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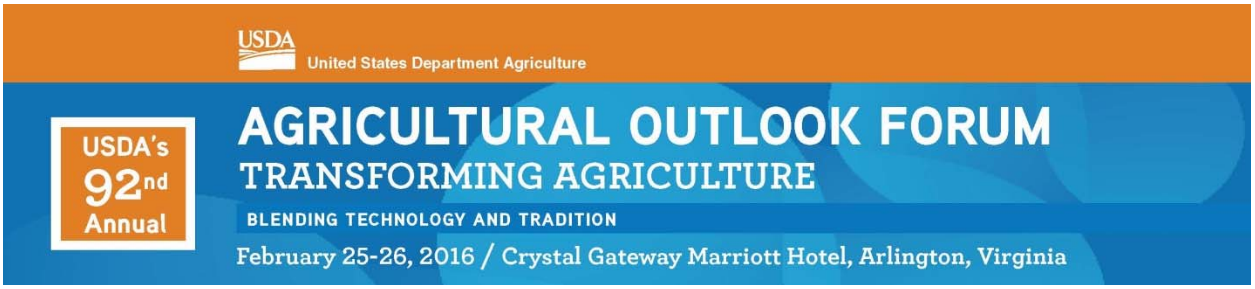

Sugar Outlook

Friday, February 26, 2016

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Agricultural Outlook Forum 2016 Presented: Friday, February 26, 2016

2016/17 U.S. SUGAR SUPPLY AND USE[1]

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Basis for projecting 2016/17 supply and demand:

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

Key results for 2016/17:

- Beginning stocks are 1.565 million short tons, raw value (STRV), a decrease of 289,000 STRV relative to 2015/16.

- Beet sugar production is projected at 5.173 million STRV. Sugarbeet planted area is projected to increase by about 19,000 acres in 2016/17 due to higher returns relative to costs and alternative crops. Sugarbeet yields are projected to follow trends over the past 10 years, while beet shrink, sugar extraction rates, and molasses production are in line with recent years' averages. Sugar per acre of harvested sugarbeets is projected to increase 2.3 percent compared with 2015/16.

- Cane sugar production is projected at 3.620 million STRV. Florida and Louisiana are both projected to increase harvested area incrementally. Sugar yield in Florida is projected to revert lower and Louisiana sugar yields higher compared with 2015/16, both reverting back toward trend rates. Hawaii sugar production is projected to continue to produce sugar through the first quarter of 2016/17 in line with historical levels, but then production is projected to cease for the remainder of the year in line with public industry announcements. Texas production is projected to follow sugar yields that are in line with longer-run historical rates.

- Total imports are projected to total 3.572 million STRV. Sugar imports from Mexico are projected at 1.871 million STRV. Imports under tariff-rate quota programs are projected to total 1.529 million STRV—including a 99,208 STRV shortfall in the WTO raw sugar TRQ- while other program imports are projected at 240,000 STRV. Imports from Mexico are limited by the calculation of the Target Quantity of U.S. Needs defined in the Agreement Suspending the Countervailing Duty Investigations on Sugar from Mexico, dated December 19, 2014. The amount of Mexican sugar imported results in U.S. supplies reaching an ending stocks-to-use ratio of 13.5 percent. It is expected that Mexico will have enough exportable sugar surplus to ship at least this amount.

[1]Approved by the Interagency Commodity Estimates Committee for sugar.

- Deliveries for human consumption are projected at 12.122 million STRV, a 1.4 percent increase over 2015/16 in line with population growth.

- Ending stocks total 1.667 million STRV. The ending 2016/17 year stocks-to-use ratio is 13.5 percent.

2016 USDA Agricultural Outlook Forum, Sweeteners Session
February 26, 2016

U.S. Sugar Supply and Use 1/

Item	2014/15	2015/16 January	2015/16 February	2016/17 Projection
	1,000 short tons, raw value			
Beginning stocks	1,810	1,768	1,798	1,565
Production 2/	8,649	8,934	8,849	8,793
Beet sugar	4,893	5,158	5,010	5,173
Cane sugar	3,756	3,776	3,839	3,620
Florida	1,875	2,073	2,136	1,890
Hawaii	146	165	165	40
Louisiana	1,513	1,423	1,423	1,540
Texas	123	115	115	150
Imports	3,553	3,100	3,162	3,656
TRQ 3/	1,536	1,514	1,514	1,529
Other program 4/	471	238	300	240
Other 5/	1,546	1,348	1,348	1,887
Mexico	1,532	1,333	1,333	1,872
Total supply	14,012	13,802	13,778	14,014
Exports 2/	185	123	123	90
Deliveries 2/	12,060	12,090	12,090	12,257
Food	11,929	11,955	11,955	12,122
Other 6/	131	135	135	135
Miscellaneous	0	0	0	0
Total use	12,245	12,213	12,213	12,347
Ending stocks	1,768	1,588	1,565	1,667
Stocks to use ratio	14.4	13.0	12.8	13.5

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 2015/16 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. 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.