



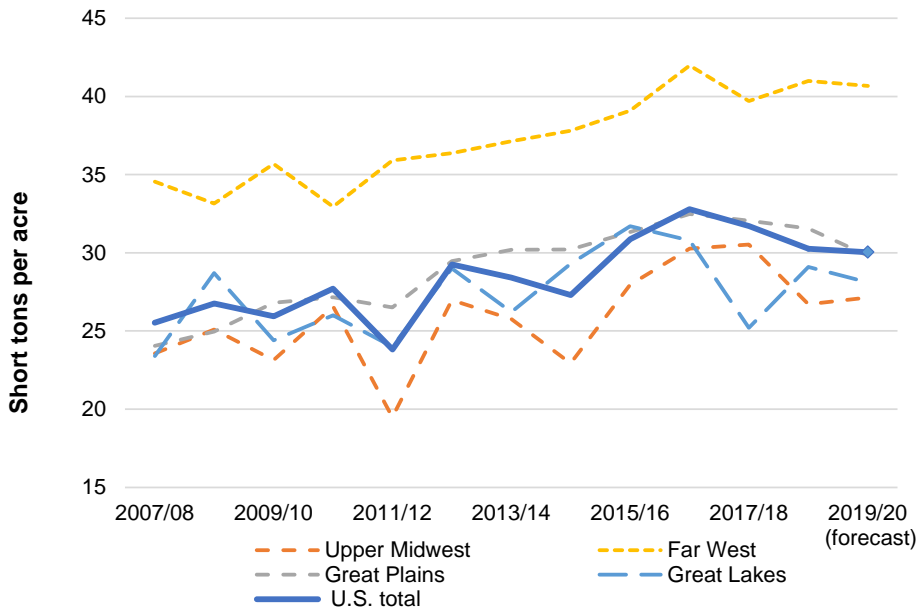
# Sugar and Sweeteners Outlook

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## Sugarbeet Yields Reduced in September, Lowering 2019/20 U.S. Sugar Production

The September *World Agricultural Supply and Demand Estimates* (WASDE) lowers U.S. sugar production from the August report due to reduced sugarbeet yields. Domestic deliveries are lowered slightly for both 2018/19 and 2019/20. Imports from Mexico are raised due to the calculation of U.S. Needs, based on the terms of the Suspension Agreements.

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



Source: USDA, National Agricultural Statistics Service.

# U.S. Domestic Outlook

## Lower Sugarbeet Production for 2019/20 Reduces Production Outlook

The September *World Agricultural Supply and Demand Estimates* (WASDE) reduces supplies for both 2018/19 and 2019/20, largely based on lower domestic production. Total supplies are reduced 53,000 short tons, raw value (STRV) for 2018/19 and 59,000 STRV for 2019/20.

**Table 1: U.S. sugar: supply and use, by fiscal year (Oct./Sept.), September 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	1,747	1,702	1,822	1,585
Total production	9,293	8,985	9,134	8,430	8,151	8,286
Beet sugar	5,279	4,957	5,005	4,789	4,497	4,540
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	3,089	3,125	2,973	2,802	2,835
Tariff-rate quota imports	1,663	1,582	1,587	1,509	1,435	1,440
Other program imports	326	420	350	296	381	318
Non-program imports	1,287	1,087	1,188	1,168	986	1,078
Mexico	1,223	997	1,118	1,110	904	1,014
High-duty	64	90	70	58	82	64
Total supply	14,445	14,082	14,006	13,105	12,775	12,706
Total exports	170	35	35	154	32	32
Miscellaneous	82	0	0	75	0	0
Deliveries for domestic use	12,185	12,300	12,305	11,054	11,158	11,163
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	12,175	12,200	10,930	11,045	11,068
Total use	12,438	12,335	12,340	11,283	11,190	11,195
Ending stocks	2,008	1,747	1,666	1,822	1,585	1,511
Private	2,008	1,747	1,666	1,822	1,585	1,511
Commodity Credit Corporation (CCC)	0	0	0	0	0	0
Stocks-to-use ratio	16.14	14.16	13.50	16.14	14.16	13.50

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

The National Agricultural Statistics Service (NASS) updated its forecast of sugarbeet production in the September *Crop Production* report, reducing production 3.5 percent from the August report to 33.547 million short tons. The reduction is due to lower yields expected for all major growing regions, with the national forecast falling from 31.1 tons per acre in August to 30.0 in September.

