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# Sugar and Sweeteners Outlook

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## NAFTA Sugar August 2014

The Mexico 2013/14 estimate for sugar production is reduced by 5,000 metric tons (mt) to 6.020 million, based on end-of-harvest reporting from Mexican authorities. The 2013/14 estimate of exports is increased by 50,000 mt based on pace-to-date of exports to the United States. Deliveries for consumption are reduced by 106,000 mt, based on a slowdown in the pace through June. Because these changes imply 2014/15 beginning stocks 51,000 mt higher than last month, imports in 2014/15 are reduced by that same amount to keep just enough sugar on hand in Mexico to meet consumption needs until the full start of the 2014/15 harvest in mid-December. There are no changes to 2014/15 production, deliveries, total exports, or ending stocks. Exports to the United States are reduced by 575,000 mt based on signed contracts confirmed by the USDA committing Mexico to ship to non-U.S. destinations in that amount in 2014/15.

The next release is  
September 17, 2014

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Approved by the  
World Agricultural  
Outlook Board.

The U.S. 2013/14 cane sugar production is lowered by 25,000 short tons, raw value (STRV), based on a slow harvest pace in Hawaii. Tariff-rate quota (TRQ) shortfall for 2013/14 is increased by 87,547 STRV and 2013/14 imports from Mexico are increased by 58,423 STRV for a net import reduction of 29,000 STRV. For 2014/15, beginning stocks are reduced 54,000 STRV, cane sugar production is increased by 116,000 based on processors' reporting, and imports from Mexico are reduced by 672,000 STRV to 1.205 million. With no other changes, ending stocks are projected at 837,000 STRV.

### Recent *Sugar and Sweeteners Outlook* Special Articles

“Long-term Projection of U.S. and Mexico Sugar Supply and Use through 2024/25,” pdf pages 3-17 of the *Sugar and Sweetener* report  
(<http://www.ers.usda.gov/publications/sssm-sugar-and-sweeteners-outlook/sssm306.aspx>)

“The Road to Forfeitures,” pdf pages 12-17 of the *Sugar and Sweetener* report  
<http://www.ers.usda.gov/publications/sssm-sugar-and-sweeteners-outlook/sssm303.aspx>)

“World Sugar and High Fructose Syrup Production Costs: 2001/02-2012/13,” pdf pages 17-33 of the *Sugar and Sweetener* report  
(<http://www.ers.usda.gov/publications/sssm-sugar-and-sweeteners-outlook/sssm-309.aspx>)

## Mexico Sugar Supply and Use

Beginning stocks for 2013/14 remain unchanged from July. Mexican sugar supply and use estimates for 2012/13-2013/14 and projected for 2014/15 are shown below in Table 1 below. Production in Mexico is reduced by 5,000 metric tons (mt) to 6.020 million mt based on end-of harvest reporting by *Comité Nacional Para El Desarrollo Sustentable de la Caña de Azúcar* (Conadesuca).

Table 1 -- Mexico sugar supply and use, 2012/13 - 2013/14 and projected 2014/15, August 2014

