

# **Sweetener Users Association Conference Call Update**

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# SUA November 2019: Presentation Overview

## ■ Domestic Sugar Market

- Beet crop losses have dominated the cash sugar market
- Most sellers currently are out of the market
- Demand/Deliveries stronger in September; processors flat for full year
- Cash prices mostly unquoted for 2019-20; #16 raws sharply higher
- Suspension agreement amendments awaited

## ■ Global Sugar Market

- Moderate global deficit forecast for 2019-20
- India still has large stocks and excess supply to export
- Global raw sugar prices continue in trading range; expected to firm

## ■ Corn Sweetener Market

- Annual contracting moving forward at mixed pace
- Pricing for 2020 coming in modestly higher from 2019
- Mexican consumption continues down for year but above expectations

## ■ Other Issues with Impact on Sweeteners

## ■ Conclusions

## ■ Questions

# SUA November 2019: U.S. Market Overview

## ■ 2019-20

- S-T-U ratio temporarily lowest since July 2017-18
- U.S.D.A. again carries lower deliveries into 2019-20
- Beet sugar supply tighter, cane sugar also lower
- Prices for 2019-20 mostly unquoted and will be sharply higher

## ■ 2018-19

- S-T-U ratio adjusted to 14.5% due higher domestic sugar production and lower deliveries for food
- Refined beet and cane deliveries stronger in September
- Non-reporter deliveries remain strong

## ■ Corn sweetener supply/demand

- U.S. prices for 2020 up \$1 to \$2 a cwt from 2019
- HFCS deliveries in U.S. remain weak; consumption of HFCS in Mexico slides from last year, up from forecast

# SUA November 2019: U.S.D.A. 2019-20 WASDE

<i>1,000 short tons</i>	<b>Nov.</b>	<b>Change from Oct.</b>		<b>Change from 18-19</b>		<b>RS-SPC</b>
<i>raw value</i>	<b><u>19-20</u></b>	<b><u>Tons</u></b>	<b><u>%</u></b>	<b><u>Tons</u></b>	<b><u>%</u></b>	<b><u>19-20</u></b>
Begin. Stocks	1,779	54	3.1%	(229)	-11.4%	1,780
Production	8,612	(572)	-6.2%	(382)	-4.2%	8,600
<b>Beet</b>	<b>4,588</b>	<b>(467)</b>	<b>-9.2%</b>	<b>(349)</b>	<b>-7.1%</b>	<b>4,550</b>
<b>Cane</b>	<b>4,024</b>	<b>(105)</b>	<b>-2.5%</b>	<b>(33)</b>	<b>-0.8%</b>	<b>4,050</b>
Imports	3,159	(6)	-0.2%	89	2.9%	3,505
T.R.Q.	1,621	(6)	-0.4%	80	5.2%	1,600
Other Prog.	350	-	0.0%	(88)	-20.1%	350
<b>Mexico</b>	<b>1,118</b>	<b>-</b>	<b>0.0%</b>	<b>118</b>	<b>11.8%</b>	<b>1,485</b>
High Tier	70	-	0.0%	(22)	-23.9%	70
Ttl Supply	13,550	(524)	-3.7%	(522)	-3.7%	13,885
Exports	35	-	0.0%	-	0.0%	35
Deliveries	12,230	(25)	-0.2%	(1)	0.0%	12,200
<b>Food</b>	<b>12,125</b>	<b>(25)</b>	<b>-0.2%</b>	<b>19</b>	<b>0.2%</b>	<b>12,100</b>
Other	105	-	0.0%	(21)	-16.7%	100
Misc.	-	-	-	(27)	-	-
Total Use	12,265	(25)	-0.2%	(27)	-0.2%	12,235
<b>Ending Stocks</b>	<b>1,285</b>	<b>(499)</b>	<b>-28.0%</b>	<b>(494)</b>	<b>-27.8%</b>	<b>1,650</b>
<b>Stocks-to-use</b>	<b>10.5%</b>	<b>-4.0</b>		<b>-4.0</b>		<b>13.5%</b>

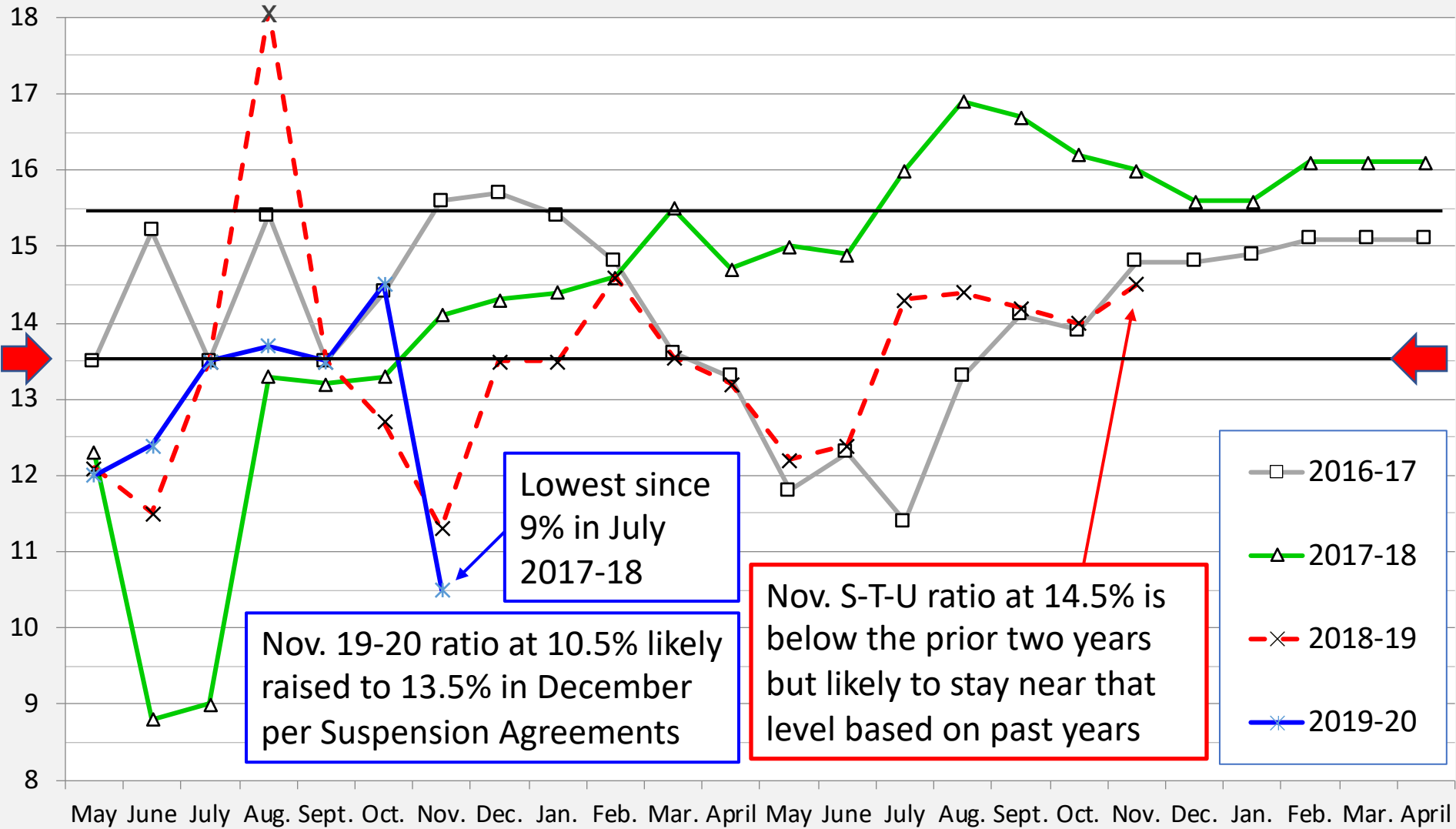
USDA made drastic cut to beet sugar, modest cut to cane, dropping S-T-U sharply despite delivery cut. USDA will have to adjust in December by raising Mexico, high-tier and/or T.R.Q.

I've adjusted my numbers to reflect a 13.5% S-T-U ratio, although I think USDA will ultimately end above 13.5%. I have lower beet sugar, higher cane, lower food use, with Mexico adjusted accordingly.

\* S-T-U Ratio change is from prior S-T-U, not in tons or per cent.

