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Sugar and Sweeteners Outlook

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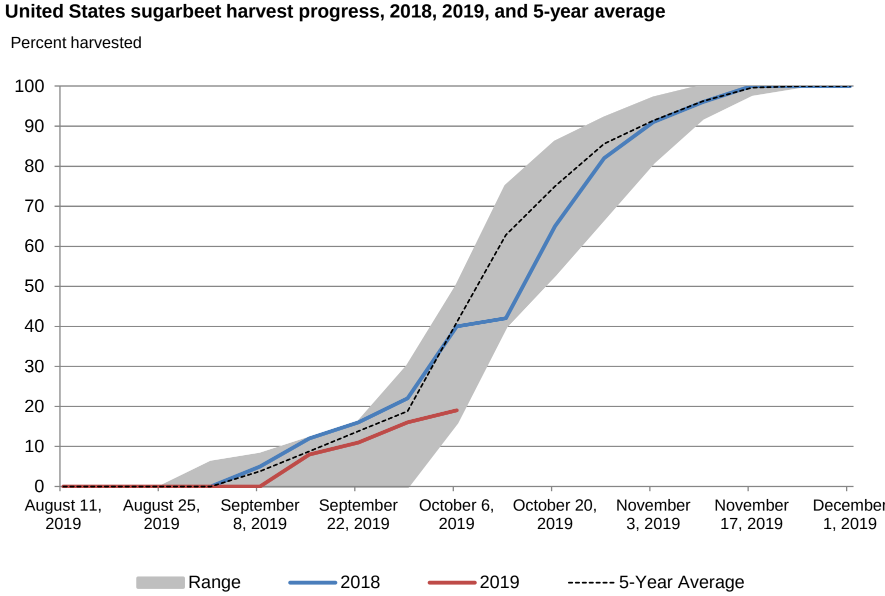
U.S. Sugar Ending Stocks Raised for 2019/20

U.S. sugar use is reduced for both 2018/19 and 2019/20, as the most recent reported monthly deliveries have been below the previous year. U.S. sugar production is reduced slightly for 2018/19, but raised in 2019/20, as the relatively slow pace of harvest in some key States will likely result in more production during the main part of the 2019/20 sugarbeet production season.

Mexico domestic deliveries are also reduced for both 2018/19 and 2019/20, based on reported data. Mexico sugar production in 2019/20 is reduced as well, due to drought conditions in many of the country's sugarcane-producing regions.

United States sugarbeet harvest progress, 2018, 2019, and 5-year average



Source: U.S. Department of Agriculture, National Agricultural Statistics Service.

Approved by USDA's World Agricultural Outlook Board

U.S. Domestic Outlook

Beet Sugar Production Shifted from 2018/19 to 2019/20

Total U.S. sugar supplies for 2018/19 are estimated at 14.010 million short tons, raw value (STRV), a 72,000-STRV reduction from the September report. The reduction is due to lower expected production and imports occurring in the year. Total supplies in 2019/20 are projected to be 14.074 million STRV—68,000-STRV higher than September, mostly offsetting the reductions from the previous year.