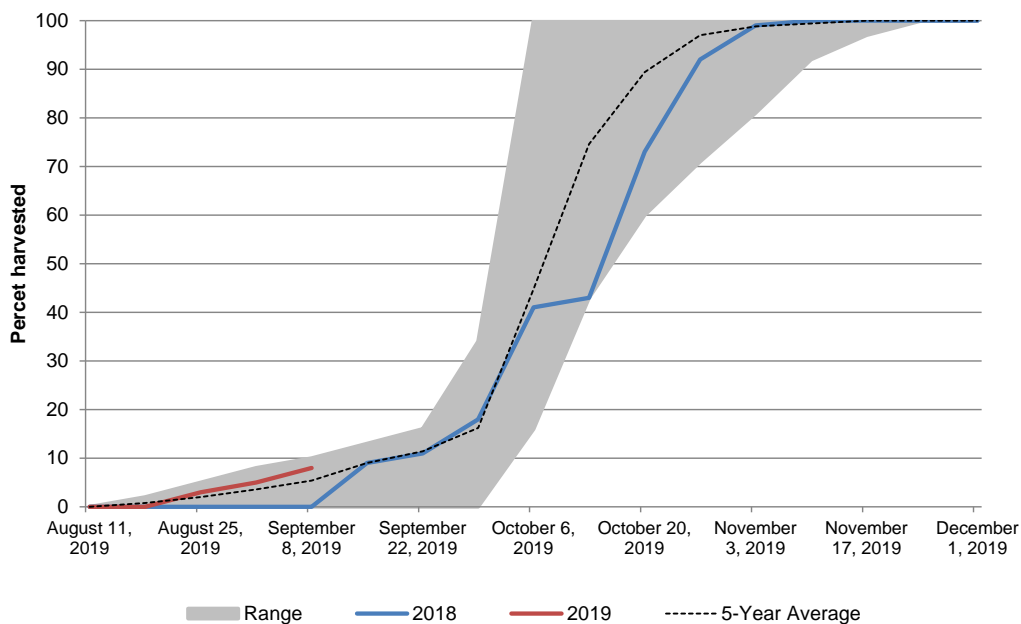
**Table 2: Sugarbeet production, 2015/16 to 2019/20, September 2019**

State	2015/16	2016/17	2017/18	2018/19	2019/20 (forecast)		Annual change percent
					August	September	
	<i>1,000 short tons</i>						
Minnesota	12,180	12,510	12,515	10,486	11,578	11,241	7.2
North Dakota	5,747	6,252	6,445	5,731	6,124	5,852	2.1
Idaho	6,588	7,038	6,507	6,602	6,789	6,673	1.1
Michigan	4,787	4,589	3,604	4,278	4,336	4,075	-4.7
Nebraska	1,329	1,411	1,437	1,407	1,365	1,214	-13.7
Montana	1,442	1,586	1,396	1,319	1,390	1,307	-0.9
Wyoming	939	951	891	946	894	838	-11.4
Colorado	958	927	1,035	831	767	809	-2.6
Oregon	297	428	334	366	372	380	3.8
Washington	N/A	91	87	87	93	96	10.3
U.S. Total	35,371	36,920	35,317	33,145	34,751	33,547	1.2

Source: USDA, National Agricultural Statistics Service.

