**U.S.D.A. sees sharply lower sugar production, ending stocks in 2019-20**

WASHINGTON — The U.S. Department of Agriculture, in its Nov. 8 World Agricultural Supply and Demand Estimates report, slashed its forecast of 2019-20 beet sugar production by 9% and cane sugar outturn by 2.5%, resulting in a projected ending stocks-to-use ratio of 10.5%, down from 14.5% in October.

The most significant changes were in 2019-20 sugar production forecasts with only a small change in deliveries. Ending stocks were forecast at 1,285,000 tons, down 499,000 tons from October. It should be noted that revisions to imports from Mexico typically are made in December to boost the ending stocks-to-use ratio to the 13.5% minimum in the U.S.-Mexico suspension agreements on sugar trade.

U.S. sugar production in 2019-20 was forecast at 8,612,000 tons, down 572,000 tons from October and down 382,000 tons from 2018-19. Beet sugar production for 2019-20 was projected at 4,588,000 tons, down 466,485 tons, or 9%, from October, “due to poor harvest conditions resulting in lower sugar beet production,” the U.S.D.A. said. Cane sugar outturn was projected at 4,024,000 tons, down 105,803 tons, or 2.5% from October and down 0.8% from 2018-19 based lower sugar cane yields and recovery rates in Louisiana.

“Beet processors reduced their sliced sugar beets projection by 10.3% to 28.442 million tons,” the U.S.D.A. said. “The largest reductions are centered in the Red River Valley.”

Total imports in 2019-20 were forecast at 3,159,000 tons, down 6,000 tons from October due to a like decrease in T.R.Q. imports at 1,621,000 tons. Imports from Mexico were unchanged at 1,118,000 tons with high-tier imports also unchanged at 70,000 tons.

Total supply was forecast at 13,550,000 tons, down 524,000 tons from October and down 522,000 tons from 2018-19.

The U.S.D.A. forecast domestic deliveries of sugar in 2019-20 at 12,230,000 tons, including deliveries for food at 12,125,000 tons, both down 25,000 tons from October, largely carrying forward a 19,000-ton reduction from 2018-19.

Estimates for 2018-19 were made more final with full-year data through September, the U.S.D.A. said. Beet and cane sugar production were raised slightly, more than offsetting a small decline in deliveries for food, resulting in estimated ending stocks of 1,779,000 short tons, raw value, up 54,105 tons from October. The ending stocks-to-use ratio was 14.5%, up from 14%.

U.S. beet sugar production was estimated at 4,937,000 tons in 2018-19, up 29,680 tons from October, with cane sugar at 4,057,000 tons, up 29,015 tons, both due to “higher-than-expected production in September 2019.” Total sugar production was forecast at 8,994,000 tons.

Imports were estimated at 3,070,000 tons, up 3,000 tons from October mostly due to a like increase in imports from Mexico, estimated at 1,000,000 tons.

Domestic deliveries were estimated at 12,231,000 tons, down 19,347 tons from October.

“Delivery growth of 0.5% over the previous year results from a relatively large increase in direct consumption imports (non-reporter),” the U.S.D.A. said. “Combined domestic beet and cane sugar processors’ deliveries have remained flat since 2016-17.

For Mexico, the U.S.D.A. slightly raised exports and lowered domestic sugar use for 2018-19, resulting in a 21,000-tonne, actual weight, increase in ending stocks at 1,169,000 tonnes.

For 2019-20, the U.S.D.A. forecast production 5,772,000 tonnes, down 4.8% from October, and slightly raised imports. Exports and domestic use both were lowered, resulting in only a small decline in ending stocks, projected at 935,751 tonnes.