# SUA November 2019: Monthly S-T-U Ratios

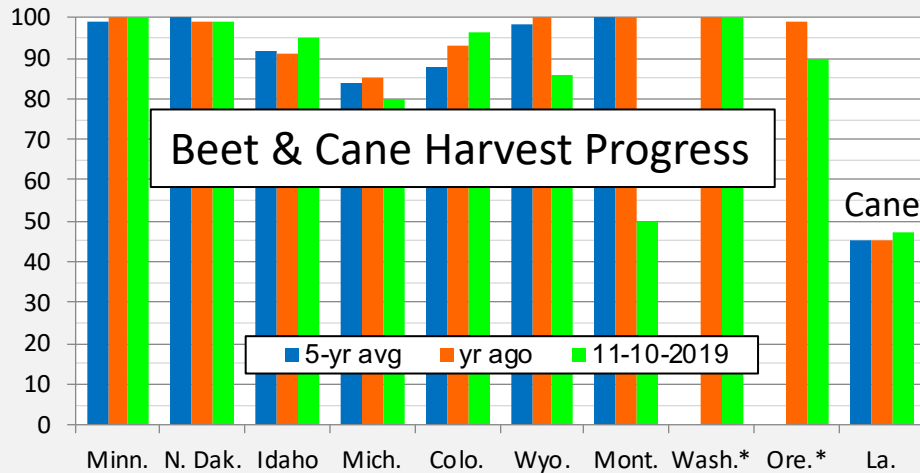
Two-year S-T-U ratios in per cent, beginning with first forecast in May for each marketing year.



Source: U.S.D.A.

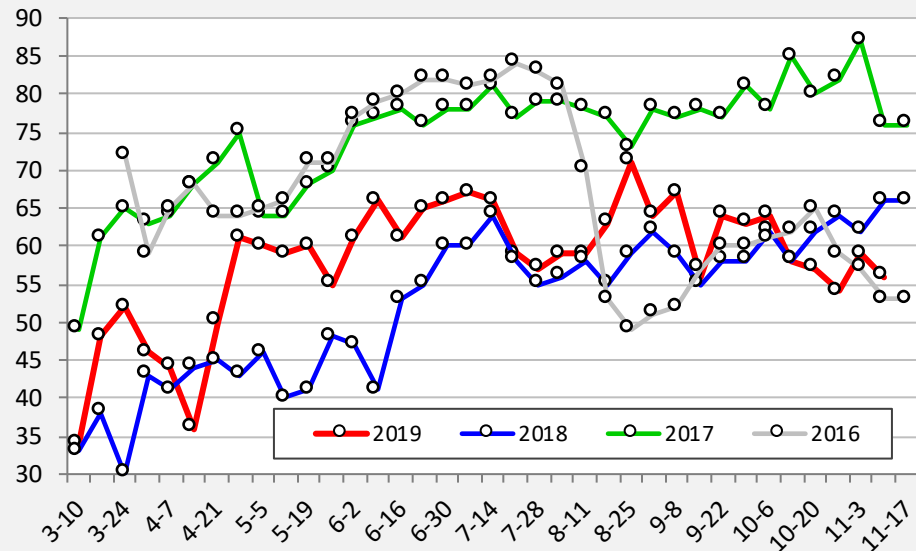
# SUA November 2019: 2019 Beet & Cane Progress

Harvest progress and ratings in % as of Nov. 10. \*Five-year not available. Source: U.S.D.A.



Sugar beet harvest was nearing completion in most states except Montana. But that doesn't mean 100% of beets are being harvested, as is the case in Minnesota and North Dakota, and maybe in Montana, Wyoming, Colorado and Nebraska. Louisiana cane harvest is slightly ahead of average at 47%, but dryness has reduced yields and there was a freeze concern.

## Louisiana sugar cane good-to-excellent ratings



Louisiana cane condition ratings are near those of 2018 and 2016, but well below 2017. Good-to-excellent rating was 56% as of Nov. 10, where it likely will end. Yields have been reduced by dry weather, but the crop overall remains good.

# SUA November 2019: 2019 Sugar Production

Sugar beet and cane production as of Nov. 1, in 1,000 tons. Source: U.S.D.A.

	November		From 2018		From Oct.	
	2018	2019	Tons	%	Tons	%
<b>Beet</b>						
Minnesota	10,486	8,878	(1,608)	-5.3%	(2,489)	-21.9%
N. Dakota	5,731	4,187	(1,544)	-26.9%	(1,699)	-28.9%
Idaho	6,602	6,640	38	0.6%	(33)	-0.5%
Michigan	4,278	4,046	(232)	-5.4%	58	1.5%
Nebraska	1,407	1,212	(195)	-13.9%	9	0.7%
Montana	1,319	1,323	4	0.3%	21	1.6%
California	1,092	1,062	(30)	-2.7%	-	0.0%
Colorado	831	816	(15)	-1.8%	7	0.9%
Wyoming	946	857	(89)	-9.4%	19	2.3%
Oregon	366	381	15	4.1%	-	0.0%
Washington	87	96	9	10.3%	(1)	-1.0%
<b>U.S.</b>	<b>33,145</b>	<b>29,498</b>	<b>(3,647)</b>	<b>-11.0%</b>	<b>(4,108)</b>	<b>-12.2%</b>

USDA sharply lowered from October sugar beet production forecasts for the Red River Valley, with Minnesota down 22% and N. Dakota down 29%. Mostly minor changes in other states. If realized, total production would be down 12.2% from October and down 11% from 2018.

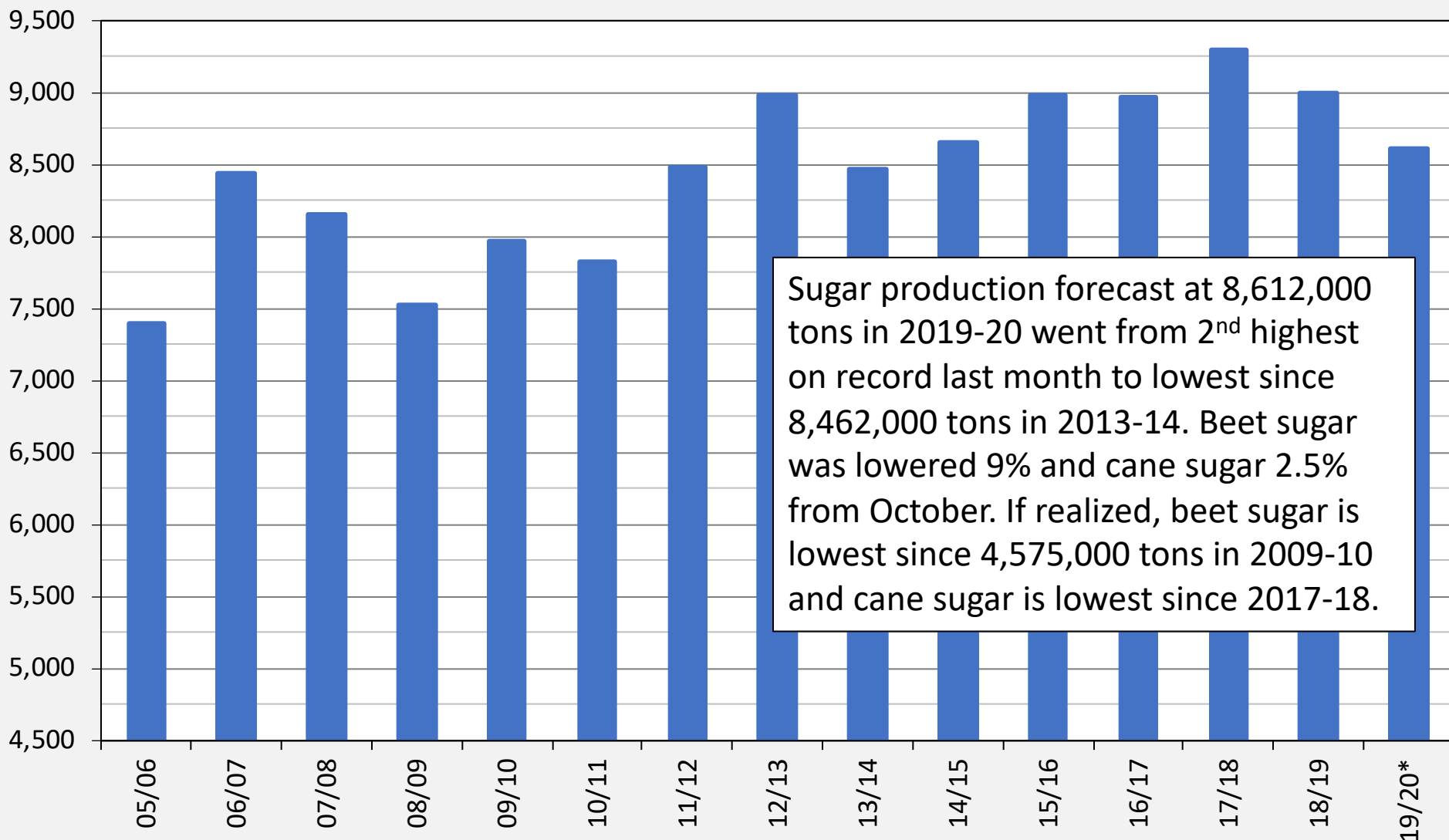
It should be noted that beet harvest also was cut short in parts of Canada due to adverse weather.

