Louisiana

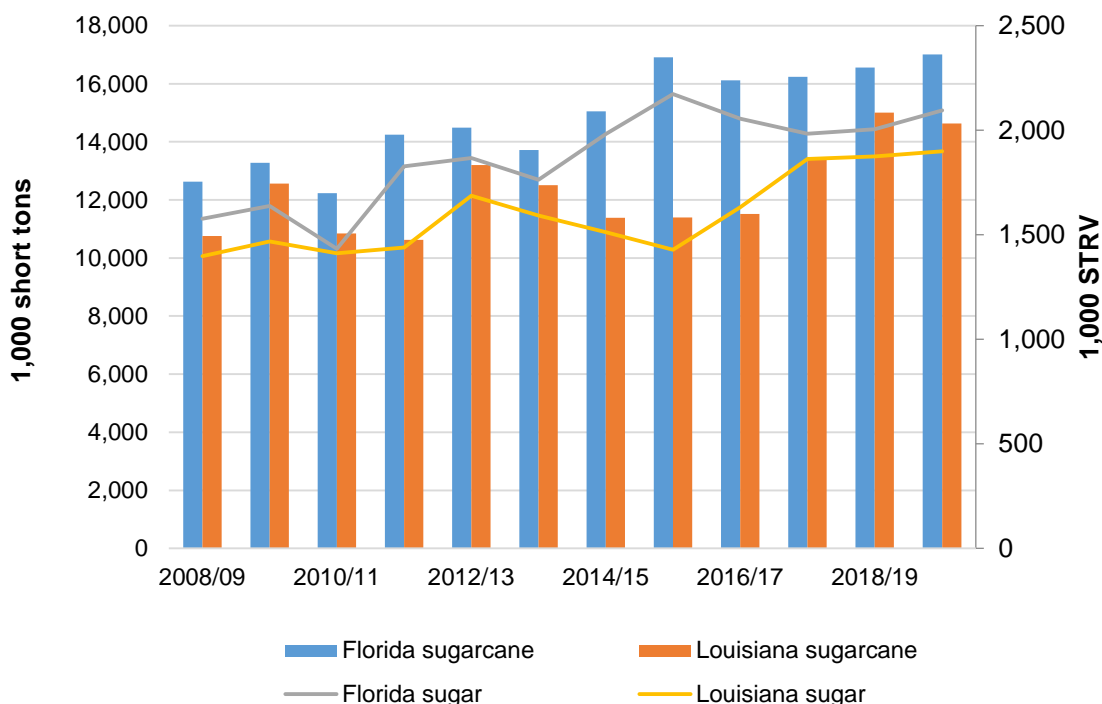
The NASS *Crop Production* also showed a boost in sugarcane production for 2019/20. Cane sugar production is projected at 5.178 million STRV for 2019/20, a 45,000-STRV increase from the previous month. The increase is entirely accounted for by an increase in production in Florida, totaling 2.096 million STRV. Louisiana and Texas cane sugar production remained unchanged at 1.900 million STRV and 134,000 STRV, respectively.

Driving the increased cane sugar production projection is a larger sugarcane crop expected for 2019/20. U.S. sugarcane production is forecast at 4.129 million short tons—2.5-percent larger than the 2018/19 crop. Expected harvested area increased a slight 1,000 acres from the NASS's June *Acreage* report, to 916,800 acres, based on a small adjustment to the forecast for Florida.

In its first yield forecast for the crop, NASS pegged the Florida sugarcane yield at 43.3 short tons per acre. This would result in a record yield for the State, beating the previous record of

42.5 tons per acre from the 2015/16 crop. Assuming that the amount of area dedicated for seed stock is comparable with the previous year, sugarcane production for sugar in the State would also be a record, totaling about 17.0 million short tons of sugarcane, compared with the previous year's tally of 16.555 million short tons.

Figure 2: Sugarcane and Sugar Production, Florida and Louisiana, 2007/08 to 2019/20



Source: USDA, National Agricultural Statistics Service.