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

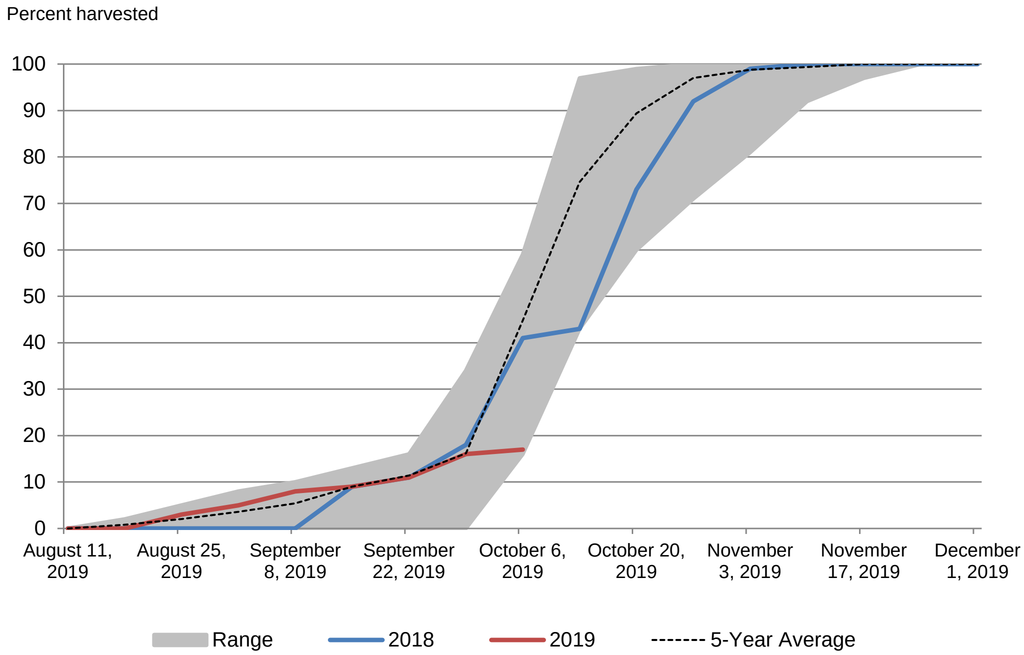
Items	2017/18	2018/19 (estimate)	2019/20 (forecast)	2017/18	2018/19 (estimate)	2019/20 (forecast)
	1,000 Short tons, raw value			1,000 Metric tons, raw value		
Beginning stocks	1,876	2,008	1,725	1,702	1,822	1,565
Total production	9,293	8,935	9,184	8,430	8,106	8,331
Beet sugar	5,279	4,907	5,055	4,789	4,452	4,585
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	3,067	3,165	2,973	2,783	2,871
Tariff-rate quota imports	1,663	1,540	1,627	1,509	1,397	1,476
Other program imports	326	438	350	296	397	318
Non-program imports	1,287	1,089	1,188	1,168	988	1,078
Mexico	1,223	997	1,118	1,110	904	1,014
High-duty	64	93	70	58	84	64
Total supply	14,445	14,010	14,074	13,105	12,710	12,768
Total exports	170	35	35	154	32	32
Miscellaneous	82	0	0	75	0	0
Deliveries for domestic use	12,185	12,250	12,255	11,054	11,113	11,118
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	12,125	12,150	10,930	11,000	11,022
Total use	12,438	12,285	12,290	11,283	11,145	11,149
Ending stocks	2,008	1,725	1,784	1,822	1,565	1,619
Private	2,008	1,725	1,784	1,822	1,565	1,619
Commodity Credit Corporation (CCC)	0	0	0	0	0	0
Stocks-to-use ratio	16.14	14.04	14.52	16.14	14.04	14.52

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

The 2019/20 sugarbeet crop began harvest in late August 2019, with the early-season production period concluding by September 30. The national harvest pace has lagged thus far through the fall, which is likely to affect the amount of beet sugar produced in the final weeks of 2018/19. Harvest progress was essentially on pace through the end of September in Minnesota and North Dakota, the States that account for the majority of early-season production. Production in Michigan and Idaho have lagged previous-year and average rates. The rate of harvest, along with relatively low expected yields for the 2019/20 sugarbeet crop, contributes to a reduction of early-season beet sugar production and reduced estimates for the 2018/19 fiscal year.