	November		From 2018		From Oct.	
	2018	2019	Tons	%	Tons	%
<b>Cane</b>						
Florida	17,256	18,125	869	5.0%	-41	-0.2%
Louisiana	15,861	14,663	-1,198	-7.6%	-697	-4.5%
Texas	1,425	1,239	-186	-13.1%	-10	-0.8%
<b>U.S.</b>	<b>34,542</b>	<b>34,027</b>	<b>-515</b>	<b>-1.5%</b>	<b>-748</b>	<b>-2.2%</b>

USDA lowered from October sugar cane forecasts for all three states, with a 4.5% cut in Louisiana most significant. If realized, total outturn would be down 2.2% from October and down 1.5% from 2018.

# SUA November 2019: U.S. Sugar Production

U.S. sugar production, in 1,000 short tons, raw value. \*Forecast. Source: U.S.D.A.

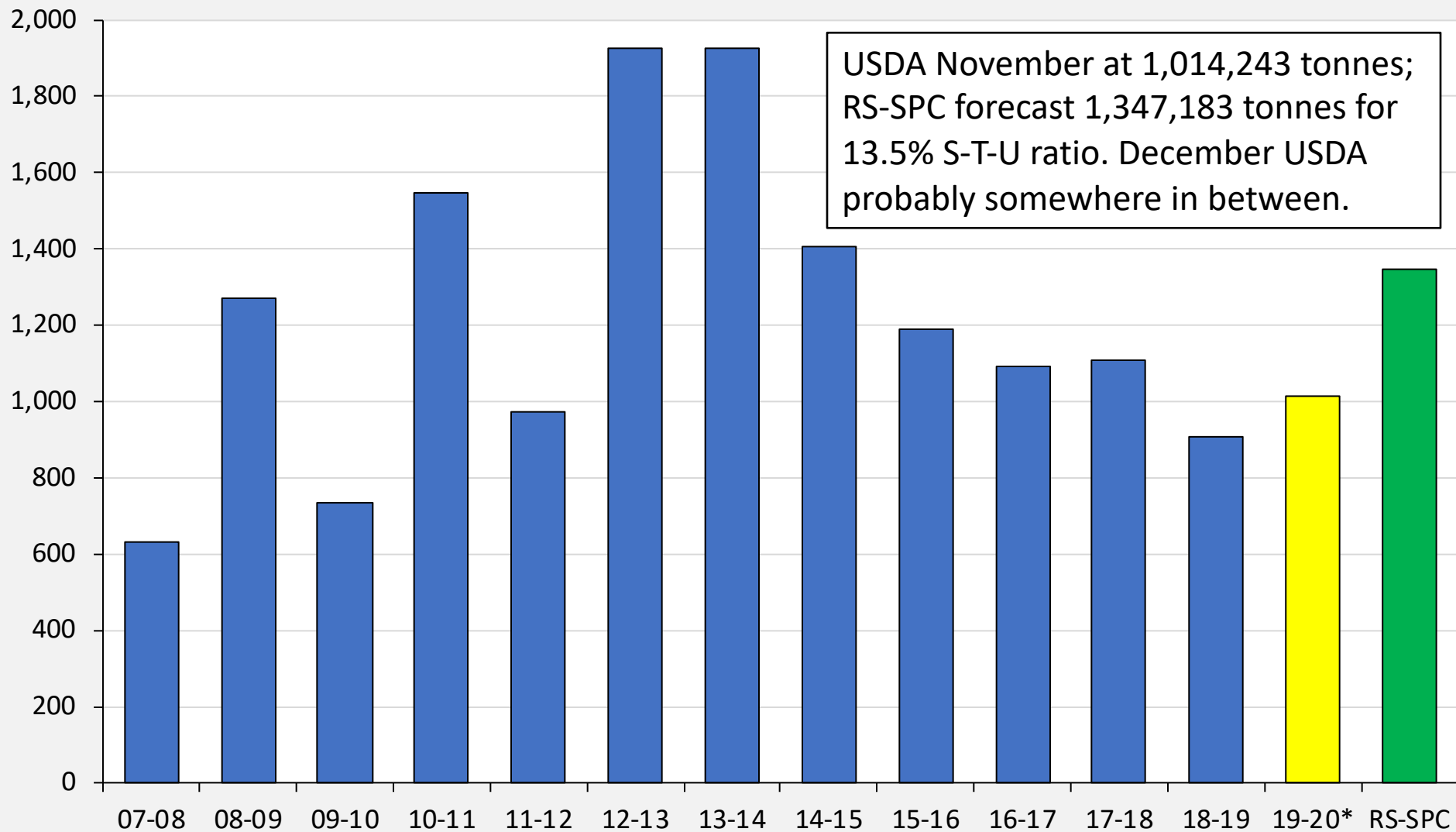


Sugar production forecast at 8,612,000 tons in 2019-20 went from 2<sup>nd</sup> highest on record last month to lowest since 8,462,000 tons in 2013-14. Beet sugar was lowered 9% and cane sugar 2.5% from October. If realized, beet sugar is lowest since 4,575,000 tons in 2009-10 and cane sugar is lowest since 2017-18.



# SUA November 2019: Annual Imports from Mexico

In 1,000 tonnes, raw value. \*U.S.D.A. November WASDE forecast.



# SUA November 2019: U.S.D.A. 2018-19 WASDE

1,000 short tons raw value	Nov.	Change from Oct.		Change from 17-18	
	<b>18-19</b>	<b>Tons</b>	<b>%</b>	<b>Tons</b>	<b>%</b>
Begin. Stocks	2,008	-	0%	132	7.0%
Production	8,994	59	1%	(299)	-3.2%
Beet	4,937	30	1%	(342)	-6.5%
Cane	4,057	29	1%	43	1.1%
Imports	3,070	3	0.1%	(207)	-6.3%
T.R.Q.	1,541	1	0.1%	(122)	-7.3%
Other Prog.	438	-	0%	112	34.4%
Mexico	1,000	3	0%	(223)	-18.2%
High Tier	92	-	0%	28	43.8%
Ttl Supply	14,072	62	0.4%	(373)	-2.6%
Exports	35	-	0%	(135)	-79.4%
Deliveries	12,231	(19)	0%	46	0.4%
Food	12,106	(19)	0%	58	0.5%
Other	126	1	1%	(11)	-8.0%
Misc.	27	27	-	(55)	-67.1%
Total Use	12,292	7	0%	(146)	-1.2%
Ending Stocks	1,779	54	3.1%	(229)	-11.4%
Stocks-to-use	14.5%	-	+0.5	-1.6	

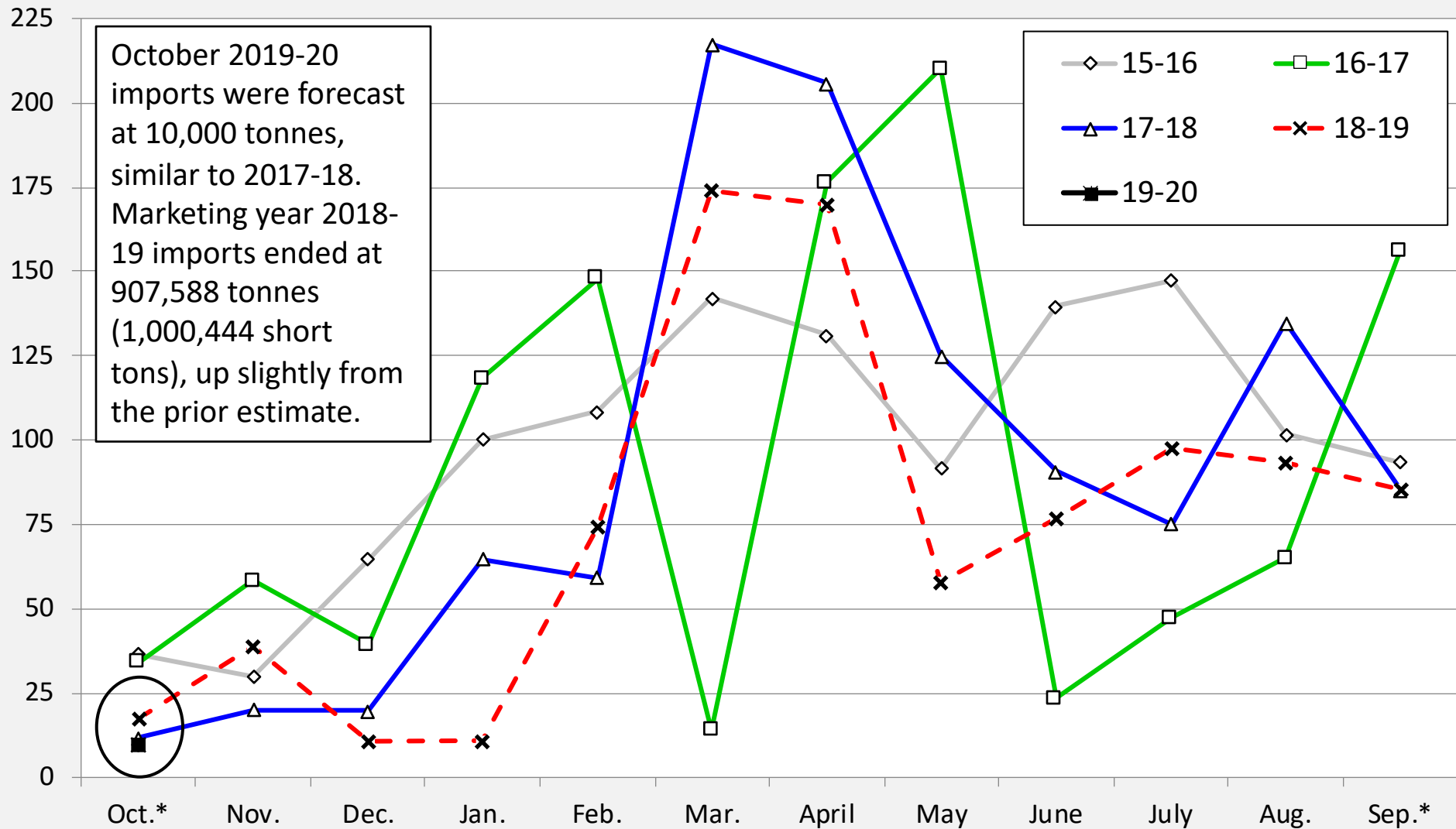
USDA put back some beet production from reduction in October. Lower adjustment in food deliveries continued.