Louisiana sugarcane harvested area remains unchanged from the NASS June *Acreage* figure of 475,000 acres; which would represent the largest acreage amount since 2003/04. In the first survey-based yield forecast, NASS reported the State's crop at 32.5 short tons per acre. This is well below the previous year's level of 35.3 tons per acre, although it is well above the 5- and 10-year averages. Assuming comparable levels of sugarcane being utilized for seed stock rather than sugar production, the current sugarcane crop in the State would be about 2.5 percent lower than the previous year. The 2018/19 campaign had relatively low recovery rates, however. The projected year-over-year growth in cane sugar production in the State is based on recovery rates reverting back to levels that are more in line with historical averages for 2019/20.

Table 5: U.S. sugarcane and cane sugar production, by State, 2015/16 to 2019/20

| | 2015/16 | 2016/17 | 2017/18 | 2018/19 | 2019/20 | Annual change Percent |
|--|---------|---------|---------|---------|---------|--------------------------|
| Florida | | | | | | |
| Sugarcane harvested for sugar (1,000 acres) 1/ | 398 | 392 | 397 | 397 | 393 | -1.0 |
| Sugarcane yield (short tons per acre) | 42.5 | 40.3 | 40.9 | 41.7 | 43.3 | 3.8 |
| Sugarcane production (1,000 short tons) | 16,915 | 16,120 | 16,237 | 16,555 | 17,011 | 2.8 |
| Recovery rate (percent) | 12.8 | 12.7 | 12.2 | 12.1 | 12.3 | 1.7 |
| Sugar production (1,000 STRV) | 2,173 | 2,055 | 1,983 | 2,005 | 2,096 | 4.5 |
| Louisiana | | | | | | |
| Sugarcane harvested for sugar (1,000 acres) 1/ | 385 | 400 | 414 | 425 | 450 | 5.9 |
| Sugarcane yield (short tons per acre) | 29.6 | 28.8 | 32.5 | 35.3 | 32.5 | -7.9 |
| Sugarcane production (1,000 short tons) | 11,396 | 11,520 | 13,455 | 15,003 | 14,629 | -2.5 |
| Recovery rate (percent) | 12.5 | 14.2 | 13.8 | 12.5 | 13.0 | 3.9 |
| Sugar production (1,000 STRV) | 1,428 | 1,632 | 1,862 | 1,875 | 1,900 | 1.3 |
| Texas | | | | | | |
| Sugarcane harvested for sugar (1,000 acres) 1/ | 35 | 38 | 41 | 38 | 33 | -12.9 |
| Sugarcane yield (short tons per acre) | 31.4 | 37.0 | 36.8 | 36.6 | 38.2 | 4.4 |
| Sugarcane production (1,000 short tons) | 1,105 | 1,395 | 1,490 | 1,376 | 1,251 | -9.1 |
| Recovery rate (percent) | 10.5 | 9.9 | 11.3 | 10.7 | 10.7 | -0.3 |
| Sugar production (1,000 STRV) | 116 | 138 | 169 | 148 | 134 | -9.3 |

Notes: 1/ Estimate based on comparable proportion of sugarcane grown for seed stock from previous year.

Source: USDA, Farm Service Agency.

Deliveries for Food and Beverage Use Raised for 2018/19 and 2019/20

Total sugar use for 2018/19 is estimated at 12.360 million STRV, a 75,000-STRV increase from the previous month. The increase is due to raised expectations for domestic deliveries for food and beverage use, now totaling 12.200 million STRV—or 1.3-percent above 2018/19 deliveries.

The increase in food and beverage deliveries are based on the pace-to-date reported through June 2019. Through the first three quarters of 2019/20, total food and beverage deliveries are 1.7 percent ahead of where they were the same period the previous year, at 9.003 million STRV. The pace of deliveries by beet sugar processors and cane sugar refiners has increased during the spring, with deliveries from those sectors up 0.5 percent from the previous year, occurring after these segments showed year-over-year declines for much of the year. The largest growth area, in percentage terms, continues to be from non-reporter imports, which make up 6.1 percent of deliveries for the year but are 23.1 percent higher than through the first 9 months of 2017/18.