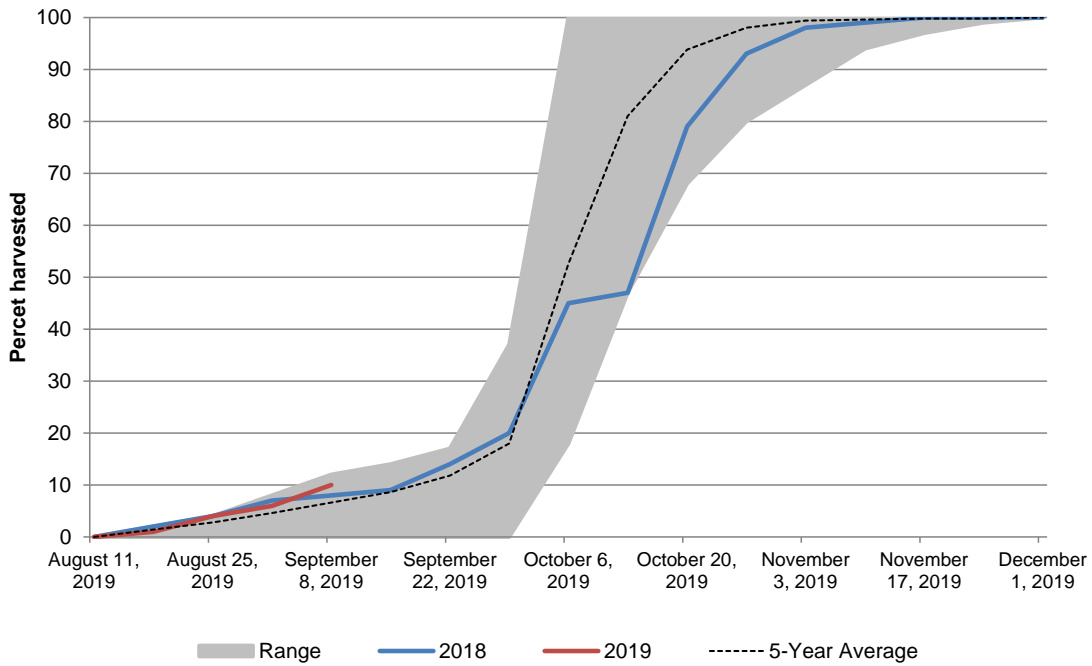
The sugarbeet harvest has begun in most producing regions. Through September 8, harvest progress has been more or less on track with recent trends in Minnesota and North Dakota, which produce the majority of early-season beet sugar in the United States. The harvest progress has lagged in Idaho and Michigan through the same time period, however.

Figure 1  
**Minnesota sugarbeet harvest progress, 2018, 2019, and 5-year average**



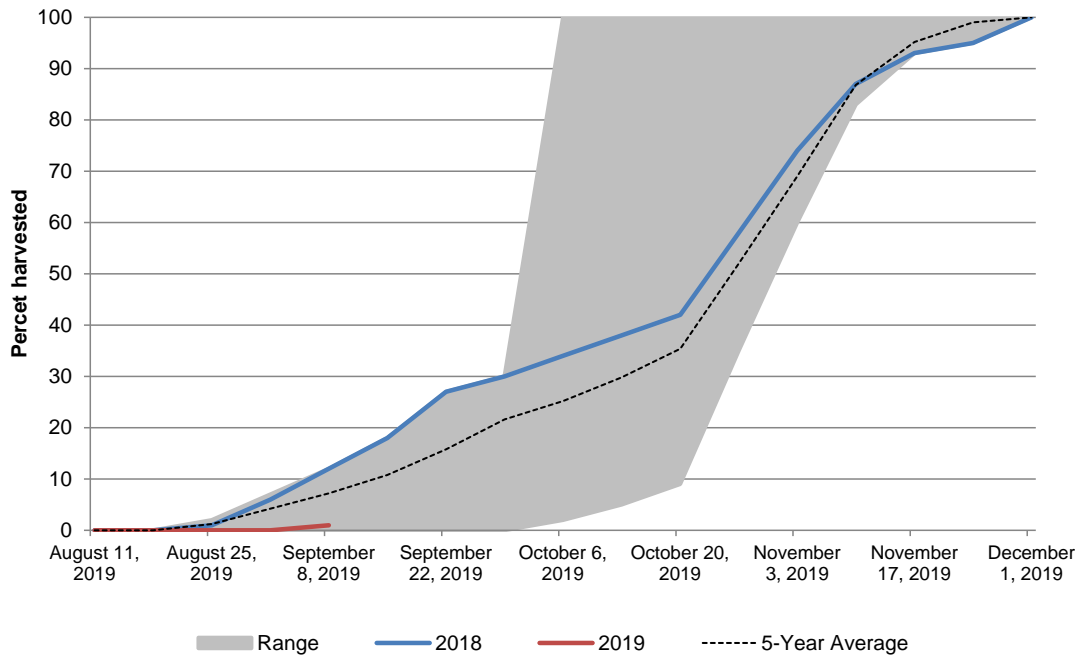
Source: U.S. Department of Agriculture, National Agricultural Statistics Service.

