U.S.D.A. lowers 2018-19 sugar carryover forecast

Major adjustment made in imports from Mexico

WASHINGTON — The U.S. Department of Agriculture, in its March 8 World Agricultural Supply and Demand Estimates report, forecast the carryover of U.S. sugar on Oct. 1, 2019, at 1,668,000 short tons, raw value, down 127,000 tons, or 7%, from the February projection and down 340,000 tons, or 17%, from carryover of 2,008,000 tons in 2018.

The 2018-19 ending stocks-to-use ratio was forecast at 13.55%, down from 14.6% as the February projection and down from 16.1% in 2017-18, which was unchanged. There were no changes made to 2017-18 estimates for either the United States or for Mexico in the March 8 WASDE.

For the current year (2018-19), forecast higher beet sugar production more than offset a small decline in cane sugar production and a sharp decline in imports from Mexico more than offset a modest increase in high-tier imports, which were raised to 55,000 tons from 45,000 tons in February.

Beet sugar production was forecast at 5,004,000 tons in 2018-19, up 103,694 tons, or 2.1%, from February “based on a lower projected shrink of 5%, down from 6.9% last month, and a slight increase in projected recovery from sliced beets.” The number was 5% below 2017-18 record beet sugar production of 5,279,000 tons.

Cane sugar production was forecast at 4,099,000 tons, down 18,050 tons, or 0.4%, from February based on a 13,000-ton reduction for Florida and a 5,000-ton cut for Texas, with Louisiana unchanged. If realized, total cane sugar production still would be record high.

Imports were forecast at 2,862,000 tons, down 214,000 tons, or 7%, from the February forecast and down 13% from 3,277,000 tons in 2017-18. Tariff-rate quota and “other program” imports were unchanged from February. Imports from Mexico were lowered 20% from February to 896,692 tons, which was down 27% from 1,223,000 tons in 2017-18.

In realized, imports from Mexico would be the lowest since 2009-10, and the U.S. ending stocks-to-use ratio would be the lowest since 2010-11. Total sugar supply in 2018-19 was forecast at 13,973,000 tons, down 127,000 tons, or 0.9%, from February and down 472,000 tons, or 3.3%, from 14,445,000 tons last year. There were no changes from February to U.S. sugar use forecasts, with food deliveries at 12,125,000 tons, “other” at 145,000 tons, exports at 35,000 tons and total use at 12,305,000 tons.

For Mexico, the U.S.D.A. forecast 2018-19 sugar production at 6,152,000 tonnes, actual weight, up 2.1% from the February forecast and up 2.4% from last year. Imports were unchanged from February at 70,000 tonnes but down 66% from 2017-18.

Exports were forecast at 1,102,000 tonnes, down 13% from February but up slightly from 1,099,000 tonnes in 2017-18. Domestic use was forecast at 5,095,000 tonnes, up 4.1% from February and up 8% from last year. Ending stocks for the current year were forecast at 1,420,000 tonnes, up 7% from the February forecast and up 1.8% from 2017-18.