Table 6: Food and beverage deliveries, 2014/15 to 2018/19, October through June

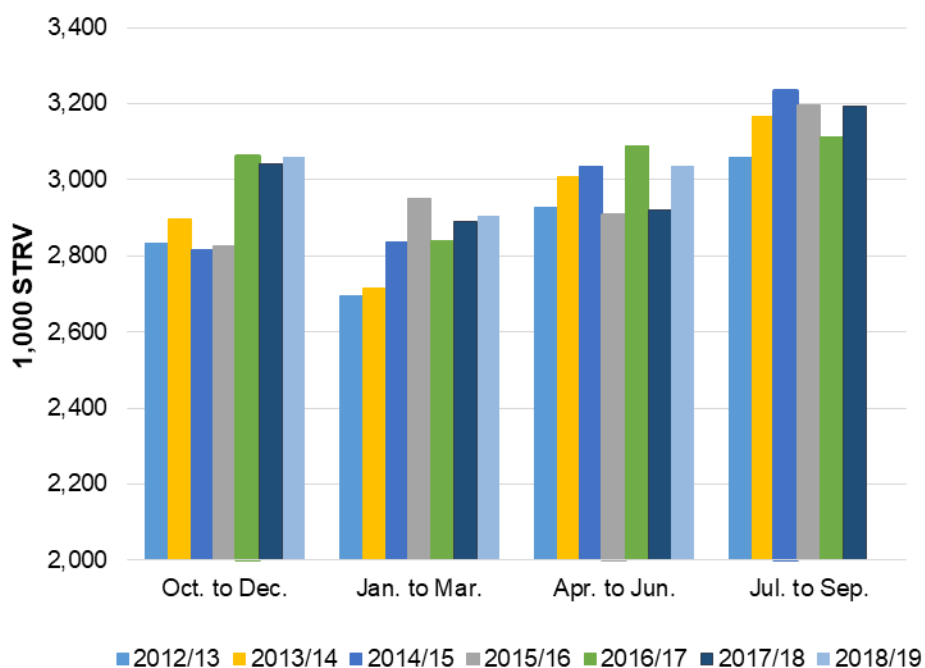
| | 2014/15 | 2015/16 | 2016/17 | 2017/18 | 2018/19 | Annual change |
|----------------------------------|------------|---------|---------|---------|---------|---------------|
| | 1,000 STRV | | | | | Percent |
| Beet sugar processors | 3,560 | 3,372 | 3,962 | 3,909 | 3,749 | -4.1 |
| Cane sugar refiners | 4,579 | 4,766 | 4,509 | 4,496 | 4,701 | 4.6 |
| Total reporters | 8,139 | 8,138 | 8,471 | 8,405 | 8,450 | 0.5 |
| Non-reporter, direct consumption | 548 | 546 | 519 | 449 | 553 | 23.1 |
| Total deliveries | 8,686 | 8,685 | 8,990 | 8,854 | 9,003 | 1.7 |
| Final fiscal year deliveries 1/ | 11,921 | 11,881 | 12,102 | 12,048 | 12,200 | 1.3 |

1/ Latest WASDE estimate for 2018/19.

Source: USDA, Farm Service Agency.

Domestic food and beverage deliveries during the April-to-June quarter totaled 3.037 million STRV, a 4.0-percent increase from the same period the previous year. Volatile domestic delivery patterns, particularly with unusually low levels during the quarters beginning in April and July, have characterized the U.S. sugar market for the past several years. The quarter beginning in April for 2018/19 was fairly neutral from a growth-standpoint; the amount does not illustrate any evidence of growth trends of previous years, but it also did not come in unexpectedly low as it did in 2015/16 and 2017/18.

Figure 3
Total U.S. sugar deliveries, quarterly, 20012/13 to 2018/19



Source: USDA, Farm Service Agency.

The increased delivery outlook for 2018/19 is predicated on the July-to-September quarter being comparable to the previous year's levels. The volatility in delivery levels and seasonal patterns in recent years create uncertainty in forecasting U.S. sugar markets. Looking at a range of scenarios based on simple statistical analysis of July-to-September quarters, there is a range of probabilistic outcomes for the U.S. sugar market in 2018/19. These scenarios can provide perspective on the bounds and likelihoods for the market outlook. As additional delivery data are reported, the forecast will be updated to incorporate new information and observations of additional trends and to update current analytical approaches.