Figure 2  
**North Dakota sugarbeet harvest progress, 2018, 2019, and 5-year average**



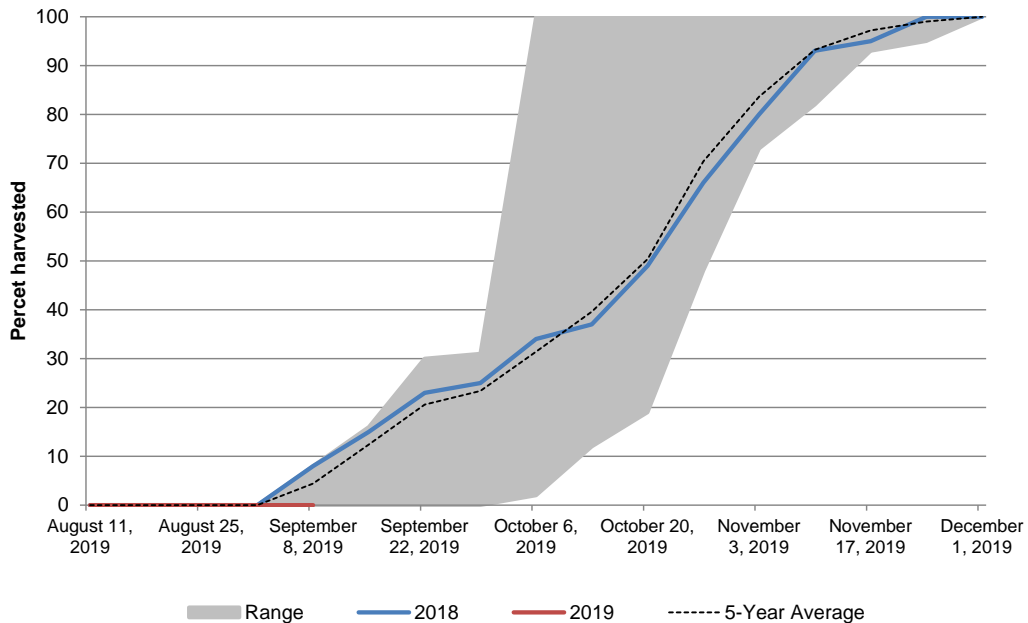
Source: U.S. Department of Agriculture, National Agricultural Statistics Service.

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.

Beet sugar production for 2019/20 is projected at 5.005 million STRV, a 174,000-STRV reduction from the previous month, due to the lower sugarbeet production expectations. This would represent a 0.9-percent increase from the updated forecast for 2018/19. Production for 2018/19 is estimated at 4.957 million STRV, a 51,000-STRV reduction from the previous month. The 2018/19 production estimate now reflects complete reporting for the August-to-July crop year, with beet slice and molasses production based on actual reported figures. An estimated 600,000 STRV of sugar from the 2019/20 crop is expected to be sliced and produced by October 1 and therefore accounted for in the 2018/19 fiscal year. This total is based on current production projections and the harvested progress, particularly from Minnesota, North Dakota, Michigan, and Idaho.

**Table 3: 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
					August	September	August	September
Sugarbeet production (1,000 short tons) 1/	31,285	35,371	36,881	35,325	33,145	33,145	34,751	33,547
Sugarbeet shrink	5.4%	6.5%	8.3%	7.3%	5.0%	4.8%	6.5%	6.5%
Sugarbeet sliced (1,000 short tons)	29,595	33,066	33,834	32,742	31,488	31,561	32,492	31,382
Sugar extraction rate from slice	14.61%	14.58%	13.72%	15.18%	14.81%	14.77%	14.58%	14.57%
Sugar from beets slice (1,000 STRV)	4,325	4,820	4,643	4,970	4,663	4,660	4,738	4,573
Sugar from molasses (1,000 STRV)	341	380	352	368	368	352	368	359
Crop-year sugar production (1,000 STRV) 2/	4,667	5,201	4,995	5,338	5,031	5,012	5,106	4,932
August-September sugar production (1,000 STRV)	461	688	606	715	655	655	600	600
August-September sugar production of subsequent crop (1,000 STRV)	688	606	715	655	600	600	633	633
Sugar from imported beets (1,000 STRV) 3/	--	--	--	--	33	--	40	40
Fiscal year sugar production (1,000 STRV)	4,893	5,119	5,103	5,279	5,008	4,957	5,179	5,005

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.

Cane sugar production remained unchanged from the August report at an estimated 4.028 million STRV for 2018/19 and a projected 4.129 million STRV for 2019/20. NASS increased forecast sugarcane production, primarily due to higher yield expectations in Florida, which was offset slightly by a small decrease in Louisiana yields.