Figure 1

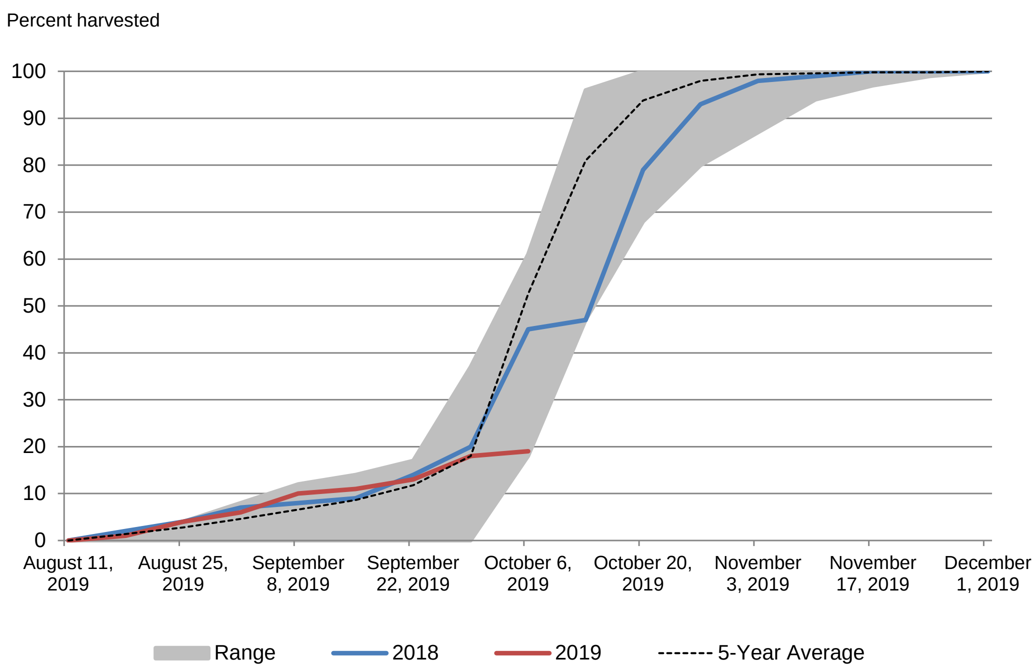
Minnesota sugarbeet harvest progress, 2018, 2019, and 5-year average



Source: U.S. Department of Agriculture, National Agricultural Statistics Service.