Table 7: Food and beverage deliveries scenarios, July-September quarter

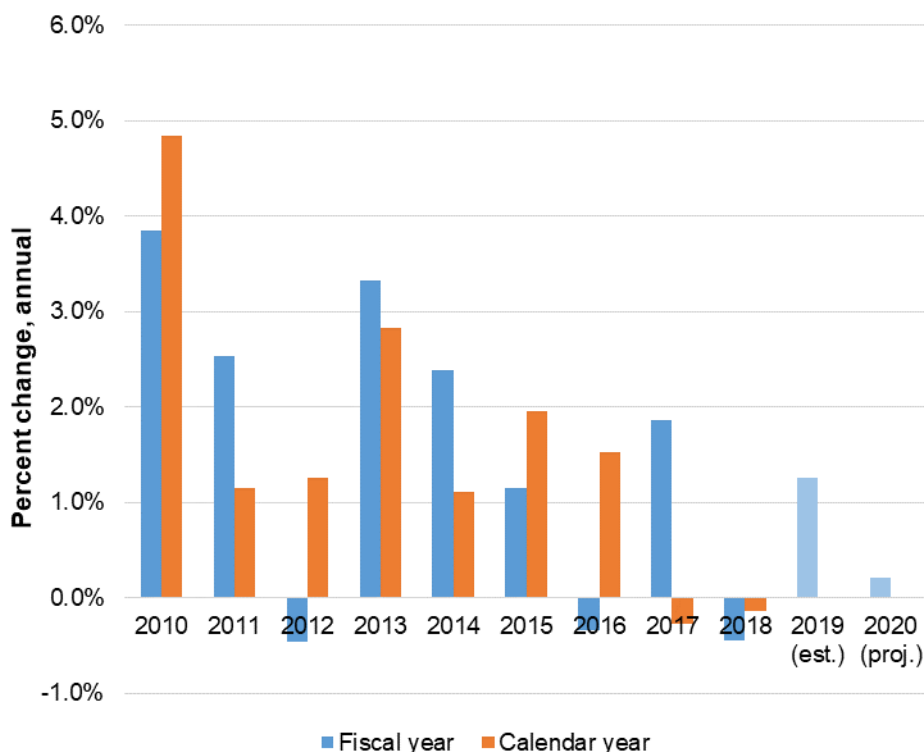
| | Jul.-Sep. deliveries | Resulting FY total | Annual change |
|--------------------------------------|-------------------------|-----------------------|------------------|
| | <i>STRV</i> | | <i>Percent</i> |
| August 2019 forecast 1/ | 3,197 | 12,200 | 1.26 |
| July 2019 forecast 1/ | 3,122 | 12,125 | 0.64 |
| Unchanged from 2018/19 | 3,194 | 12,197 | 1.24 |
| 3-year average | 3,167 | 12,171 | 1.02 |
| 5-year average | 3,181 | 12,184 | 1.13 |
| Linear trend- post-2000 | 3,292 | 12,295 | 2.05 |
| Linear trend- post 2009 | 3,279 | 12,283 | 1.95 |
| 5-year maximum reported | 3,235 | 12,238 | 1.58 |
| 5-year minimum reported | 3,112 | 12,115 | 0.56 |
| 5-year 95% confidence interval- high | 3,220 | 12,224 | 1.46 |
| 5-year 95% confidence interval- low | 3,141 | 12,144 | 0.80 |

Notes: 1/ Implied by Oct. to Jun. reported data.

Source: USDA, Economic Research Service.

Growth in deliveries is projected to continue in 2019/20, but following recent patterns, it is expected to increase at a decreasing rate. Food and beverage deliveries for 2019/20 are projected to total 12.225 million STRV, a 50,000-STRV increase from the previous month's projection.

Figure 4
Annual growth in U.S. sugar deliveries for food and beverage use, 2010 to 2020



Source: USDA, Economic Research Agency.

U.S. Sugar Imports Raised Slightly Due to TRQ Entry Period Extension for 2018/19 Raw Sugar Quota

Only minor changes are made to forecast imports in the August WASDE. Total imports for 2018/19 are estimated at 3.091 million STRV, unchanged from the previous month. Imports for 2019/20 are raised 24,000 STRV to 2.981 million STRV.