USDA noted in WASDE that 0.5% growth in deliveries for food was from large increase in direct consumption imports. "Combined domestic beet and cane sugar processors' deliveries have remained flat since 2016-17."

This late in year, USDA's numbers are near final with changes mostly insignificant. S-T-U ratio may be adjusted up or down slightly over next couple of months.

# SUA November 2019: U.S. Imports from Mexico

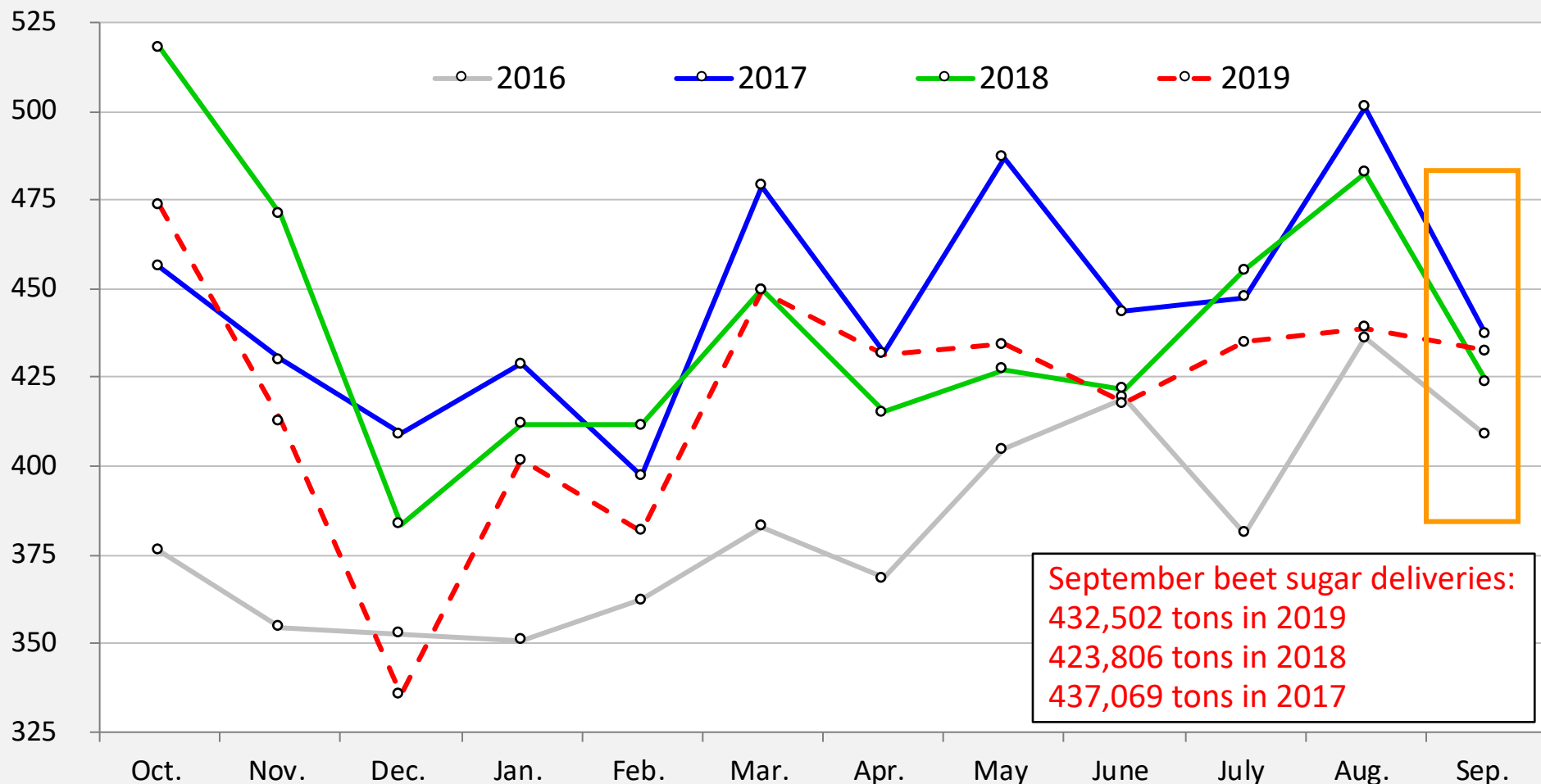
In 1,000 tonnes, raw value. \*September 18-19 and October 19-20 are U.S.D.A. forecasts.



Sources: U.S.D.A. and U.S. Census Bureau

# SUA November 2019: Beet Sugar Deliveries

Monthly beet sugar deliveries, in 1,000 tons, raw value. Source: U.S.D.A.