## Weak Deliveries for July Reduce Food and Beverage Delivery Forecasts for 2018/19 and 2019/20

Total deliveries for 2018/19 are projected at 12.175 million STRV, a 25,000-STRV reduction from the previous month. The reduction is primarily due to lower-than-expected deliveries in July. Through July, domestic sugar deliveries for food and beverage totaled 10.042 million STR—a 0.5-percent increase from the same period in 2017/18. The growth is entirely due to a 9.1-percent increase in nonreporter imports, which is a relatively small, but volatile, component of U.S. use. Deliveries from beet sugar processors and cane sugar refiners that report to the USDA as part of the sugar program, totaled 9.397 million STRV—unchanged from the previous year.

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

	2014/15	2015/16	2016/17	2017/18	2018/19	Annual change
	1,000 STRV					Percent
Beet sugar processors	3,944	3,753	4,410	4,364	4,184	-4.1
Cane sugar refiners	5,140	5,289	4,995	5,032	5,213	3.6
Total reporters	9,084	9,042	9,405	9,397	9,397	0.0
Nonreporter, direct consumption	737	718	608	591	645	9.1
Total deliveries	9,821	9,759	10,012	9,988	10,042	0.5
Final fiscal year deliveries 1/	11,921	11,881	12,102	12,048	12,175	1.1

1/ Latest WASDE estimate for 2018/19.

Source: USDA, Farm Service Agency.

The flat deliveries from reporters is a change from the previous few months, where pace-to-date deliveries showed a modest increase relative to 2017/18 (between 0.2- and 0.5-percent since

the spring). In July, however, deliveries from both beet processors and cane refiners were 4.5 percent below the July 2018 total.

The low July figure continues a pattern seen over the past several years, with isolated summer months showing unexpectedly low deliveries. The August WASDE delivery estimate was predicated on the July-to-September quarter having deliveries in line with previous year and recent historical averages. The downward adjustment in the September WASDE reflects the below-average deliveries figure from reporters in July.

Food and beverage deliveries for 2019/20 are projected to total 12.200 million STRV, also a 25,000-STRV decrease from the previous month. If realized, this would represent a 0.2-percent increase from the current 2018/19 estimate.

## Imports from Mexico Raised for 2019/20 Based on Higher U.S. Needs

U.S. sugar imports for 2018/19 are estimated to be 3.089 million STRV, a slight 2,000-STRV decrease from the previous month. A 22,000-STRV decrease in expected quota imports is nearly completely offset by a 20,000-STRV increase in re-export program imports.

U.S. sugar imports for 2019/20 are projected to be 3.125 million STRV. Imports from quota programs are reduced by 6,000 STRV. Imports from Mexico are projected to total 1.118 million STRV, a 149,000-STRV increase from the previous forecast. The September projection is based on the updated calculation of U.S. Needs based on the terms of the Suspension Agreement.

# Mexico Outlook

## Drought Conditions Lower Production Projections for 2019/20

Mexico total supplies for 2019/20 are projected at 7.265 million metric tons, actual value (MT)—a 48,000-MT reduction from the August report. The decrease is the result of lower expected production. Beginning stocks and imports remain unchanged at 995,000 MT and 70,000 MT, respectively.

**Table 5: Mexico sugar supply and use, 2017/18 - 2018/19 and projected 2019/20, September 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	6,200
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	7,265
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	1,494
Exports to the United States & Puerto Rico	1,047	853	957
Exports to other countries	52	1,326	537
Total use	5,838	6,895	6,270
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	6,572
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	7,701
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	1,583
Exports to the United States & Puerto Rico	1,110	904	1,014
Exports to other countries	55	1,406	569
Total use	6,188	7,309	6,647
Ending stocks	1,478	1,055	1,054
Stocks-to-human consumption (percent)	33.0	23.5	23.1
Stocks-to-use (percent)	23.9	14.4	15.9
High-fructose corn syrup (HFCS) consumption (dry weight)	1,593	1,520	1,520