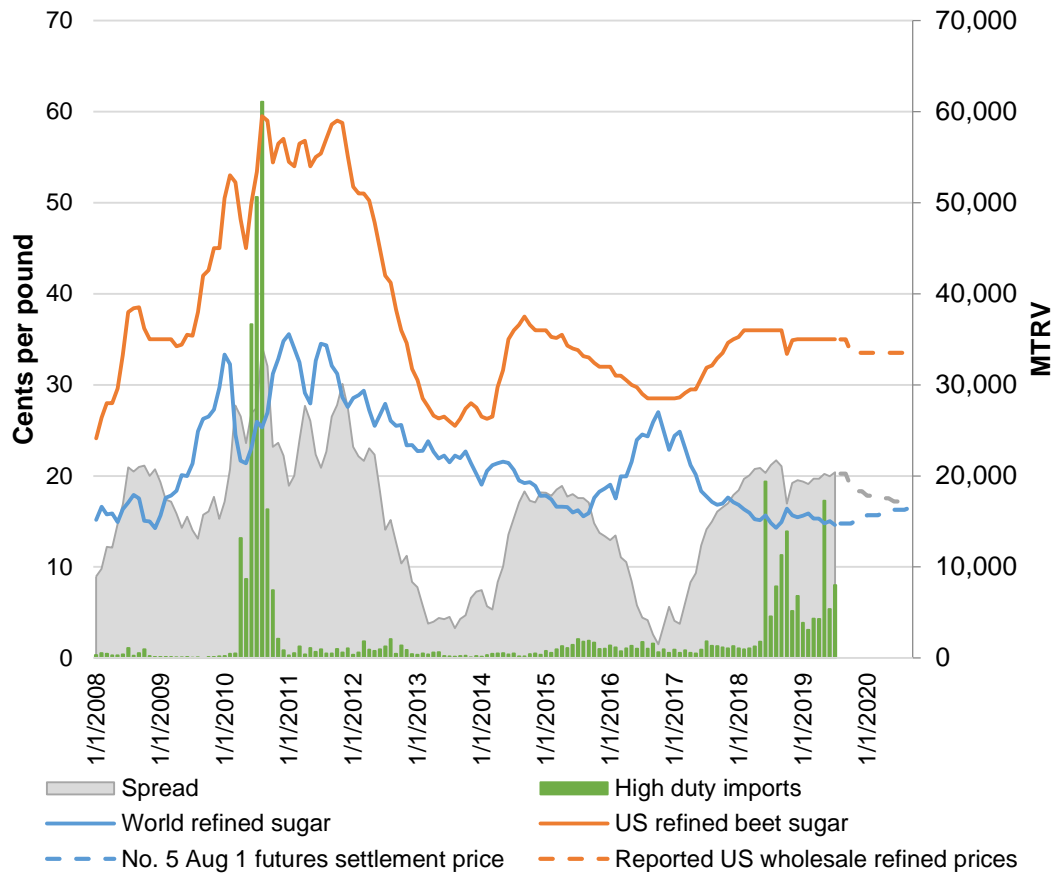
On August 9, 2019, the Foreign Agricultural Service (FAS) announced a 2-week extension for entries under the FY2019 WTO raw sugar TRQ. This allows shipments utilizing quota space for the 2019/20 additional time to enter the country and clear customs. As a result, an additional 28,000 STRV are expected to enter the United States. Although the additional shipments will enter under the FY2019 quota, the extension will likely result in shipments entering after the September 30-end of 2018/19. As a result, the increase in imports is accounted for in 2019/20. The raw sugar TRQ increase is slightly offset by a 3,000-STRV reduction in expected refined TRQ entries for 2019/20. The U.S. Trade Representative's office announced the country

allocations for the FY2020 WTO refined TRQ. Mexico's allocation is not expected to be shipped—as imports from Mexico are accounted for under the terms of NAFTA—and that portion of the TRQ is expected to go unfilled.

Imports from Mexico remain unchanged from the previous month's estimate for 2019/20 and the projection for 2019/20 at 997,000 STRV and 969,000 STRV, respectively. The U.S. Department of Commerce will announce its next calculation of U.S. Needs and an updated Export Limit subsequent to the September WASDE. Through July, FAS estimates that 825,000 STRV of imports have entered from Mexico in 2018/19, or 83 percent of the estimated amount for the year.