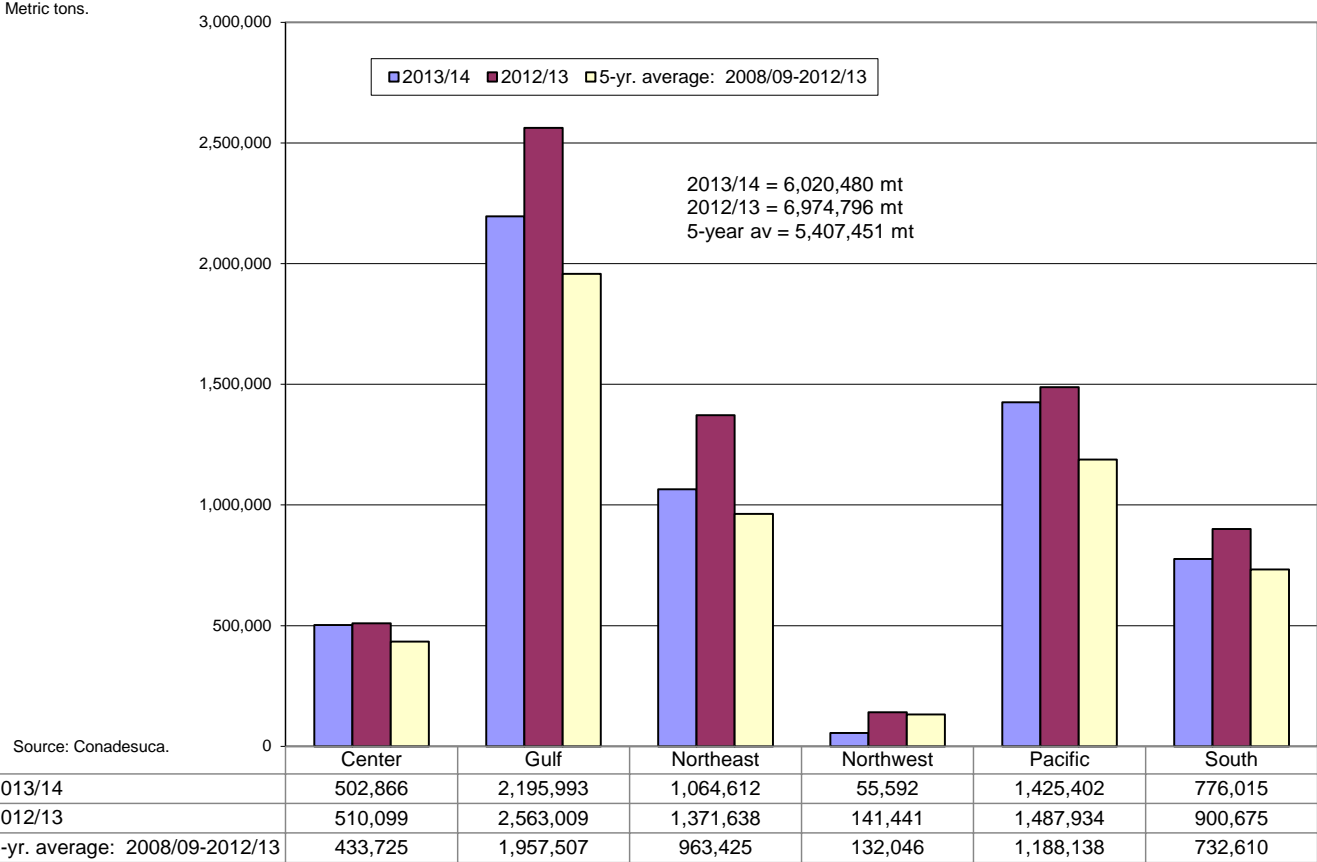
Items	2012/13	2013/14	2014/15
1,000 metric tons, actual weight			
Beginning Stocks	966	1,460	714
Production	6,975	6,020	6,140
Imports	217	226	399
Imports for consumption	9	10	183
Imports for sugar-containing product exports (IMMEX) 1/	207	216	216
Total Supply	8,157	7,706	7,253
Disappearance			
Human consumption	4,287	4,200	4,306
For sugar-containing product exports (IMMEX)	384	384	384
Statistical adjustment	53	0	0
Total	4,724	4,584	4,690
Exports	1,973	2,408	1,616
Exports to the United States & Puerto Rico	1,818	1,758	1,031
Exports to other countries	155	650	585
Total Use	6,697	6,992	6,306
Ending Stocks	1,460	714	947
1,000 metric tons, raw value			
Beginning Stocks	1,024	1,548	757
Production	7,393	6,381	6,508
Imports	230	240	423
Imports for consumption	10	11	194
Imports for sugar-containing product exports (IMMEX)	220	229	229
Total Supply	8,646	8,168	7,688
Disappearance			
Human consumption	4,544	4,452	4,564
For sugar-containing product exports (IMMEX)	407	407	407
Statistical adjustment	56	0	0
Total	5,007	4,859	4,971
Exports	2,091	2,552	1,713
Exports to the United States & Puerto Rico	1,927	1,863	1,093
Exports to other countries	164	689	620
Total Use	7,099	7,412	6,684
Ending Stocks	1,548	757	1,004
Stocks-to-Human Cons. (percent)	34.1	17.0	22.0
Stocks-to-Use (percent)	21.8	10.2	15.0
High Fructose Corn Syrup (HFCS) Consumption (dry weight)	1,567	1,360	1,419

Source: USDA, WASDE and ERS, Sugar and Sweeteners Outlook; Conadesuca.

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

Figure 1 below shows regional production in Mexico. While production for 2013/14 is below 2012/13, it is still well above the 5-year average.

**Figure 1**  
**Mexico sugar production, by region**



Production for 2014/15 is projected at 6,140 million mt. This amount is based on the same area harvested in 2013/14 and uses a 6-year average sugar per hectare yield on a factory-by-factory basis. Table 2 below shows the sugar statistics aggregated by factories into regions.