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

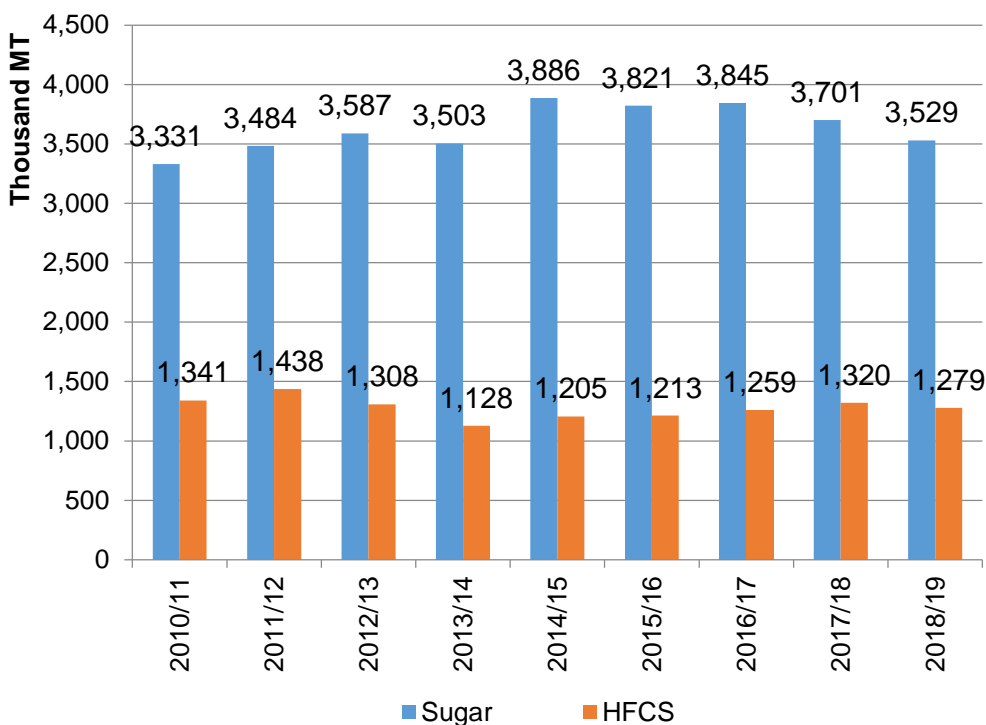
Source: USDA, *World Agricultural Supply and Demand Estimates* and Economic Research Service, *Sugar and Sweeteners Outlook*; Conadesuca.



Mexico production is projected at 6.200 million MT for 2019/20, accounting for the 48,000-MT reduction of supply since the previous month. Several production regions in Mexico are experiencing droughts through the summer. Production in 2018/19 is estimated at a relatively large 6.425 million MT. This level would have been difficult to replicate for 2019/20. The dry weather conditions are likely to result in a further year-over-year decline; although it is still relatively early in the plant development stage for the crop.

Domestic deliveries in Mexico for 2018/19 are estimated at 4.716 million MT, unchanged from the previous month. Also unchanged are estimated deliveries for domestic human consumption, totaling 4.236 million MT. This would represent a nearly-flat 0.2 percent increase from the previous year. Through July, Conadesuca reports that 3.529 million MT have been delivered for human consumption, which represents a 4.7-percent decline from the same period in 2017/18. Deliveries in Mexico have been seeing a flattening or declining trend in consumption since 2014/15. This trend has been accompanied by a partially offsetting increase in high-fructose corn syrup (HFCS) deliveries, although it also shows an overall decline in per capita sweetener deliveries.

Figure 5  
**Mexican sweetener consumption October to July, 2010/11 to 2018/19**



Source: Conadesuca.

Deliveries for 2019/20 are projected to total 4.296 million MT, unchanged from the previous month and representing a 1.4-percent increase from current 2018/19 estimates. This projection is based upon total HFCS deliveries remaining unchanged from 2018/19 and per capita sweetener consumption remaining flat from year to year.

Exports to the United States are projected to total 957,000 MT for 2019/20, based on the updated calculation of U.S. Needs. Exports to other countries in 2019/20 are projected to total 537,000 MT, based on the amount needed to maintain targeted ending stock levels by Mexican Government and industry officials. Exports to other countries in 2018/19 are estimated at 1.326 million MT. Through the end of August, Mexico has exceeded one million MT of exports to the world market.

## Suggested Citation

McConnell, Michael J., and David Olson, *Sugar and Sweeteners Outlook*, SSS-M-373, U.S. Department of Agriculture, Economic Research Service, September 18, 2019