High-duty sugar imports are also unchanged in the August WASDE, totaling 90,000 STRV and 70,000 STRV for 2018/19 and 2019/20, respectively. Through July, an estimated 80,000 STRV of high-duty sugar has been imported into the country. High-duty import levels have remained relatively high by recent historical standards. While futures prices indicate that expectations for higher prices in the world refined sugar market may be coming, the differential with the U.S. refined price will still remain comparable to the levels thus far in 2018/19.

Figure 5
U.S. and World refined sugar prices, monthly, January 2008 to September 2020



Source: USDA, Economic Research Service.

Mexico Outlook

Deliveries in Mexico Continue To Lag Historical Pace

Mexico's sugar market outlook remains largely unchanged from the previous month's report. A small revision made by Conadesuca to Mexico's 2018/19 sugar production campaign resulted in a slight WASDE increase in domestic production and exports to non-U.S. destinations—less than 1,000 metric tons, actual value (MT) in both cases.

Table 8: Mexico sugar supply and use, 2017/18 - 2018/19 and projected 2019/20, August 2019

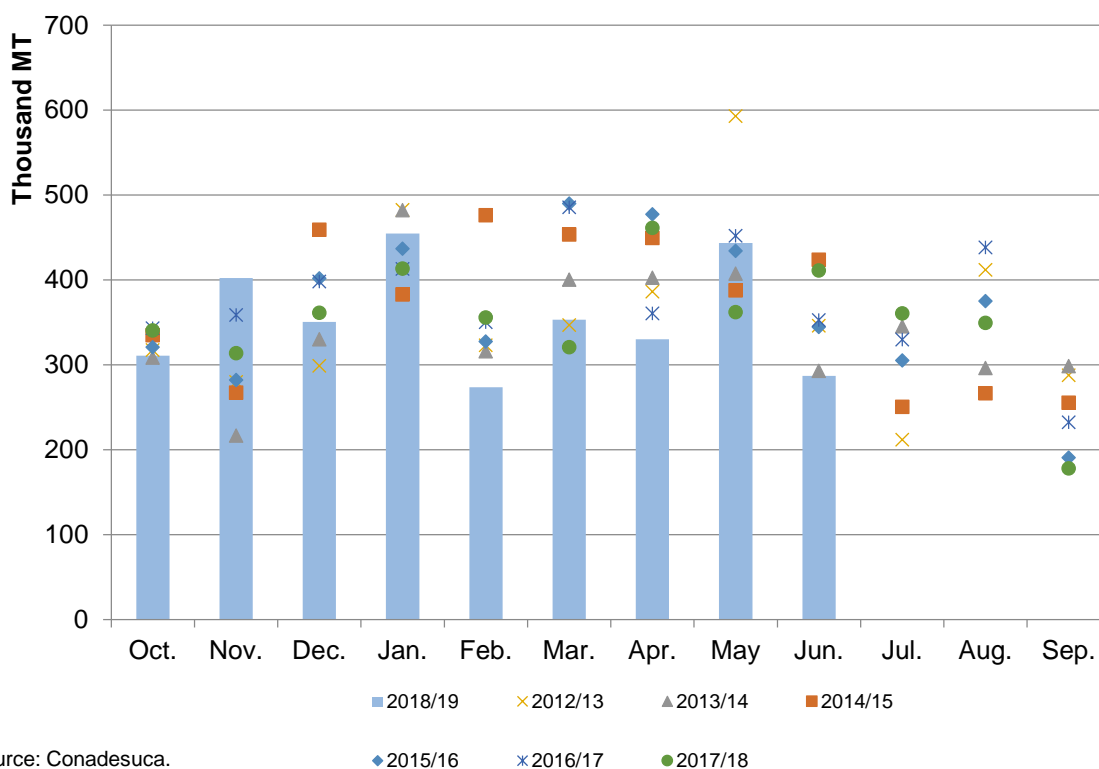
| Items | 2017/18 | 2018/19 (estimate) | 2019/20 (forecast) |
|---|----------------------------------|--------------------|--------------------|
| | 1,000 metric tons, actual weight | | |
| Beginning stocks | 1,002 | 1,395 | 995 |
| Production | 6,010 | 6,426 | 6,248 |
| Imports | 220 | 70 | 70 |
| Imports for consumption | 132 | 20 | 20 |
| Imports for sugar-containing product exports, IMMEX 1/, other | 88 | 50 | 50 |
| Total supply | 7,232 | 7,890 | 7,313 |
| Disappearance | | | |
| Human consumption | 4,228 | 4,236 | 4,297 |
| For sugar-containing product exports (IMMEX) | 482 | 480 | 480 |
| Other deliveries and end-of-year statistical adjustment | 29 | 0 | 0 |
| Total | 4,739 | 4,716 | 4,777 |
| Exports | 1,099 | 2,179 | 1,542 |
| Exports to the United States & Puerto Rico | 1,047 | 853 | 829 |
| Exports to other countries | 52 | 1,326 | 713 |
| Total use | 5,838 | 6,895 | 6,318 |
| Ending stocks | 1,395 | 995 | 995 |
| | 1,000 metric tons, raw value | | |
| Beginning stocks | 1,062 | 1,478 | 1,055 |
| Production | 6,370 | 6,811 | 6,623 |
| Imports | 234 | 74 | 74 |
| Imports for consumption | 140 | 21 | 21 |
| Imports for sugar-containing product exports (IMMEX) | 93 | 53 | 53 |
| Total supply | 7,666 | 8,364 | 7,752 |
| Disappearance | | | |
| Human consumption | 4,482 | 4,490 | 4,554 |
| For sugar-containing product exports (IMMEX) | 510 | 509 | 509 |
| Other deliveries and end-of-year statistical adjustment | 31 | 0 | 0 |
| Total | 5,023 | 4,999 | 5,063 |
| Exports | 1,165 | 2,310 | 1,634 |
| Exports to the United States & Puerto Rico | 1,110 | 904 | 879 |
| Exports to other countries | 55 | 1,406 | 756 |
| Total use | 6,188 | 7,309 | 6,698 |
| Ending stocks | 1,478 | 1,055 | 1,054 |
| Stocks-to-human consumption (percent) | 33.0 | 23.5 | 23.2 |
| Stocks-to-use (percent) | 23.9 | 14.4 | 15.7 |
| High-fructose corn syrup (HFCS) consumption (dry weight) | 1,593 | 1,520 | 1,520 |