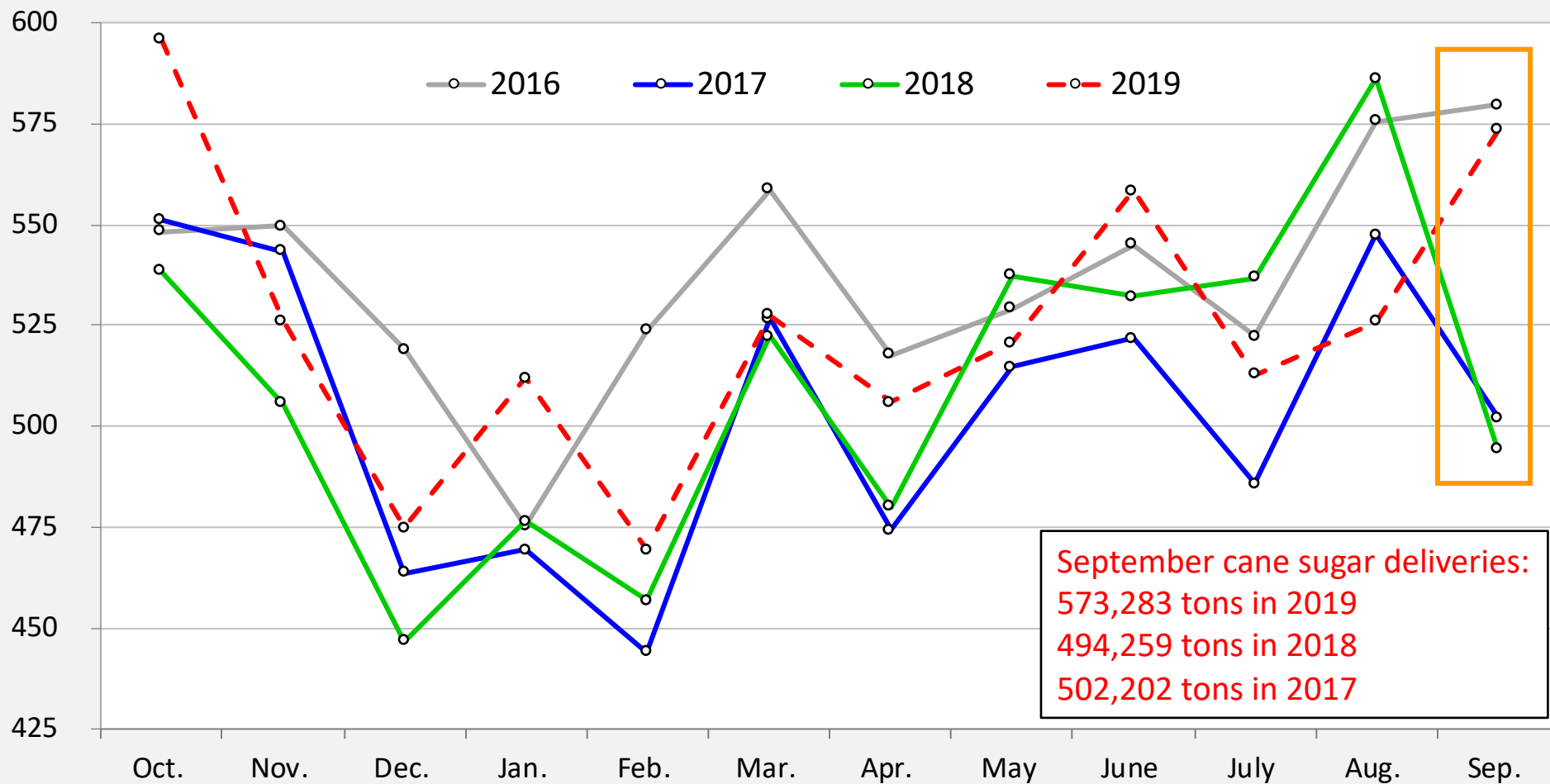


September beet sugar deliveries:  
432,502 tons in 2019  
423,806 tons in 2018  
437,069 tons in 2017

Beet sugar deliveries in September were down 1.4% from August but up 1.2% from September 2018. Oct.-Sept. deliveries averaged 420,000 tons per month, down 19,000 tons, or 4.3%, from a year ago. April, May and September were only months deliveries were above same month last year. August was revised down slightly.

# SUA November 2019: Refined Cane Deliveries

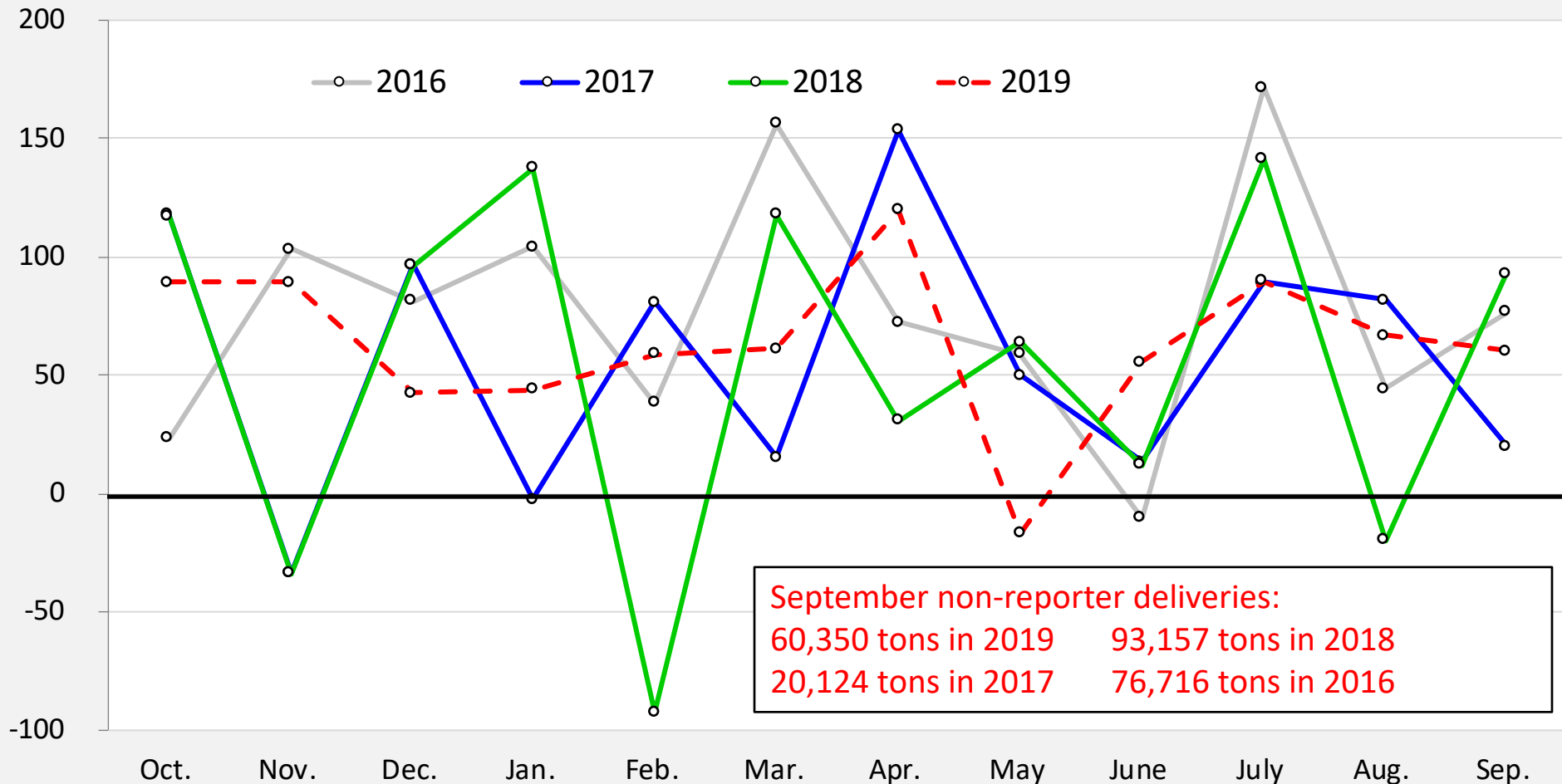
Monthly refined cane sugar deliveries, in 1,000 tons, raw value. Source: U.S.D.A.



Refined cane sugar deliveries in September were up 8.9% from August, up 16% from a year ago, the highest since January and the highest since September 2016 for the month. Oct.-Sept. deliveries averaged 525,000 tons per month, up 16,000 tons, or 3.1%, from a year earlier.

# SUA November 2019: Deliveries by Non-Reporters

Monthly non-reporter deliveries, in 1,000 tons, raw value. Source: U.S.D.A.



Deliveries by non-reporters totaled 759,550 tons in 2018-19, up 96,000 tons, or 14.5%, from the same period a year ago and the highest since 921,000 tons in 2016. May is the only month with “negative” non-reporter deliveries this year. In Nov. WASDE, USDA attributed 0.5% Y-O-Y delivery growth to direct consumption imports (non-reporters).

# SUA November 2019: Deliveries for Human Use

<u>PRODUCT OR BUSINESS OF BUYER</u>	FY 2019	FY 2018	Per Cent
	<u>Oct.-Sept.</u>	<u>Oct.-Sept.</u>	<u>Change</u>
<b>Total Deliveries/1</b> (short tons, actual weight)	<b>10,695,783</b>	<b>10,741,446</b>	<b>-0.4</b>
1-Bakery, cereal, and related products	2,489,275	2,498,493	-0.4
3-Confectionery and related products	1,207,708	1,212,601	-0.4
6-Ice cream and dairy products	749,655	807,924	-7.2
7-Beverages	730,939	711,410	2.7
8-Canned, bottled and frozen foods	407,955	369,689	10.4
5-Multiple and all other food uses	1,134,993	1,180,730	-3.9
10-Non-food uses	144,817	121,293	19.4
11-Hotels, restaurants, institutions	85,366	94,526	-9.7
2-Wholesale grocers, jobbers, dealers	2,219,778	2,168,126	2.4
4-Retail grocers, chain stores	1,223,111	1,240,969	-1.4
12-Government agencies	12,720	13,154	-3.3
9-All other deliveries	289,465	322,531	-10.3
<b>Total Deliveries/1</b> (short tons, raw value)	<b>11,444,488</b>	<b>11,493,348</b>	<b>-0.4</b>
Crystalline:	9,891,210	9,974,731	-0.8
Consumer-size packages	2,223,514	2,294,557	-3.1
Packages 50 lbs and greater	2,978,172	2,930,267	1.6
Unpackaged (bulk)	4,689,524	4,749,906	-1.3
Non-crystalline/2	1,553,278	1,518,617	2.3

Oct.-Sept. deliveries -0.4% from FY2018 but improved from -1.2% in Oct.-Aug. Improvement in 8 of 12 segments from last month (2 neg. and 2 unch.), even though 8 ended negative for the year. Four of the top five segments were negative for the year.

