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# 2002/03 U.S. SUGAR SUPPLY AND USE[1]

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The 2002/03 projection uses the baseline, published in *USDA Agricultural Baseline Projections to 2011*, updated with carry-in stocks from the February, 2002 *World Agricultural Supply And Demand Estimates*.

**Key assumptions behind the sugar baseline:**

- Continuation of current U.S. sugar policy.
  - -- Loan program includes loan rates and non-recourse loans.
  - -- Tariff-rate quota imports stay under current system.
  - -- U.S. honors commitments under trade agreements.
  - -- Commodity Credit Corporation sells forfeited sugar.
- Continuation of trends in consumption and factors of production.
  - -- Total consumption increases 1.2 percent annually after 2001/02.
  - -- Technology increases crop yields and sugar recovery rates.
  - -- Alternative-crop prices improve.
- In Mexico, sugar supply increases more than domestic demand.

**Key results from the baseline, comparing 2002/03 with 2010/11:**

- Growth in U.S. supply outstrips growth in use. Imports from Mexico increase, as the North American sugar market becomes fully integrated. Domestic production is flat. End-of-season stocks in 2012 are 10 percent of use.

**Key results from the 2002/03 projections:**

- Total supply for 2002/03, at 12.38 million short tons (raw value), is 585,000 tons, above 2001/02, as higher production and imports are partially offset by lower carry-in stocks.
  - -- Sugar production, at 8.81 million tons, is up 890,000 tons from 2001/02.
  - -- Increased imports are due to projected higher imports from Mexico under the North American Free Trade Agreement (NAFTA) low-tier tariff.
- Total use of 10.675 million tons is up 205,000 tons from 2001/02, based on trend increases in domestic use. As a result, carry-out stocks of 1.7 million tons are 16.0 percent of total use.

**Supply, demand, and policy factors to watch for 2002/03:**

- Factors affecting sugar-crop plantings in 2002.
  - -- Will the recovery in prices lead to acreage expansion?
- Will Mexico have sugar to export to the United States?
  - -- What level of NAFTA low-tier import access?
  - -- Will second-tier shipments reach the level projected?
- What will the next Farm Bill contain for sugar?
  - -- Will marketing allotments be used?

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[1]Approved by the World Agricultural Outlook Board.

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U.S. Sugar Supply and Use 1/

| Item | 2000/01 | 2001/02 January | 2001/02 February | 2002/03 Projection |
|---|---|---|---|---|
| | 1,000 short tons, raw value | | | |
| Beginning stocks 2/ | 2,219 | 2,194 | 2,194 | 1,325 |
| Production 2/3/ | 8,674 | 7,925 | 7,925 | 8,814 |
| Beet sugar | 4,592 | 3,900 | 3,900 | 4,426 |
| Cane sugar 4/ | 4,082 | 4,025 | 4,025 | 4,388 |
| Imports 2/ | 1,574 | 1,631 | 1,676 | 2,241 |
| TRQ 5/ | 1,260 | 1,341 | 1,341 | 1,381 |
| Other 6/ | 314 | 290 | 335 | 860 |
| Total supply | 12,467 | 11,750 | 11,795 | 12,380 |
| Exports 2/7/ | 141 | 150 | 125 | 150 |
| Domestic deliveries 2/ | 10,130 | 10,290 | 10,255 | 10,525 |
| Domestic food use | 9,998 | 10,170 | 10,070 | 10,405 |
| Other 8/ | 132 | 120 | 185 | 120 |
| Miscellaneous 9/ | 1 | 90 | 90 | 0 |
| Use, total | 10,272 | 10,530 | 10,470 | 10,675 |
| Ending stocks 2/ | 2,194 | 1,220 | 1,325 | 1,705 |
| Private | 1,410 | 856 | 961 | 1,695 |
| CCC 10/ | 784 | 364 | 364 | 10 |
| Stocks to use ratio | 21.4 | 11.6 | 12.7 | 16.0 |

1/ Fiscal years beginning Oct 1. Includes Puerto Rico. 2/ Historical data are from FSA, "Sweetener Market Data" except imports from U.S. Customs Service. 3/ Projections for 2002/03 are based on the *USDA Agricultural Baseline Projections to 2011*, updated with beginning stocks from the February 2002 *WASDE*. 4/ Production by state for 2001/02 (projected 2002/032): FL 1,990 (2,072); HI 270 (288); LA 1,610 (1,852); TX 150 (171); PR 5 (5). 5/ 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 2001/02 and 2002/03 available TRQs assume shortfall of 65,000 tons. 6/ Includes sugar under the re-export and polyhydric alcohol programs and other imports not under these programs. 7/ Mostly reexports. 8/ Transfer to sugar containing products for reexport, for nonedible alcohol, and feed. 9/ For 1999/2000, includes residual statistical discrepancies. 10/ For 2001/02 includes sugar owned by the Commodity Credit Corporation, as of February 6, 2002.