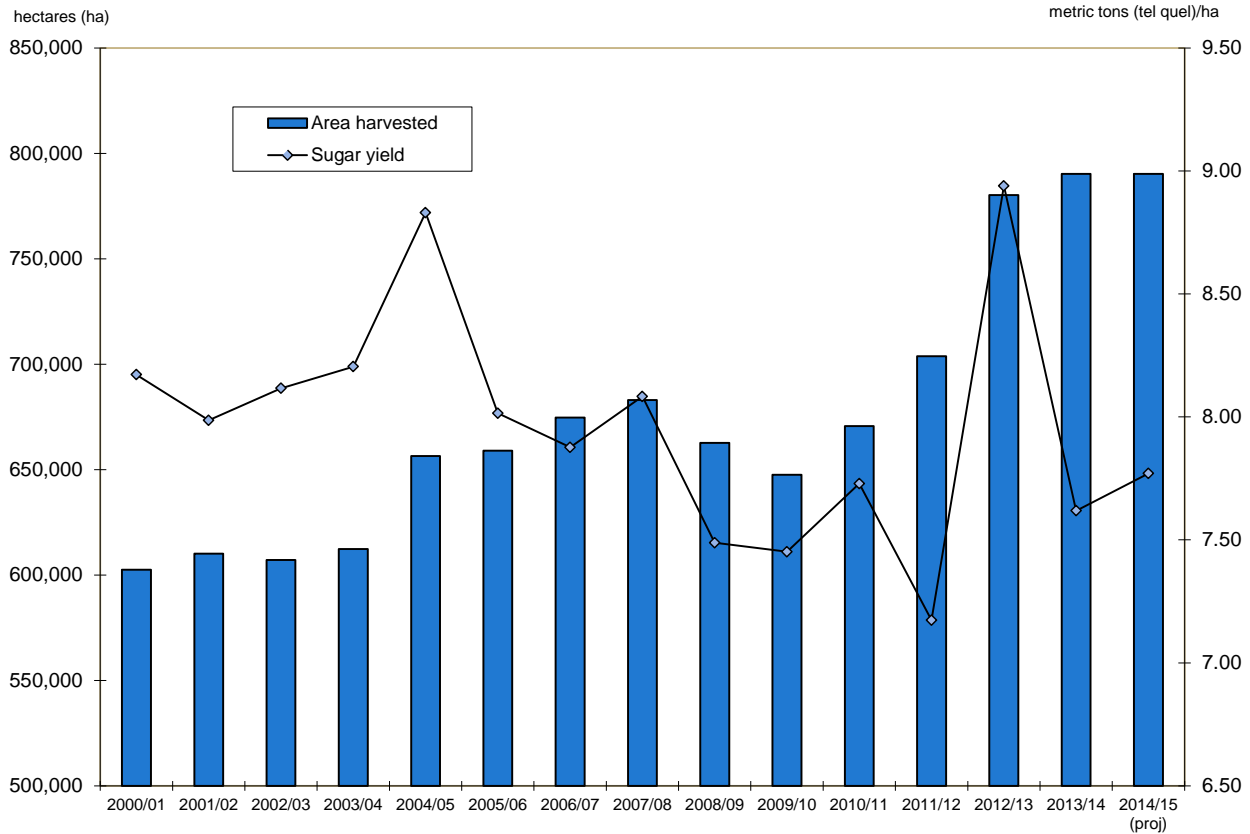
Table 2 -- Mexico sugarcane, area harvested, sugar, by region, 2007/08-2013/14 and projected 2014/15