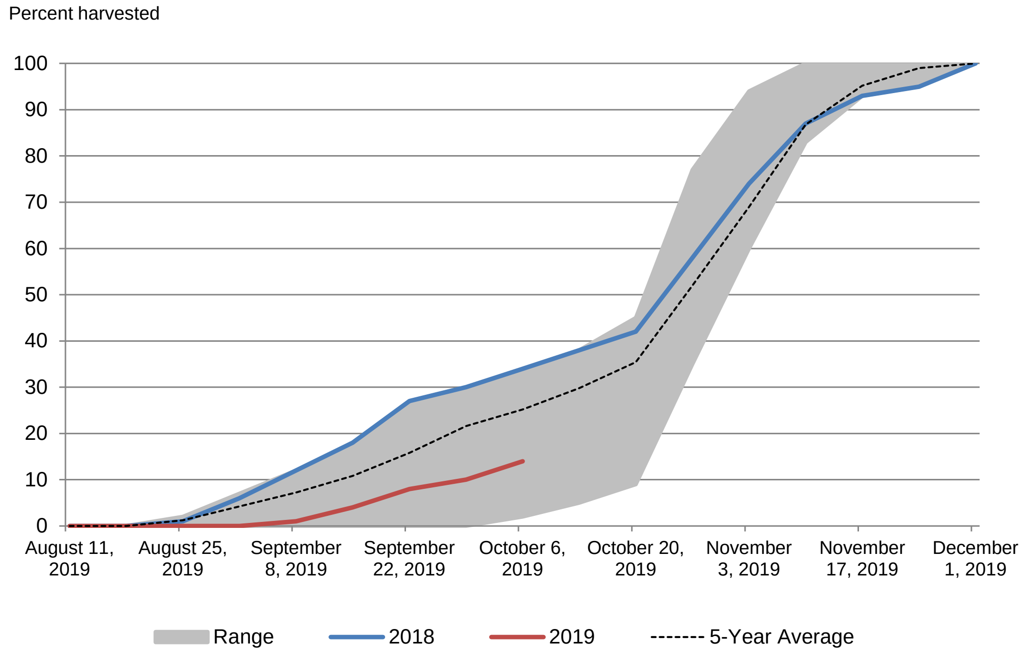
Figure 2

North Dakota sugarbeet harvest progress, 2018, 2019, and 5-year average



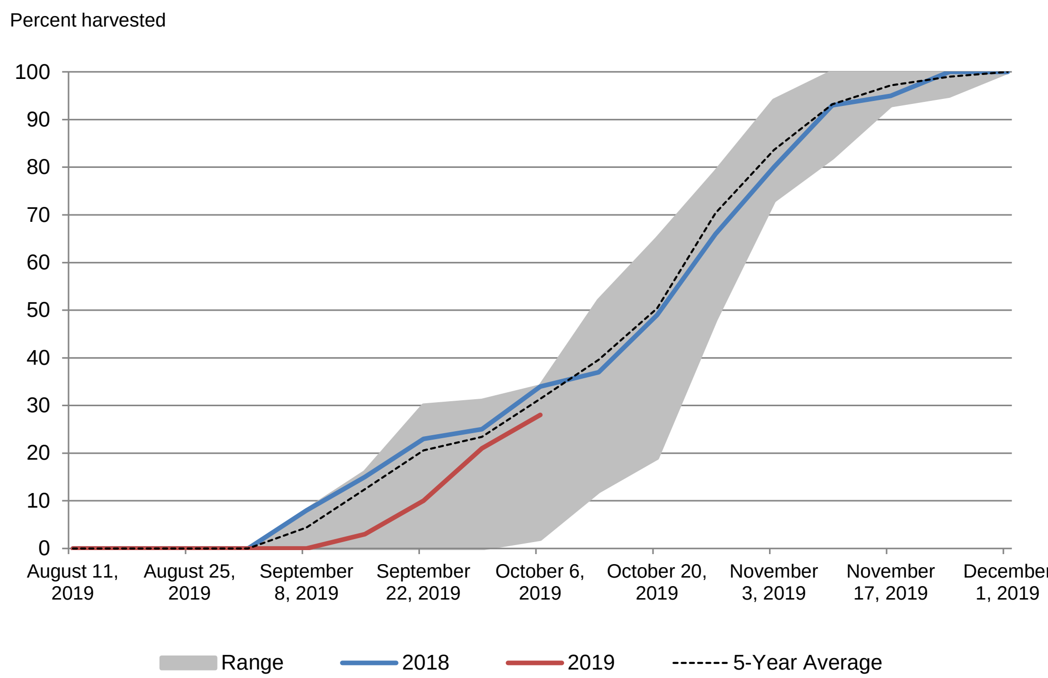
Source: U.S. Department of Agriculture, National Agricultural Statistics Service.

Figure 3
Michigan sugarbeet harvest progress, 2018, 2019, and 5-year average



Source: U.S. Department of Agriculture, National Agricultural Statistics Service.

Figure 4
Idaho sugarbeet harvest progress, 2018, 2019, and 5-year average



Source: U.S. Department of Agriculture, National Agricultural Statistics Service.