1/ IMMEX = Industria Manufacturera, Maquiladora y de Servicios de Exportación.

Source: USDA, *World Agricultural Supply and Demand Estimates* and Economic Research Service, *Sugar and Sweeteners Outlook*; Conadesuca.

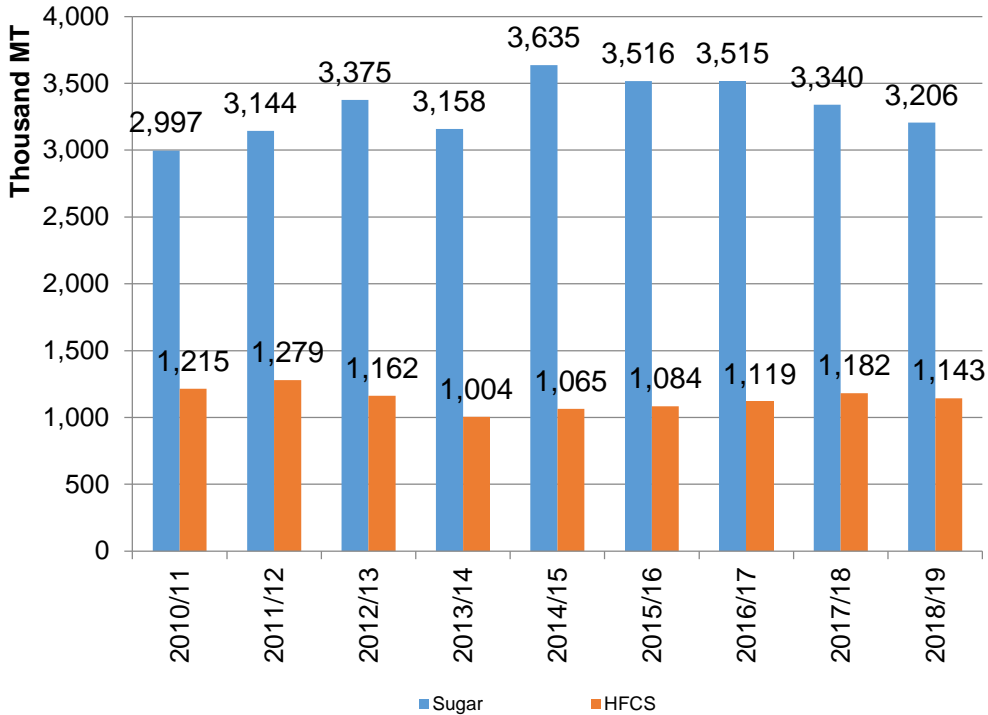
Estimated domestic deliveries in Mexico for 2018/19 remain unchanged from the previous month, totaling 4.236 million MT. Through June reporting from Conadesuca, deliveries of sugar have been 4.0-percent below the previous year, continuing a downward trend from the past several years. In addition, deliveries of HFCS are down 3.3 percent over the same period, resulting in total sweetener deliveries being 3.8 percent lower than 2017/18. For sugar, deliveries have been particularly light since February. Two possible factors may be contributing to these downward trends. First, disruptions at mills due to grower disputes may be resulting in some seasonal changes in delivery patterns and supply chains. Additionally, some have argued that increased awareness and promotion of dietary trends that include less sugar consumption have been driving less sweetener consumption, which could be a longer term factor impacting demand for both sugar and HFCS in Mexico.