All delivery areas improved from last month; industrial (bulk) and retail were down for the year.

1/Deliveries from domestic sugar beet processors, sugar cane processors and refiners.

2/Includes all liquid, edible molasses, sugar syrups and cane juice.

Source: U.S.D.A.

# SUA November 2019: Cash Sugar Price Outlook

## Beet sugar 2019-20

Most prices are nominal due to beet harvest losses  
Most sugar was previously contracted below 35c f.o.b.,  
but not all of that sugar will be delivered per force  
majeure by two processors; remaining supply tight

## Cane sugar 2019-20

Prices up from October and most refiners were out of  
the market pending beet sugar developments  
Southeast offers nominal  
Gulf prices nominal  
Northeast cane is available at 44c a lb f.o.b.  
West Coast cane is available at 44c f.o.b., 47c delivered

## Recent Developments and Factors to Watch

- Lower beet sugar production has tightened domestic market significantly.
- Increased abandonment mainly in the Red River Valley; also in Canada.
- Beet processors were 90% to 95% sold before crop losses, now at least two are oversold (deliveries to be shorted 18% and 15%).
- The tight beet supply situation and higher prices have boosted domestic refined cane sugar values significantly.
- Adjustments to imports will be needed.



# SUA November 2019: Mexico WASDE

Source: U.S.D.A. Nov. 8, 2019, WASDE.

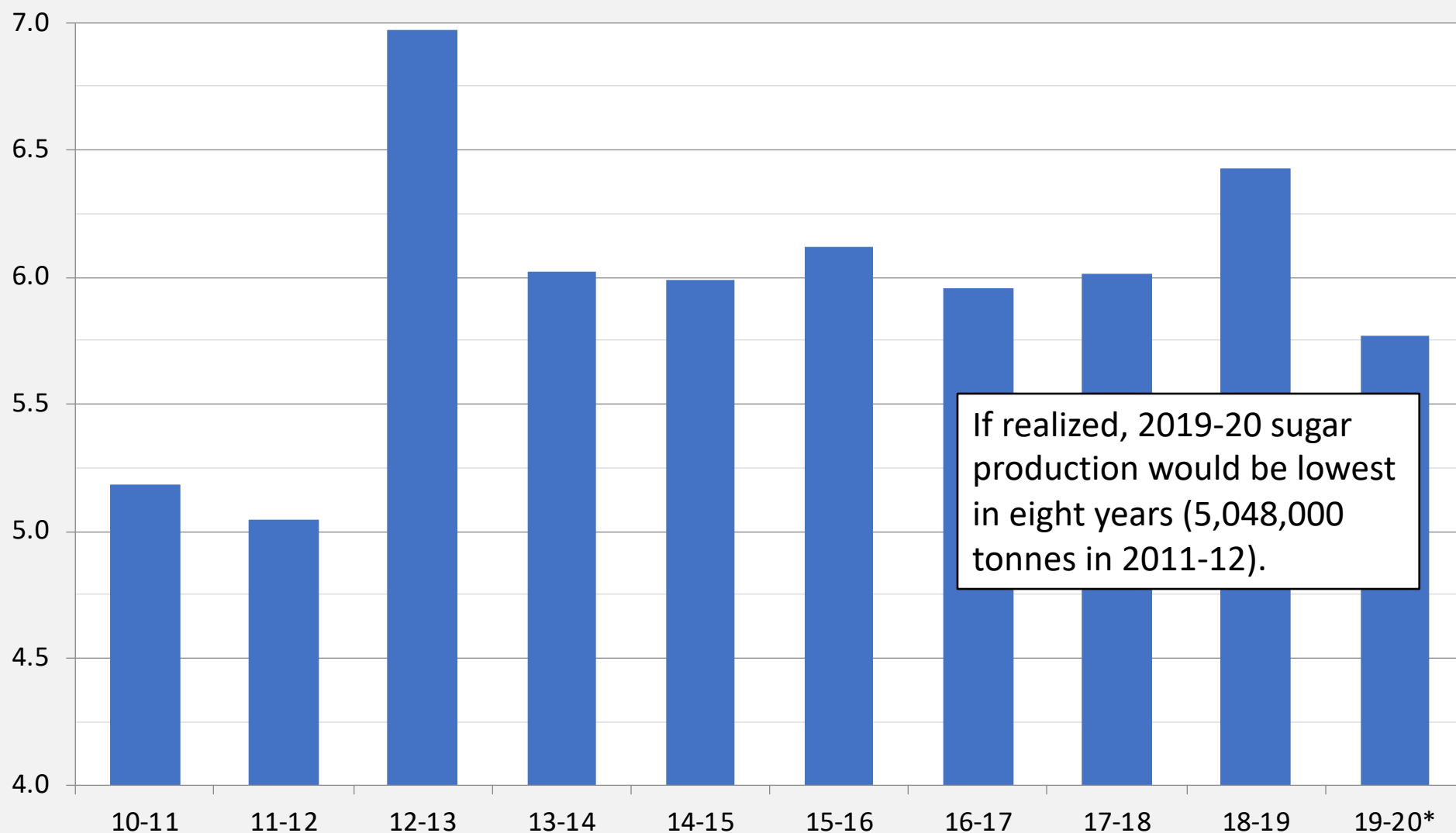
<i>1,000 tonnes</i>	<b>November</b>	<b>From</b>	<b>Nov.</b>	<b>Change from</b>	
<i>Actual weight</i>	<b><u>18-19</u></b>	<b><u>Oct.</u></b>	<b><u>19-20</u></b>	<b><u>Oct.</u></b>	<b><u>18-19</u></b>
<b>Begin. Stocks</b>	1,395	-	1,169	21	(226)
<b>Production</b>	6,426	-	5,772	(293)	(654)
<b>Imports</b>	85	(1)	85	15	-
<b>Total Supply</b>	7,906	(1)	7,026	(257)	(880)
<b>Exports</b>	2,204	10	1,598	(97)	(606)
<b>Domestic Use</b>	4,532	(33)	4,492	(132)	(40)
<b>Total Use</b>	6,736	(23)	6,090	(229)	(646)
<b>Ending Stocks</b>	1,169	21	936	(27)	(233)
<b>S-T-U (total)</b>	17.4%	0.4	15.4%	0.2	(2.0)
<b>S-T-U (dom.)</b>	25.8%	0.6	20.8%	-	(5.0)

Only slight changes for 2018-19 with ending stocks raised 21,000 tonnes.

For 2019-20, significant reduction from October and from 2018-19 in forecast sugar production due to drought in key area. Exports will be adjusted going forward based on U.S. needs. Also of note, lower domestic use due to taxes, reformulation, negative publicity and probably high prices.

# SUA November 2019: Mexico Sugar Production

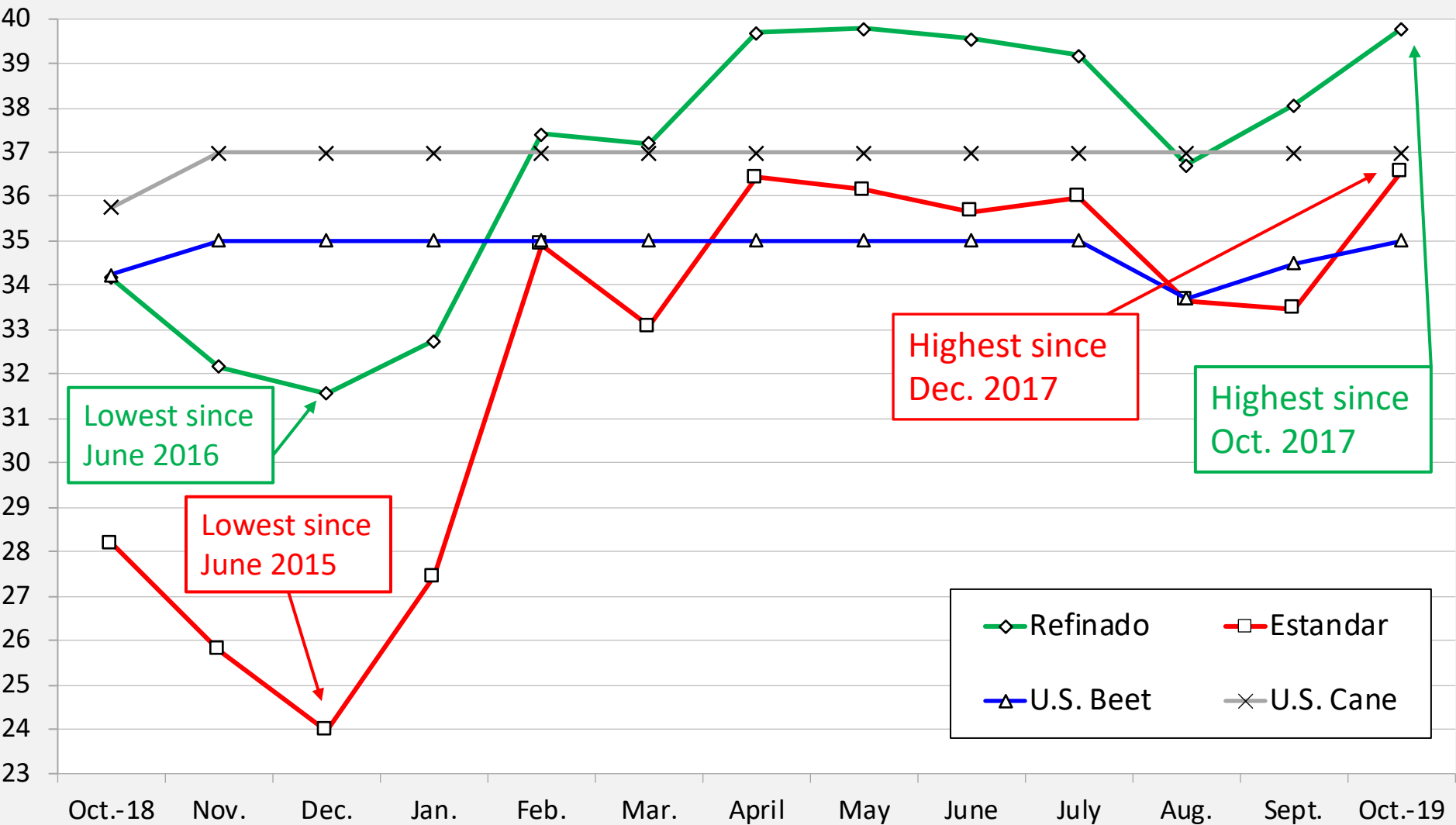
In million tonnes, actual weight. \*Forecast. Source: U.S.D.A.