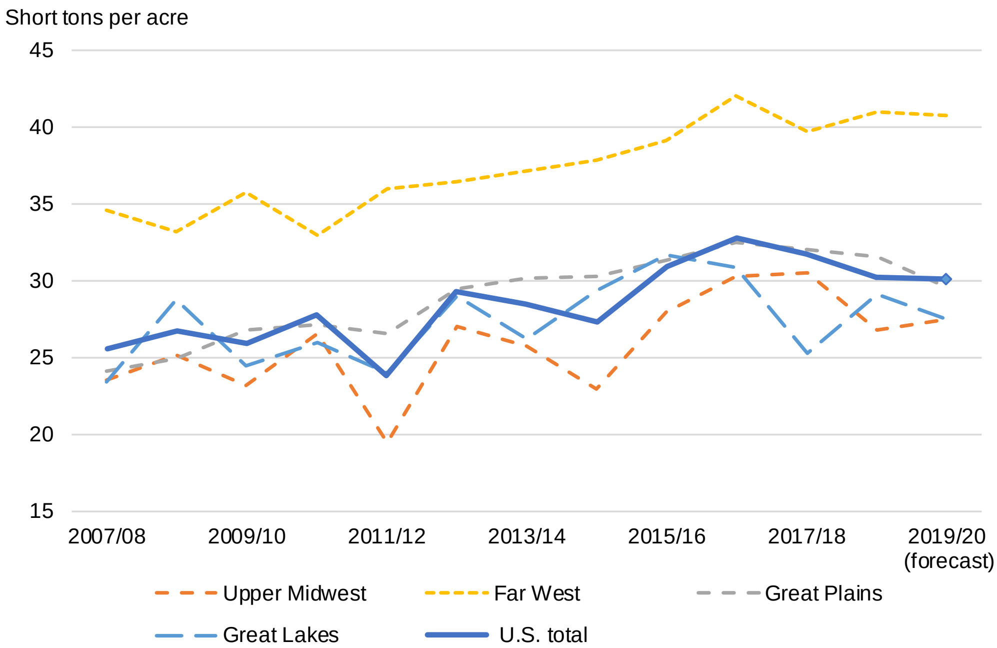
The 2019/20 sugarbeet crop is forecast to be 33.606 million short tons, according to USDA's National Agricultural Statistics Service's (NASS) October *Crop Production* report—representing a slight increase from the previous month. The national sugarbeet forecast is now 30.1 short tons per acre, up from the previous month's forecast of 30.0. Increased production forecasts from Minnesota and North Dakota are largely offset by reductions in Michigan and several States in the Great Plains production region. The current national yield forecast is still 0.5 percent lower than the 2017/18 crop—both of which are below the 10-year trend.

Table 2: Sugarbeet production, 2015/16 to 2019/20, October 2019

State	2015/16	2016/17	2017/18	2018/19	2019/20 (forecast) September	2019/20 (forecast) October	Annual change
	1,000 short tons						*percent*
Minnesota	12,180	12,510	12,515	10,486	11,241	11,367	8.4
North Dakota	5,747	6,252	6,445	5,731	5,852	5,886	2.7
Idaho	6,588	7,038	6,507	6,602	6,673	6,673	1.1
Michigan	4,787	4,589	3,604	4,278	4,075	3,988	-6.8
Nebraska	1,329	1,411	1,437	1,407	1,214	1,203	-14.5
Montana	1,442	1,586	1,396	1,319	1,307	1,302	-1.3
Wyoming	939	951	891	946	838	838	-11.4
Colorado	958	927	1,035	831	809	809	-2.6
Oregon	297	428	334	366	380	381	4.1
Washington	N/A	91	87	87	96	97	11.5
U.S. Total	35,371	36,920	35,317	33,145	33,547	33,606	1.4

Source: USDA, National Agricultural Statistics Service.

Figure 5
Yields, sugarbeets, by region, 2007/08 to 2019/20



Source: USDA, National Agricultural Statistics Service.

The changes to beet sugar production in the October WASDE are due to shifting early-season production from the 2019/20 crop into the main harvest period. Estimated production for 2018/19 is 4.907 million STRV, a 50,000-STRV reduction from the September estimate. The reduction is due to the relatively slow pace of harvest, particularly in Michigan, as well as lower expectations of processors, as reported by the Farm Service Agency's *Sweetener Market Data* (SMD).

Table 3: Beet sugar production projection calculation, 2018/19 and 2019/20

	2014/15	2015/16	2016/17	2017/18	2018/19 September	2018/19 October	2019/20 September	2019/20 October
Sugarbeet production (1,000 short tons) 1/	31,285	35,371	36,881	35,325	33,145	33,145	33,547	33,606
Sugarbeet shrink	5.4%	6.5%	8.3%	7.3%	4.8%	4.8%	6.5%	6.5%
Sugarbeet sliced (1,000 short tons)	29,595	33,066	33,834	32,742	31,561	31,561	31,382	31,437
Sugar extraction rate from slice	14.61%	14.58%	13.72%	15.18%	14.77%	14.77%	14.57%	14.55%
Sugar from beets slice (1,000 STRV)	4,325	4,820	4,643	4,970	4,660	4,660	4,573	4,573
Sugar from molasses (1,000 STRV)	341	380	352	368	352	352	359	359
Crop-year sugar production (1,000 STRV) 2/	4,667	5,201	4,995	5,338	5,012	5,012	4,932	4,932
August-September sugar production (1,000 STRV)	461	688	606	715	655	655	600	550
August-September sugar production of subsequent crop (1,000 STRV)	688	606	715	655	600	550	633	633
Sugar from imported beets (1,000 STRV) 3/	--	--	--	--	--	--	40	40
Fiscal year sugar production (1,000 STRV)	4,893	5,119	5,103	5,279	4,957	4,907	5,005	5,055

