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United States
Department of Agriculture

Sugar Outlook

Friday, February 21, 2014



www.usda.gov/ocelforum

2014/15 U.S. SUGAR SUPPLY AND USE¹

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Basis for projecting 2014/15 supply and demand:

- o Projections of supply and demand are based on analyses by the Interagency Commodity Estimates Committee (ICEC) for sugar.

Key results for 2014/15:

- o Beginning stocks are 1.825 million short tons, raw value (STRV), a decrease of 332,000 STRV relative to 2013/14.
- o Beet sugar production is projected at 5.109 million STRV. Planted area is projected to be about the same as in 2013/14 due to similar returns relative to costs and alternative crops as in 2013/14. Trend sugarbeet yield of 27.75 tons per acre is assumed, along with good sucrose recovery of 16.76 percent.
- o Cane sugar production is projected at 3.811 million STRV. Good growing and harvest conditions in the main producing States of Florida and Louisiana, similar to those in 2012/13, are assumed on about the same harvested area as in 2012/13 (two years ago).
- o Imports are projected to total 3.671 million STRV. Sugar imports from Mexico are projected at 2.262 million STRV. Tariff rate quota (TRQ) imports are assumed to total the minimum under World Trade Organization (WTO) commitments, other current trade agreements, and additional specialty sugar. Shortfall is projected at a high level of 552,000 STRV due to strong competition from raw sugar imported from Mexico in an environment of low world raw sugar prices averaging 16.97 cents per pound. Other imports are projected based on trends.
- o Deliveries for human consumption are projected at 11.559 million STRV, a 0.6 percent increase over 2013/14 in line with population growth. Lower-price high fructose corn syrup relative to refined sugar limits some of sugar's gain of the last several years.
- o Because a low U.S.-world raw sugar price margin of 3 cents per pound is expected to keep the July-September U.S. raw sugar price below the minimum price-to-avoid forfeiture, the USDA may have to take action to reduce supply such as purchasing sugar for resale to ethanol producers.
- o Ending stocks total 2.188 million STRV, the difference between projected total supply (14.416 million STRV) and total use (12.229 million STRV). The implied ending fiscal year stocks-to-use ratio is 17.9 percent.
- Mexico sugar production is projected at 6.936 million metric tons (mt). Area expansion, along with investments made in the last several years of high producer returns, is expected to outweigh effects from recent declines in Mexican sugar prices. Sugar imports are mostly confined for use in Mexico's product re-export program (IMMEX). Sweetener consumption increases with projected population growth but lower priced HFCS is expected to displace sugar in beverage use and some food manufacturing. Sugar IMMEX deliveries are projected the same as in 2013/14. The ratio of ending stocks to sugar for human consumption is projected at a high 32.4 percent, similar to 2012/13 when production was about the same as projected in 2014/15. Exports are calculated residually at 1.936 million mt. All but insignificant amounts are expected to be exported into the U.S. market.

¹Approved by the Interagency Commodity Estimates Committee for sugar.

2014 USDA Agricultural Outlook Forum, Sweeteners Session
February 21, 2014

U.S. Sugar Supply and Use 1/

Item	2013/14		2014/15	
	2012/13	January	February	Projection
1,000 short tons, raw value				
Beginning stocks	1,979	2,160	2,157	1,825
Production 2/	8,980	8,778	8,725	8,920
Beet sugar	5,076	5,025	5,025	5,109
Cane sugar	3,904	3,753	3,700	3,811
Florida	1,866	1,833	1,780	1,843
Hawaii	179	180	185	139
Louisiana	1,686	1,600	1,600	1,709
Texas	173	140	135	120
Imports	3,224	3,184	3,184	3,671
TRQ 3/	957	1,319	1,319	1,009
Other program 4/	136	110	110	390
Other 5/	2,131	1,755	1,755	2,272
Mexico	2,124	1,745	1,745	2,262
Total supply	14,184	14,122	14,066	14,416
Exports 2/	274	250	250	250
Deliveries 2/	11,776	11,991	11,991	11,979
Food	11,511	11,490	11,490	11,559
Other 6/	265	501	501	420
Miscellaneous	- 22	NA	NA	NA
Total use	12,027	12,241	12,241	12,229
Ending stocks	2,157	1,881	1,825	2,188
Stocks to use ratio	17.9	15.4	14.9	17.9

1/ Fiscal years beginning Oct 1. Historical data are from FSA, "Sweetener Market Data" except imports (U.S. Customs Service, Census Bureau). 2/ Projections for 2014/15 are from the Interagency Commodity Estimates Committee for sugar. 3/ Actual arrivals under the tariff rate quota (TRQ) with late entries, early entries, and TRQ overfills assigned to the fiscal year in which they actually arrived. The 2014/15 TRQ assumes minimum imports under current trade agreements with shortfall (552,000 STRV) and additional specialty sugar (105,000 STRV). 4/ Includes sugar under the re-export and polyhydric alcohol programs. 5/ Includes high-tier, Mexico, and other. 6/ Transfers to sugar-containing products for reexport, and for nonedible alcohol/ethanol and feed.