Region		2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15 (proj.)
<b>Central</b>								
Area harvested	Has.	28,946	28,231	30,795	31,602	34,275	34,751	34,751
Cane harvested	Tons	3,011,639	3,109,317	3,216,196	3,676,224	3,932,981	3,861,721	3,824,179
Sugar production	Tons	379,756	386,309	411,041	481,420	510,099	502,866	491,798
Refinado	Tons	0	0	0	0	0	0	0
Estandar	Tons	379,756	386,309	411,041	481,420	510,099	502,866	491,798
Other	Tons	0	0	0	0	0	0	0
Sucrose recovery	Percent	12.61	12.42	12.78	13.10	12.97	13.02	12.86
Cane yield	Tn/Ha.	104.04	110.14	104.44	116.33	114.75	111.13	110.05
Sugar yield	Tn/ha	13.12	13.68	13.35	15.23	14.88	14.47	14.15
<b>Gulf</b>								
Area harvested	Has.	269,539	272,335	274,485	281,492	311,896	320,487	320,487
Cane harvested	Tons	15,466,962	16,762,064	15,646,792	16,669,325	23,192,954	19,640,572	19,893,601
Sugar production	Tons	1,798,622	1,802,381	1,834,977	1,746,091	2,563,009	2,195,993	2,230,629
Refinado	Tons	844,042	889,132	871,414	830,203	1,163,992	809,138	803,903
Estandar	Tons	915,273	912,446	918,215	897,639	1,338,309	1,332,188	1,371,972
Other	Tons	39,306	804	45,351	18,248	60,709	54,667	54,754
Sucrose recovery	Percent	11.63	10.75	11.73	10.47	11.05	11.18	11.21
Cane yield	Tn/Ha.	57.38	61.55	57.00	59.22	74.36	61.28	62.07
Sugar yield	Tn/ha	6.67	6.62	6.69	6.20	8.22	6.85	6.96
<b>Northeast</b>								
Area harvested	Has.	128,997	122,284	134,331	131,753	152,180	161,368	161,368
Cane harvested	Tons	7,707,869	6,422,780	9,140,820	6,649,561	11,604,928	9,900,235	9,999,836
Sugar production	Tons	908,832	696,051	1,122,889	717,721	1,371,638	1,064,612	1,150,499
Refinado	Tons	398,370	300,023	475,673	305,641	464,764	447,977	482,532
Estandar	Tons	510,461	396,028	643,936	412,079	905,234	592,410	641,581
Other	Tons	0	0	3,280	0	1,640	24,225	26,387
Sucrose recovery	Percent	11.79	10.84	12.28	10.79	11.82	10.75	11.51
Cane yield	Tn/Ha.	59.75	52.52	68.05	50.47	76.26	61.35	61.97
Sugar yield	Tn/ha	7.05	5.69	8.36	5.45	9.01	6.60	7.13
<b>Northwest</b>								
Area harvested	Has.	21,527	14,437	15,228	20,178	21,660	12,340	12,340
Cane harvested	Tons	1,774,361	954,571	1,194,424	1,613,186	1,626,212	668,254	893,696
Sugar production	Tons	164,786	92,475	118,142	143,384	141,441	55,592	82,396
Refinado	Tons	66,163	22,316	35,326	46,443	52,960	13,536	30,487
Estandar	Tons	98,623	70,159	82,816	96,941	88,481	42,056	51,910
Other	Tons	0	0	0	0	0	0	0
Sucrose recovery	Percent	9.29	9.69	9.89	8.89	8.70	8.32	9.22
Cane yield	Tn/Ha.	82.43	66.12	78.44	79.95	75.08	54.15	72.42
Sugar yield	Tn/ha	7.65	6.41	7.76	7.11	6.53	4.51	6.68
<b>Pacific</b>								
Area harvested	Has.	115,718	113,413	113,296	127,348	140,078	138,387	138,387
Cane harvested	Tons	8,887,714	9,890,549	8,827,922	10,407,966	12,548,197	12,325,446	11,564,964
Sugar production	Tons	1,064,392	1,168,930	1,022,131	1,197,322	1,487,934	1,425,402	1,358,975
Refinado	Tons	281,710	297,022	266,634	308,485	336,240	309,700	294,910
Estandar	Tons	782,682	871,886	592,145	689,009	853,204	826,571	783,558
Other	Tons	0	0	163,352	199,830	298,491	289,131	280,507
Sucrose recovery	Percent	11.98	11.82	11.58	11.50	11.86	11.56	11.75
Cane yield	Tn/Ha.	76.81	87.21	77.92	81.73	89.58	89.07	83.57
Sugar yield	Tn/ha	9.20	10.31	9.02	9.40	10.62	10.30	9.82
<b>South</b>								
Area harvested	Has.	97,973	96,876	102,533	111,392	120,164	122,897	122,897
Cane harvested	Tons	5,678,293	6,229,105	6,105,416	7,214,967	8,533,264	7,931,537	7,740,286
Sugar production	Tons	646,108	679,415	674,319	762,532	900,675	776,015	825,702
Refinado	Tons	80,269	94,300	59,376	74,244	66,527	65,264	73,813
Estandar	Tons	565,838	585,114	594,079	659,883	787,394	670,853	706,765
Other	Tons	0	0	20,864	28,405	46,754	39,898	45,124
Sucrose recovery	Percent	11.38	10.91	11.04	10.57	10.55	9.78	10.67
Cane yield	Tn/Ha.	57.96	64.30	59.55	64.77	71.01	64.54	62.98
Sugar yield	Tn/ha	6.59	7.01	6.58	6.85	7.50	6.31	6.72
<b>Mexico</b>								
Area harvested	Has.	662,700	647,575	670,667	703,765	780,253	790,230	790,230
Cane harvested	Tons	42,526,838	43,368,387	44,131,570	46,231,229	61,438,536	54,327,765	53,916,562
Sugar production	Tons	4,962,495	4,825,560	5,183,500	5,048,470	6,974,796	6,020,480	6,140,000
Refinado	Tons	1,670,555	1,602,793	1,708,423	1,565,016	2,084,483	1,645,615	1,685,644
Estandar	Tons	3,252,633	3,221,942	3,242,232	3,236,971	4,482,721	3,966,944	4,047,584
Other	Tons	39,306	804	232,847	246,483	407,594	407,921	406,772
Sugar production	Tons, raw value	5,260,245	5,115,094	5,494,510	5,351,378	7,393,284	6,381,709	6,508,400
Sucrose recovery	Percent	11.67	11.13	11.75	10.92	11.35	11.08	11.39
Cane yield	Tn/Ha.	64.17	66.97	65.80	65.69	78.74	68.75	68.23
Sugar yield	Tn/ha	7.49	7.45	7.73	7.17	8.94	7.62	7.77

Source: Conadesuca (estimates); USDA (projection).

Figure 2 shows Mexico’s sugar area harvested and the sugar yield for 2000/01 through projected 2014/15. With regard to area harvested, there are three distinct periods. The first is the 2000/01 through 2003/04 period with lower area harvested, followed by 2004/05 through 2011/12 with slightly higher area harvested and then by 2012/13 through projected 2014/15 with markedly higher area harvested. The sugar yield over time shows no real trend and varies greatly from year to year.