Notes: 1/ USDA, National Agricultural Statistics Service. 2/ August-July basis. 3/ 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.

Beet sugar production in 2019/20 is projected at 5.055 million STRV, representing the 50,000 STRV moved from 2018/19. Beet sugar production on a crop-year basis is unchanged, due to the relatively small change in sugarbeet production forecasts.

The cane sugar production forecast remains unchanged for both 2018/19 and 2019/20, at 4.028 million STRV and 4.129 million STRV, respectively. The harvest season is just beginning for the 2019/20 crop. Louisiana is the first State to begin harvesting sugarcane—in late September—with NASS harvest progress reports showing that the campaign has progressed in line with recent historical averages. NASS increased its 2019/20 sugarcane production forecast slightly, from 33.237 million short tons in September to 33.257 million shorts, with small increases in Florida and Texas offset by a small reduction in Louisiana.

Import Forecasts for 2018/19 Lowered, 2019/20 Raised as Market Enters New Fiscal Year

Changes to the outlook for sugar imports in the United States are mostly due to offsetting shifts out of 2018/19 and into the 2019/20 fiscal year. Estimated imports for 2018/19 are 3.057 million STRV, a 22,000-STRV decrease from the previous month. Imports under quota programs are estimated to total 1.540 million STRV, a 42,000-STRV reduction from the previous month. Imports from the WTO raw sugar quota are reduced 24,000 STRV, as not as much sugar entered before September 30 as expected. The 2018/19 raw sugar quota was extended through October 15, allowing for imports under this program to enter in the first 2 weeks of 2019/20. Imports under free-trade agreements (FTA) are reduced 18,000 STRV; however, shipments from these calendar-year quotas are also expected to enter during the first 3 months of 2019/20. Imports are raised for the re-export program (438,000 STRV) and high-tier tariff imports (93,000 STRV), based on preliminary data for the complete 2019/20 fiscal year.

Imports for 2019/20 are projected to total 3.165 million STRV, a 40,000-STRV increase from the previous month. The increase is entirely accounted for by imports under quota programs. Imports under WTO raw sugar program are increased 22,000 STRV, based on imports from the 2018/19 quota that are now expected to occur in the first half of October. Imports under FTAs are raised 18,000 STRV, as FTA quotas are expected to be filled later in the calendar year.

Deliveries Lowered for 2018/19 and 2019/20 Based on Lower Reported Food and Beverage Deliveries

U.S. sugar deliveries for food and beverage use are estimated at 12.125 million STRV, a 50,000-STRV reduction from the previous month. Reported deliveries in both July and August of 2019 have come in lower than the previous year and earlier expectations. Through August, the pace of food and beverage deliveries is just 0.2 percent higher than the same period of 2017/18, and deliveries by reporting beet processors and cane refiners are now 1.0 percent lower.

Table 4: Food and beverage deliveries, 2014/15 to 2018/19, October through August

	2014/15	2015/16	2016/17	2017/18	2018/19	Annual change
			1,000 STRV			*Percent*
Beet sugar processors	4,332	4,189	4,911	4,847	4,617	-4.8
Cane sugar refiners	5,694	5,864	5,542	5,619	5,739	2.1
Total reporters	10,026	10,053	10,453	10,466	10,356	-1.0
Nonreporter, direct consumption	828	762	690	571	701	22.8
Total deliveries	10,855	10,816	11,143	11,037	11,057	0.2
Final fiscal year deliveries 1/	11,921	11,881	12,102	12,048	12,125	0.6

1/ Latest WASDE estimate for 2018/19.
Source: USDA, Farm Service Agency.