Figure 6
Mexican sugar consumption October to December, monthly, 2012/13 to 2018/19



Source: Conadesuca.

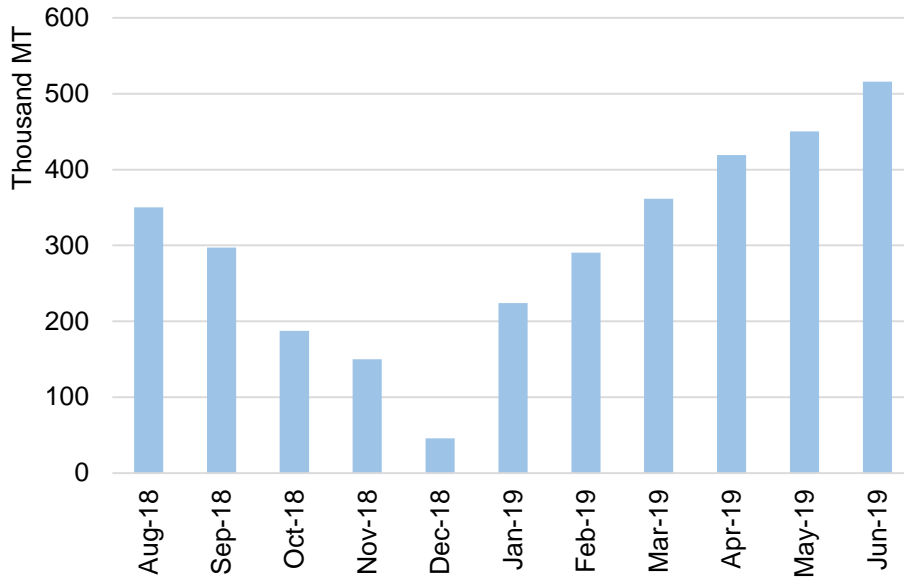
Figure 7
Mexican sweetener consumption October to June, 2010/11 to 2018/19



Source: Conadesuca.

With the exceptional harvest in 2018/19, lower trends in deliveries, and defined access to the U.S. market, Mexico is estimated to ship 1.326 million MT of sugar to non-U.S. destinations. This expectation is predicated on the use and successful execution of the CEDES program in Mexico, which commits and facilitates domestic supplies to export markets. Reported supplies in the CEDES program have continued to increase since the beginning of the harvest season. Through the end of June, Conadesuca reports that nearly 915,000 MT of sugar has been shipped to non-U.S. market destinations. So while supplies remain large, there does seem to be a steady pace of exports heading into the final quarter of the fiscal year. The CEDES program allows participating supplies until the end of the calendar year before committed supplies must be shipped. This means that some of the supplies currently estimated to be shipped in 2018/19 may finally be accounted for in 2019/20 exports. Ultimately, the projection for ending stocks in 2019/20 is 995,000 MT, which is in line with historical levels and the internal target of 2½ months of domestic demand as ending stocks.

Figure 8
Mexico sugar supplies reported in the CEDES certificate program, August 2018 to June 2019



Source: Conadesuca.

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