**Figure 2**  
**Mexico sugar area harvested and sugar yield, 2004/05-2013/14 and 2014/15 projected.**

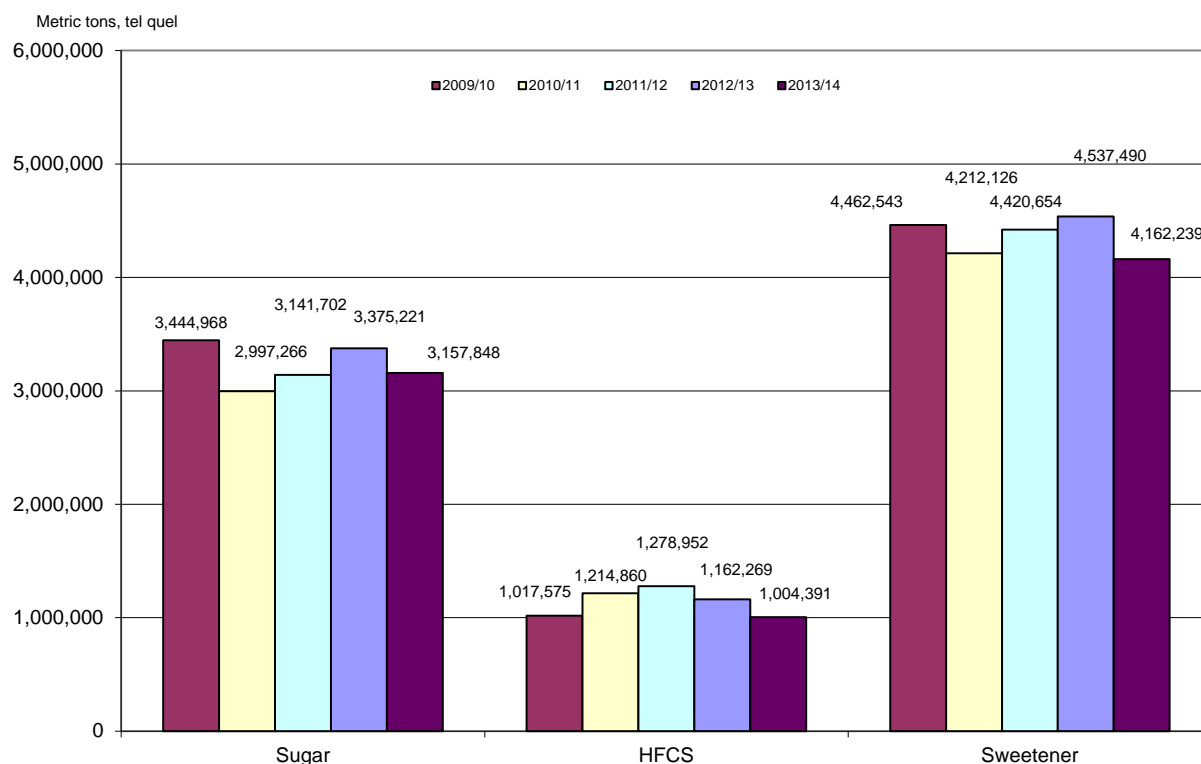


Source: Conadesuca, USDA (2014/15 projection).

The USDA projects no changes to imports for 2013/14. Deliveries are reduced 106,000 mt to 4.200 million mt based on slowing deliveries as indicated by Conadesuca data through June.

Figure 3 shows that total 9-month sweetener consumption (October-June) is off 8.277 percent relative to 2012/13. The USDA thinks that this amount is extreme and assumes that sweetener use will be off by just 5 percent. This reduction is thought to be due mostly to reported reductions in consumption of soft drinks and packaged sweets because of the Mexican Government’s anti-obesity efforts and also possibly from sweetener consumption taxes. HFCS is set to reach the USDA forecast of 1.360 mt, dry basis. This implies total sugar consumption of approximately 4.200 million mt for 2013/14. The USDA is making no adjustment to consumption in 2014/15.

**Figure 3**  
**Sweetener consumption in Mexico, 9-months into marketing year, 2009/10 -- 2013/14**



Source: Conadesuca.

The USDA is increasing exports for 2013/14 by 50,000 mt based on pace-to-date exports to the United States. Ending stocks are increased as a residual by 51,000 mt to 714,000 mt, representing a stocks-to-consumption ratio of 17.0 percent, well below the 22.0 percent considered optimal for meeting consumption for the first quarter of the next marketing year. Due to the slightly higher ending stocks compared with July, imports for 2014/15 are decreased by 51,000 mt to 399,000 mt so that sugar equaling 2.5 months of consumption is available prior to the full start of next year's production cycle.

