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Agricultural Outlook Forum
U.S. Department of Agriculture

February 21-22, 2008

2008/09 U.S. Sugar Supply and Use

Stephen Haley

Friday, February 22, 2008

2008/09 U.S. SUGAR SUPPLY AND USE¹

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Basis for projecting 2008/09 supply and demand:

- Beginning stocks are taken from 2007/08 ending stocks in the February 2008 *World Agricultural Supply and Demand Estimates* (WASDE) report.
- Cane sugar production, imports, exports, and other deliveries are taken from *USDA Agricultural Projections to 2017*.
- Projections for beet sugar production and deliveries for human consumption are based on updated analyses by Interagency Commodity Estimates Committee for sugar.

Key results for 2008/09:

- Beginning stocks are 2.029 million short tons, raw value (STRV), an increase of more than 200,000 STRV over 2007/08.
- Production of beet sugar decreases by more than 350,000 STRV to 4.440 million STRV, as planted area is assumed to fall by 10 percent due to higher alternative crop prices. Assuming normal weather, cane sugar production decreases slightly from 2007/08 to 3.655 million STRV to reflect trend yield growth and little, if any, change in sugarcane area harvested for sugar.
- Imports are projected to total 2.614 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. Other program imports are projected based on trends. Other imports are projected from trends (molasses and syrups). Sugar imports from Mexico are projected at 806,000 STRV.
- Deliveries for human consumption are projected to increase by only 50,000 STRV over 2007/08 to 10.100 million STRV. This projection assumes the extension of the observed trend toward lower per capita sugar consumption.
- Ending stocks total 2.162 million STRV, implying an ending fiscal year stocks-to-use ratio of 20.4 percent. No assumptions are made regarding acquisitions or disbursements of sugar by the Commodity Credit Corporation (CCC).

¹Approved by the Interagency Commodity Estimates Committee for Sugar.

**2008 USDA Agricultural Outlook Forum, Sweeteners Outlook
February 22, 2008**

U.S. Sugar Supply and Use 1/

Item	2006/07	2007/08		2008/09
		January	February	Projection
1,000 short tons, raw value				
Beginning stocks	1,698	1,799	1,799	2,029
Production 2/	8,446	8,516	8,489	8,095
Beet sugar	5,008	4,819	4,812	4,440
Cane sugar	3,438	3,697	3,677	3,655
Florida	1,719	1,771	1,751	1,835
Hawaii	222	238	238	237
Louisiana	1,320	1,490	1,490	1,379
Texas	177	198	198	205
Imports	2,080	2,241	2,241	2,614
TRQ 3/	1,624	1,336	1,336	1,377
Other program 4/	390	425	425	425
Other 5/	66	480	480	811
Mexico	60	475	475	806
Total supply	12,224	12,556	12,529	12,737
Exports 2/	422	250	250	250
Deliveries 2/	10,135	10,300	10,250	10,325
Food	9,913	10,100	10,050	10,100
Other 6/	222	200	200	225
Miscellaneous 7/	-132	0	0	0
Total use	10,425	10,550	10,500	10,575
Ending stocks	1,799	2,006	2,029	2,162
Stocks to use ratio	17.3	19.0	19.3	20.4

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 2008/09 are from *USDA Agricultural Projections to 2017*, except for beet sugar production and deliveries for food use, which are updates 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 2008/09 TRQ assumes minimum imports under current trade agreements with shortfall (70,000) and additional specialty sugar (70,000). 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 and feed. 7/ Residual statistical discrepancies.