Deliveries for 2019/20 are projected at 12.150 million STRV, also a 50,000-STRV reduction from the September projection. If realized, this would represent a 0.2 percent increase on an annual basis.

Refined Sugar Spot Prices Remain Unchanged in First Weeks of 2019/20

With the sugar market entering the new fiscal year beginning on October 1, weekly spot refined sugar prices have remained unchanged from the levels that they held through most of 2018/19. The *Milling and Baking* Midwest beet sugar price remains at 35 cents per pound at the low end—although the high end of their quoted price range is 35.5 cents compared with 36 cents through much of 2018/19. Reported forward contract price levels for 2019/20 sugar during the spring and summer had been lower— as low as 33.5 cents per pound— but have steadily climbed as the beginning of the 2019/20 fiscal year approached and as a higher proportion of expected production was contracted to be sold. As a result, the spot market price levels appear to be largely unchanged in early 2018/19. The *Milling and Baking* weekly spot price for Northeast refined cane sugar for the first week of October also remains unchanged from 2018/19 levels, at 37 to 38 cents per pound.

The end of September marked the end of the 2018/19 fiscal year. Average refined beet sugar prices were 34.86 cents per pound, down 1.0 percent from the 2017/18 average of 35.53 cents. Average raw sugar prices (represented by the nearby No. 16 futures contract price) were virtually unchanged in 2018/19, at 25.84 cents per pound compared with the previous year's average of 25.85 cents. World sugar future's market prices fell in 2018/19. The average raw sugar price fell 2.3 percent in 2018/19—from 12.65 cents the previous year to 12.36 cents. Average world refined sugar prices were 4.2 percent lower in 2018/19—falling from 15.91 cents in 2017/18 to 15.24 cents in 2018/19.

Mexico Outlook

Sugar Deliveries Lowered for Both 2018/19 and 2019/20

Sugar use in Mexico is estimated at 6.759 million metric tons, actual value (MT), a 137,000-MT decline from the previous month's estimate. A reduction in domestic deliveries more than offsets the increase in exports.

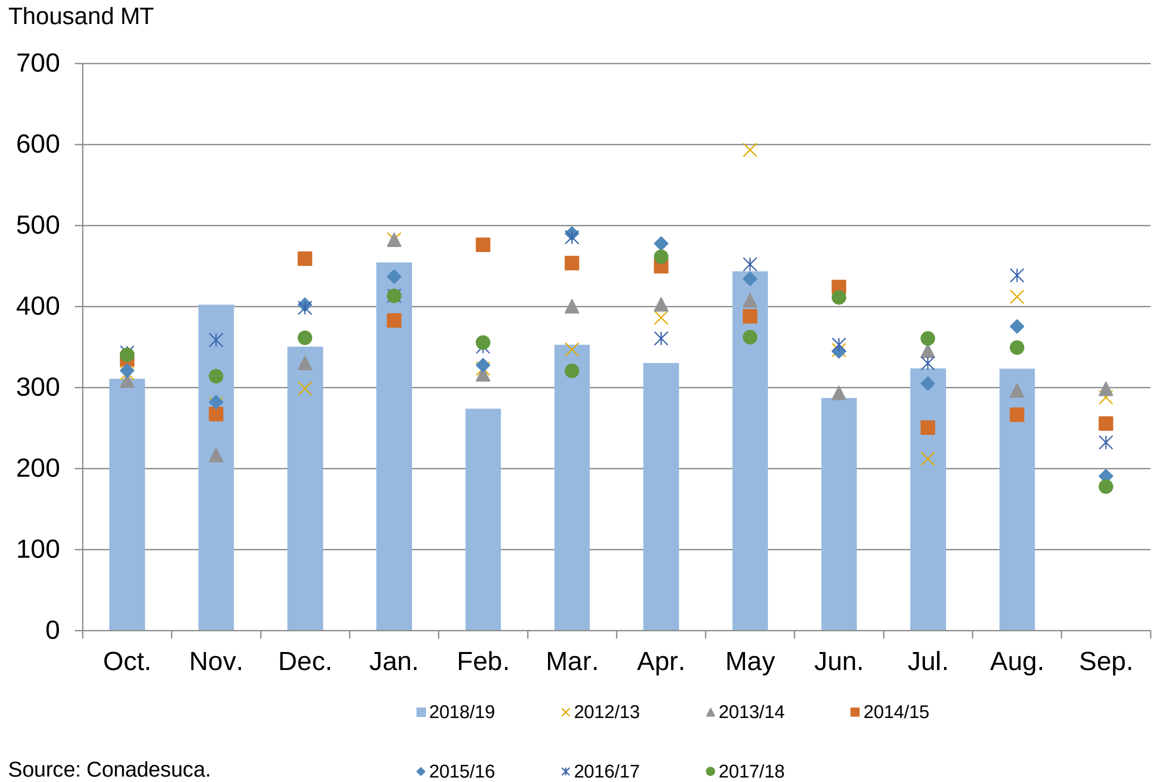
Table 5: Mexico sugar supply and use, 2017/18 - 2018/19 and projected 2019/20, October 2019