Ending stocks for 2014/15 remain unchanged at 947,000 mt, representing 22.0 percent of consumption. Exports for 2014/15 remain unchanged in total, but the amount to be exported to the United States is reduced by 575,000 mt based on signed contracts confirmed by the USDA committing Mexican shipments to non-U.S. destinations in that amount.<sup>1</sup>

### ***United States Sugar Supply and Use***

For the 2013/14 marketing year, there is no adjustment in beginning stocks of sugar for the United States. Cane sugar production from Hawaii is reduced 25,000 short tons, raw value (STRV) to 165,000 STRV based on a slow harvest pace. Imports to the United States are decreased by 29,000 STRV. This amount comes from two sources. The first comes from tariff-rate quota (TRQ) imports, which are reduced by 87,547 STRV from an expected shortfall based on reporting from and analysis by the USDA's Foreign Agricultural Service (FAS). The second is based on an

<sup>1</sup> On August 7, the trading house Sucden announced it had concluded a commercial contract for 275,000 mt for Mexico's 2014/15 crop for export to non-U.S. destinations. On the same date, CSC Sugar also announced purchase of 300,000 mt of 2014/15 Mexico sugar for export to non-U.S. destinations. Both purchases are from the mills owned by the Mexican Government.

increase in imports from Mexico of 58,423 STRV based on pace-to-date imports. U.S. sugar supply and use data is shown in Table 3 below.

Table 3 -- U.S. sugar: supply and use, by fiscal year (Oct./Sept.), August 2014.

Items	2012/13	2013/14	2014/15	2012/13	2013/14	2014/15
	1,000 Short tons, raw value			1,000 metric tons, raw value		
Beginning stocks	1,979	2,158	1,754	1,796	1,958	1,591
Total production	8,981	8,417	8,341	8,148	7,636	7,567
Beet sugar	5,076	4,750	4,750	4,605	4,309	4,309
Cane sugar	3,905	3,667	3,591	3,543	3,326	3,258
Florida	1,867	1,759	1,785	1,694	1,595	1,619
Louisiana	1,686	1,600	1,500	1,530	1,451	1,361
Texas	173	143	126	157	130	114
Hawaii	179	165	180	163	150	163
Total imports	3,224	3,645	2,877	2,925	3,307	2,610
Tariff-rate quota imports	957	1,371	1,262	868	1,244	1,145
Other Program Imports	136	210	400	124	191	363
Non-program imports	2,131	2,064	1,215	1,933	1,873	1,102
Mexico	2,124	2,054	1,205	1,927	1,863	1,093
Total Supply	14,185	14,220	12,972	12,868	12,900	11,768
Total exports	274	325	250	249	295	227
Miscellaneous	-23	0	0	-21	0	0
Deliveries for domestic use	11,776	12,141	11,885	10,683	11,014	10,782
Transfer to sugar-containing products for exports under reexport program	80	100	100	73	91	91
Transfer to polyhydric alcohol, feed, other alcohol	32	25	35	29	23	32
Commodity Credit Corporation (CCC) sale for ethanol, other	153	316	0	139	287	0
Deliveries for domestic food and beverage use	11,511	11,700	11,750	10,442	10,614	10,659
Total Use	12,027	12,466	12,135	10,910	11,309	11,009
Ending stocks	2,158	1,754	837	1,958	1,591	759
Private	1,842	1,754	837	1,671	1,591	759
Commodity Credit Corporation (CCC)	316	0	0	287	0	0
Stocks-to-use ratio	17.95	14.07	6.90	17.95	14.07	6.90

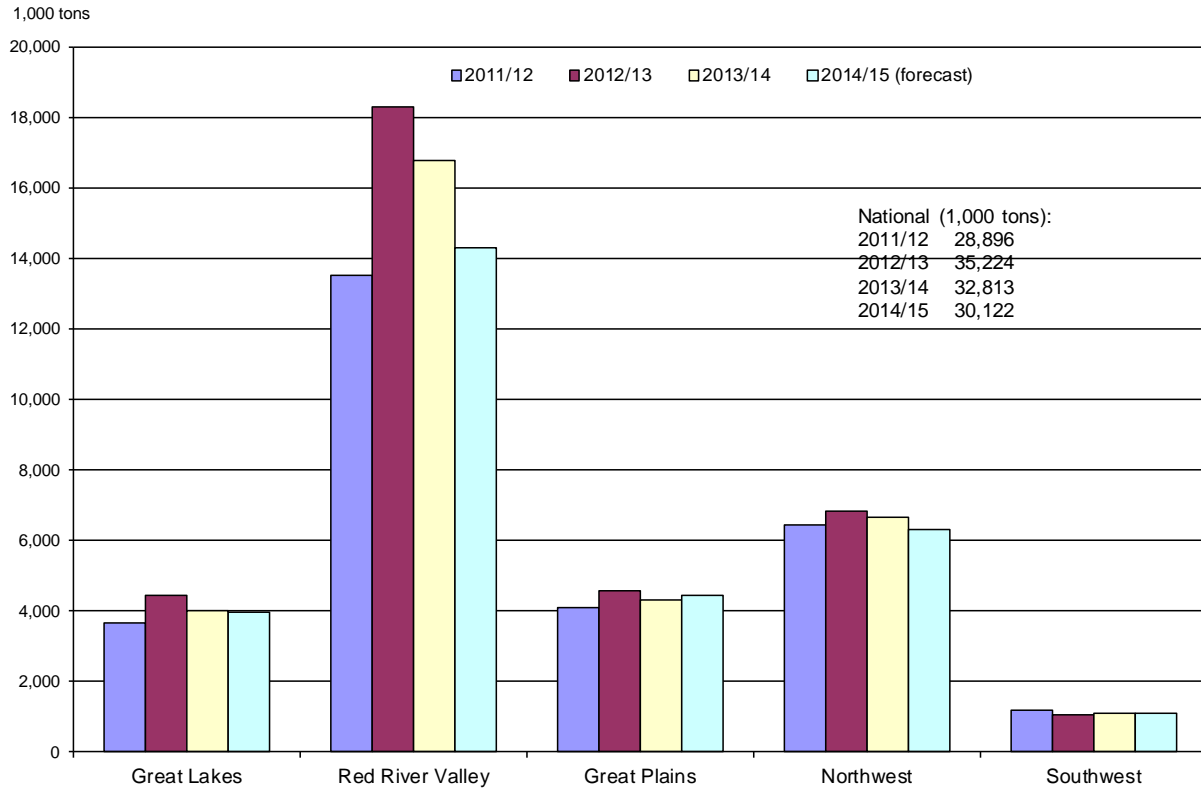
Source: USDA, ERS, Sugar and Sweetener Outlook.