USDA/Conadesuca November 2019-20 forecast at 5,772,000 million tonnes was down 4.8% from October and down 10% from 2018-19.

# SUA November 2019: U.S. & Mexico Sugar Prices

Average monthly cash prices in cents/lb. Sources: U.S.D.A. and Sosland Publishing Company



October refinado price was up 4.6% from September; estandar up 9%; both were well above year ago and highest since 2017.

# SUA November 2019: New York #16 Raw Futures

ICE domestic raw sugar futures as of Nov. 13, in cents per lb. Source: Tech Nova

Contract	Last	Net Change	High	Low	Settlement	Open Interest	Volume	Time
ESFF20 (D10)	27.78 S	0.43	27.95	27.34	27.78 S	887	249	1:17:28 PM EST - 11/13/19
ESFH20 (D10)	27.85 S	0.51	27.95	27.49	27.85 S	1937	152	1:17:28 PM EST - 11/13/19
ESFK20 (D10)	27.90 S	0.40	27.90	27.79	27.90 S	1620	107	1:17:28 PM EST - 11/13/19
ESFN20 (D10)	27.95 S	0.39	27.85	27.85	27.95 S	1021	5	1:17:28 PM EST - 11/13/19
ESFU20 (D10)	27.95 S	0.55	27.99	27.50	27.95 S	910	25	1:17:28 PM EST - 11/13/19
ESFX20 (D10)	27.05 S	0.20	27.10	26.95	27.05 S	190	110	1:17:28 PM EST - 11/13/19
ESFF21 (D10)	26.75 S	0.15	26.85	26.75	26.75 S	60	20	1:17:28 PM EST - 11/13/19
ESFH21 (D10)	26.75 S	0.20	26.85	26.75	26.75 S	40	45	1:17:28 PM EST - 11/13/19
ESFK21 (D10)	26.81 S	0.00			26.81 S	240	0	1:17:28 PM EST - 11/13/19
ESFN21 (D10)	26.81 S	0.00			26.81 S	240	0	1:17:28 PM EST - 11/13/19
ESFU21 (D10)	26.81 S	0.00			26.81 S	200	0	1:17:28 PM EST - 11/13/19

Domestic raws have soared about 0.50c to 1.50c a lb from a month ago with the largest gains in 2020 contracts, reflecting tight domestic sugar supplies for 2019-20. The nearby closed at a 27-month high on Nov. 13. Nearby months have moved above where you would expect them to trade based on reference prices in the Suspension Agreements (amendments). The nearby month has broken above of its recent trading range of 25.50c to 26c a lb. No carry into 2021.

# SUA November 2019: Global Sugar Overview

- **Global supply/demand**
  - Nearby supply continues to limit nearby raw sugar futures upside
  - Carry still seen going forward with modest deficit in 2019-20
- **Brazil harvest advancing, all about ethanol**
  - Cane harvest ending early; still strong emphasis on ethanol
  - October sugar exports stronger: up 15% from Sept. and 4% from LY
- **India stocks remain heavy, crop prospects improve**
  - Year ended with huge stocks, with some decline expected in 2019-20
  - Above average monsoon rainfall helped crop recover, but some losses
  - W.T.O. panel reviewing subsidy complains
- **Lower production forecasts for several countries**
- **Ongoing concerns about global sugar demand/consumption**
- **Pricing**
  - Nearby raw futures have remained in recent trading range, but some expect short-covering rally at some point

# SUA November 2019: New York #11 Raw Futures

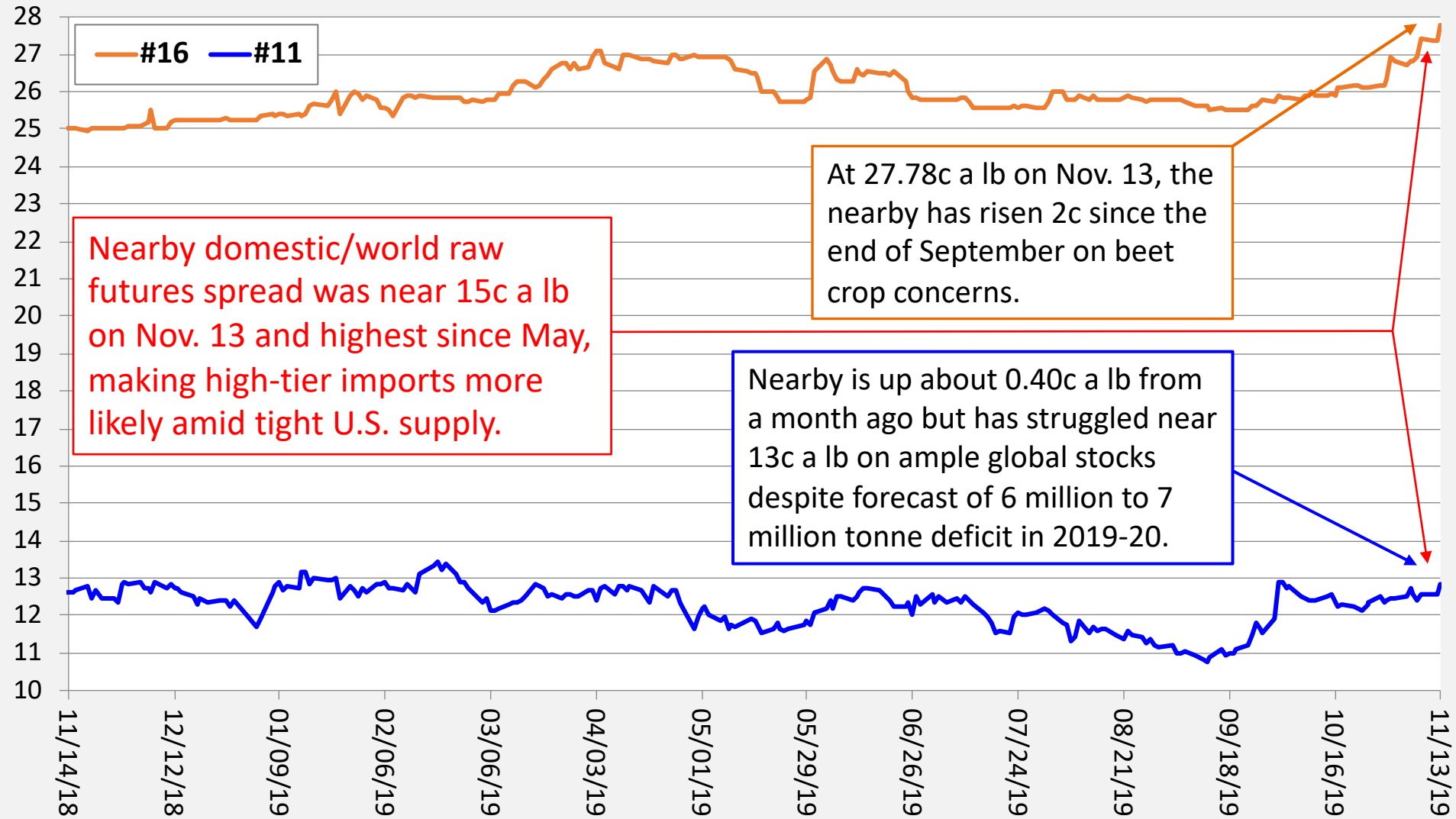
ICE world raw sugar futures as of Nov. 13, in cents per lb. Source: Tech Nova