Items	2017/18	2018/19 (estimate)	2019/20 (forecast)
		1,000 metric tons, actual weight	
Beginning stocks	1,002	1,395	1,148
Production	6,010	6,426	6,065
Imports	220	86	70
Imports for consumption	132	21	20
Imports for sugar-containing product exports, IMMEX 1/, other	88	65	50
Total supply	7,232	7,907	7,283
Disappearance			
Human consumption	4,228	4,140	4,199
For sugar-containing product exports (IMMEX)	482	425	425
Other deliveries and end-of-year statistical adjustment	29	0	0
Total	4,739	4,565	4,624
Exports	1,099	2,194	1,695
Exports to the United States & Puerto Rico	1,047	853	957
Exports to other countries	52	1,341	739
Total use	5,838	6,759	6,320
Ending stocks	1,395	1,148	963
		1,000 metric tons, raw value	
Beginning stocks	1,062	1,478	1,217
Production	6,370	6,811	6,429
Imports	234	91	74
Imports for consumption	140	22	21
Imports for sugar-containing product exports (IMMEX)	93	69	53
Total supply	7,666	8,381	7,720
Disappearance			
Human consumption	4,482	4,388	4,451
For sugar-containing product exports (IMMEX)	510	451	451
Other deliveries and end-of-year statistical adjustment	31	0	0
Total	5,023	4,839	4,902
Exports	1,165	2,325	1,797
Exports to the United States & Puerto Rico	1,110	904	1,014
Exports to other countries	55	1,421	783
Total use	6,188	7,164	6,699
Ending stocks	1,478	1,217	1,021
Stocks-to-human consumption (percent)	33.0	27.7	22.9
Stocks-to-use (percent)	23.9	17.0	15.2
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.

Domestic deliveries for human consumption in 2018/19 are estimated at 4.140 million MT, a 96,000-MT reduction from the previous month. Through August, sugar deliveries in Mexico are 3.852 million MT, or 4.9 percent lower than the same period the previous year. With only 1 month of data left to be reported, several relatively light monthly delivery totals throughout 2018/19 are not likely to be fully offset by those months with higher than average monthly deliveries.

Figure 6
Mexican sugar deliveries for consumption, monthly, 2012/13 to 2018/19



Source: Conadesuca.

Drought Reduces Mexico Production Forecast for 2019/20

Mexico sugar production is projected to total 6.065 million MT—a 135,000-MT reduction from the September forecast. Many of Mexico's sugarcane-producing regions have been experiencing drought through the summer. If realized, this forecast would represent a 5.6-percent decline from the large 2018/19 production total.

Suggested Citation

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Data

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Related Websites

Sugar and Sweeteners Outlook http://www.ers.usda.gov/Publications/SSS/
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