Deliveries remain unchanged at 11.700 million STRV. Exports also remain unchanged. Ending stocks are calculated residually at 1.754 million STRV, a reduction from last month of 54,000 STRV. This implies a stocks-to-use ratio of 14.07 percent.

USDA's National Agricultural Statistics Service (NASS) completed its first production forecast for sugarbeets and sugarcane on August 12, 2014.<sup>2</sup> Total production of sugarbeets for 2014/15 is forecast below the last 2 years' at 30,122 tons. The regional breakdown of production is shown in figure 4. Sugarcane production for 2014/15 is also forecast lower overall than in prior years (with the exception of in Florida), as shown in figure 5. The Interagency Commodity Estimates Committee (ICEC) for sugar projects 2014/15 sugarcane for sugar at 27.739 million tons.

<sup>2</sup> See <http://usda.mannlib.cornell.edu/usda/current/CropProd/CropProd-08-12-2014.pdf>.

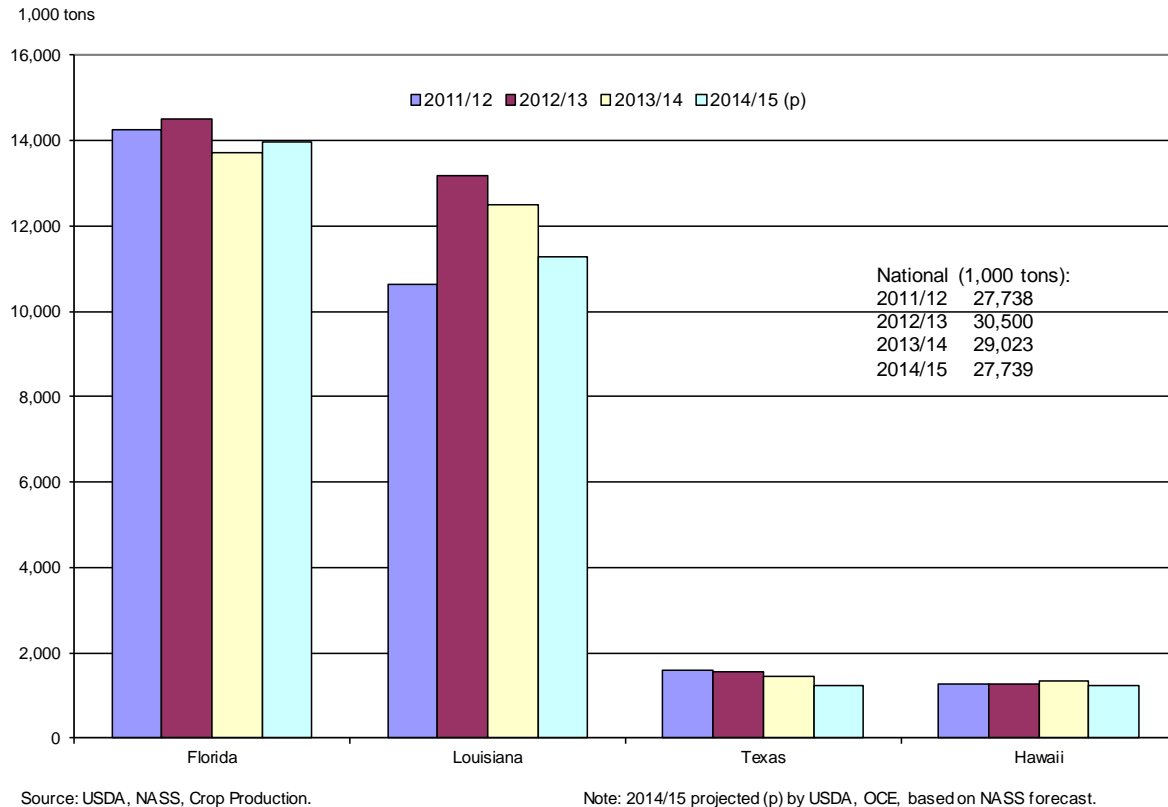
**Figure 4**  
**U.S. sugarbeet production, by region**



Source: USDA, NASS, Crop Production.



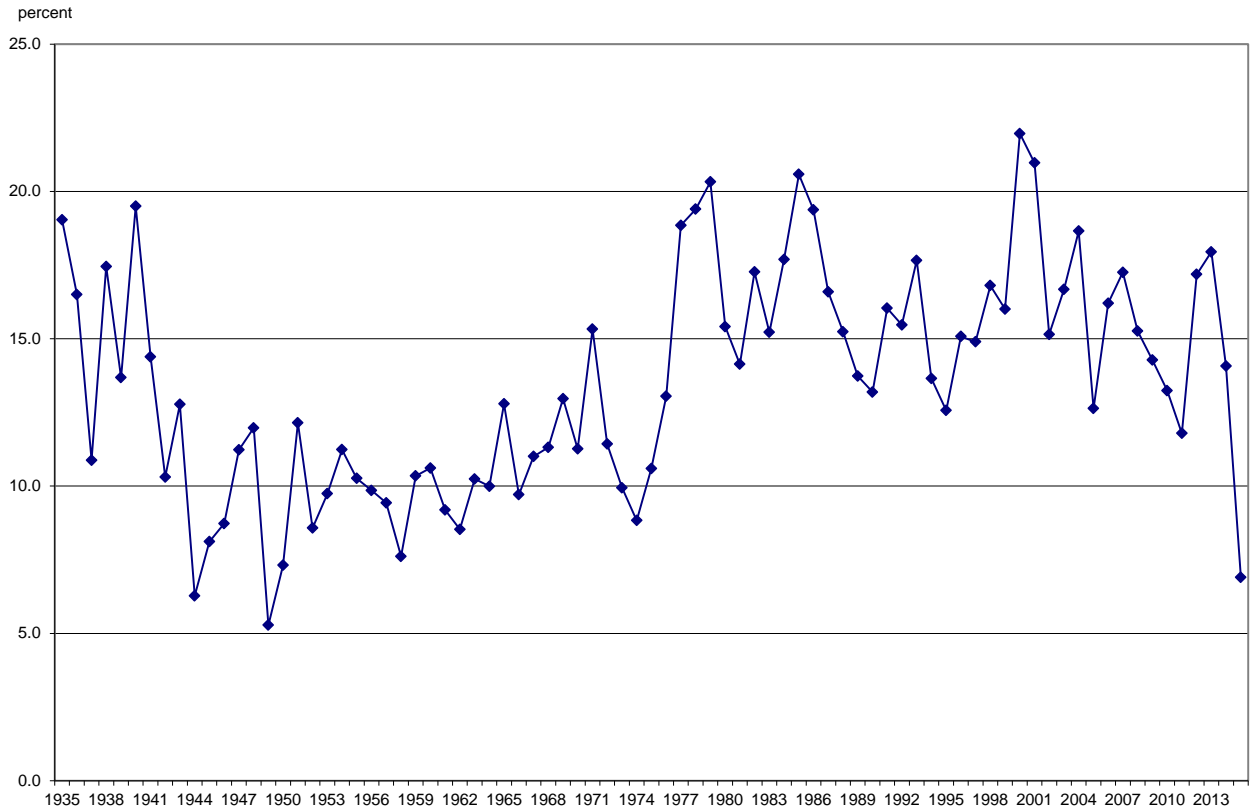
**Figure 5**  
**U.S. sugarcane for sugar production, by State**



Beginning stocks for 2014/15 are decreased by 54,000 STRV due to changes in supply and use for 2013/14. Cane sugar production increased by 116, 000 STRV based on processors’ reporting. Processors in Florida report an increase of 5,000 to 1.785 million STRV, Louisiana processors report an increase of 120,000 to 1.5 million STRV, and Texas processors report a decrease of 9,000 to 126,000 STRV.

Imports from Mexico are reduced by 672,000 STRV to 1.205 million STRV. There are no changes to other imports, and therefore total imports equal 2.877 million STRV. There are no forecast changes in deliveries and exports for 2014/15. Ending stocks are calculated residually at 837,999 STRV, a reduction from July of 610,000 STRV. The implied stocks-to-use ratio is 6.9 percent. This is the lowest stocks-to-use ratio since 1949, as shown in figure 6.

**Figure 6**  
**Ending fiscal year stocks-to-use ratio, 1935-2015**



Source: USDA.

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Tables from the *Sugar and Sweeteners Yearbook* are available in the Sugar and Sweeteners Topics at <http://www.ers.usda.gov/topics/sugar/>. They contain the latest data and historical information on the production, use, prices, imports, and exports of sugar and sweeteners.

### **Tgrvvgf'Y gdukgu''**

Sugar and Sweeteners Outlook <http://www.ers.usda.gov/Publications/SSS/WASDE> <http://usda.mannlib.cornell.edu/MannUsda/viewDocumentInfo.do?documented=1194>  
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