Contract	Last	Net Change	High	Low	Settlement	Open Interest	Volume	Time
ESBH20 (D10)	12.85 S	0.26	12.91	12.57	12.85 S	518720	122960	1:00:00 PM EST - 11/13/19
ESBK20 (D10)	12.93 S	0.23	13.00	12.69	12.93 S	177801	48191	1:00:00 PM EST - 11/13/19
ESBN20 (D10)	13.01 S	0.20	13.06	12.80	13.01 S	118144	20532	1:00:00 PM EST - 11/13/19
ESBV20 (D10)	13.21 S	0.17	13.27	13.03	13.21 S	81180	15010	1:00:00 PM EST - 11/13/19
ESBH21 (D10)	13.73 S	0.13	13.78	13.61	13.73 S	47482	6351	1:00:00 PM EST - 11/13/19
ESBK21 (D10)	13.72 S	0.09	13.77	13.66	13.72 S	8419	1811	1:00:00 PM EST - 11/13/19
ESBN21 (D10)	13.71 S	0.07	13.75	13.67	13.71 S	8732	1463	1:00:00 PM EST - 11/13/19
ESBV21 (D10)	13.82 S	0.07	13.84	13.78	13.82 S	6025	654	1:00:00 PM EST - 11/13/19
ESBH22 (D10)	14.20 S	0.05	14.21	14.20	14.20 S	2666	117	1:00:00 PM EST - 11/13/19
ESBK22 (D10)	14.10 S	0.05	14.12	14.12	14.10 S	63	2	1:00:00 PM EST - 11/13/19
ESBN22 (D10)	14.03 S	0.05	14.01	14.01	14.03 S	20	29	1:00:00 PM EST - 11/13/19
ESBV22 (D10)	14.11 S	0.05			14.11 S		0	1:00:00 PM EST - 11/13/19

World raw sugar futures have firmed about 0.20c to 0.40c a lb from a month ago with the largest gains nearby. Recent trading range of 12c to 13c a lb has been maintained in the nearby month. Resistance near 13c has held on producer selling and concerns about exportable supply in India. Yet, many still have a slightly bullish outlook on global sugar deficit forecasts of about 6 million to 7 million tonnes and on expected short-covering rally amid still large speculative net short. There is a carry of more than 1c a lb into 2022 months.

# SUA November 2019: World/Domestic Futures

Nearby ICE New York raw sugar futures, in cents per lb, as of Nov. 13, 2019.



# SUA November 2019: Corn Sweetener Prices

Cents/lb or \$/cwt. NOTE: Prices shown reflect sales to small/med. users; large sales lower.

## 42% HFCS Spot

	<u>2019</u>	<u>2018</u>
Midwest	25-25¾	24¾-25¾
Northeast	26½-27¼	26¼-27¼
Southeast	26¾-27½	26½-27½
South	26¼-27	26-27
West	27-28¾	26¾-28¾

Contracting for 2020 is advancing at mixed rates and behind last year with some refiners completed but others lagging. Pricing is mostly \$1 to \$2 a cwt above 2019 levels. Refiners need \$1 increase to maintain margins. Good demand has been noted for regular corn syrup and 55% HFCS, while 42% HFCS demand remains weak.

## 55% HFCS Spot

	<u>2019</u>	<u>2018</u>
Midwest	31¾-32¼	30¼-31¾
Northeast	33¼-33¾	31¾-33¼
Southeast	33¼-33¾	31¾-33¼
South	33-33½	31½-33
West	33¾-35¼	32¼-34¾

Oct.-Sept. HFCS consumption in Mexico at 1,528,000 tonnes, dry basis, was 4.1% below a year-ago but 0.5% above expectations. Forecast use in 2019-20 was unchanged from October at 1,520,000 tonnes.

## Corn Syrup Spot

	<u>2019</u>	<u>2018</u>
Midwest	35¾-36¼	34¼-35¼
Northeast	38-38½	36½-37½
Southeast	38-38½	36½-37½
South	39-39½	37½-38½
West	40¼-40¾	38¾-39¾

Ongoing good demand for dextrose and glucose on a functional basis versus as a sweetener; Pricing is up from 2019.

## Dextrose Spot

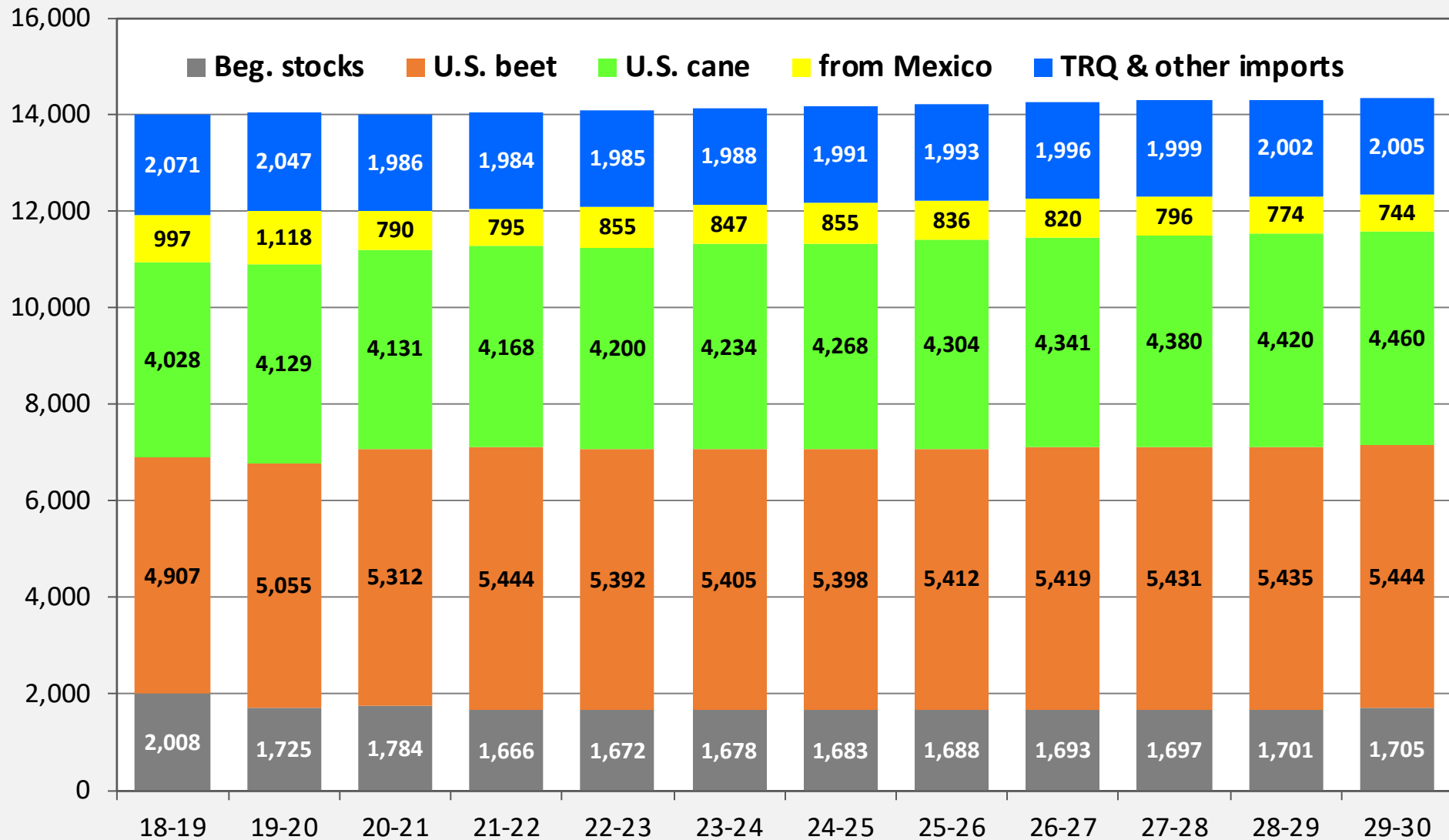
	<u>2019</u>	<u>2018</u>
East	40½-41½	39½-41
Midwest	39½-40½	38½-40
South	41½-42½	40½-42
West	42½-43½	41½-43

USDA Nov. corn production down 1% from Oct. and 5% from 2018. Use for ethanol again lowered - even with 2018-19, below 2017-18.



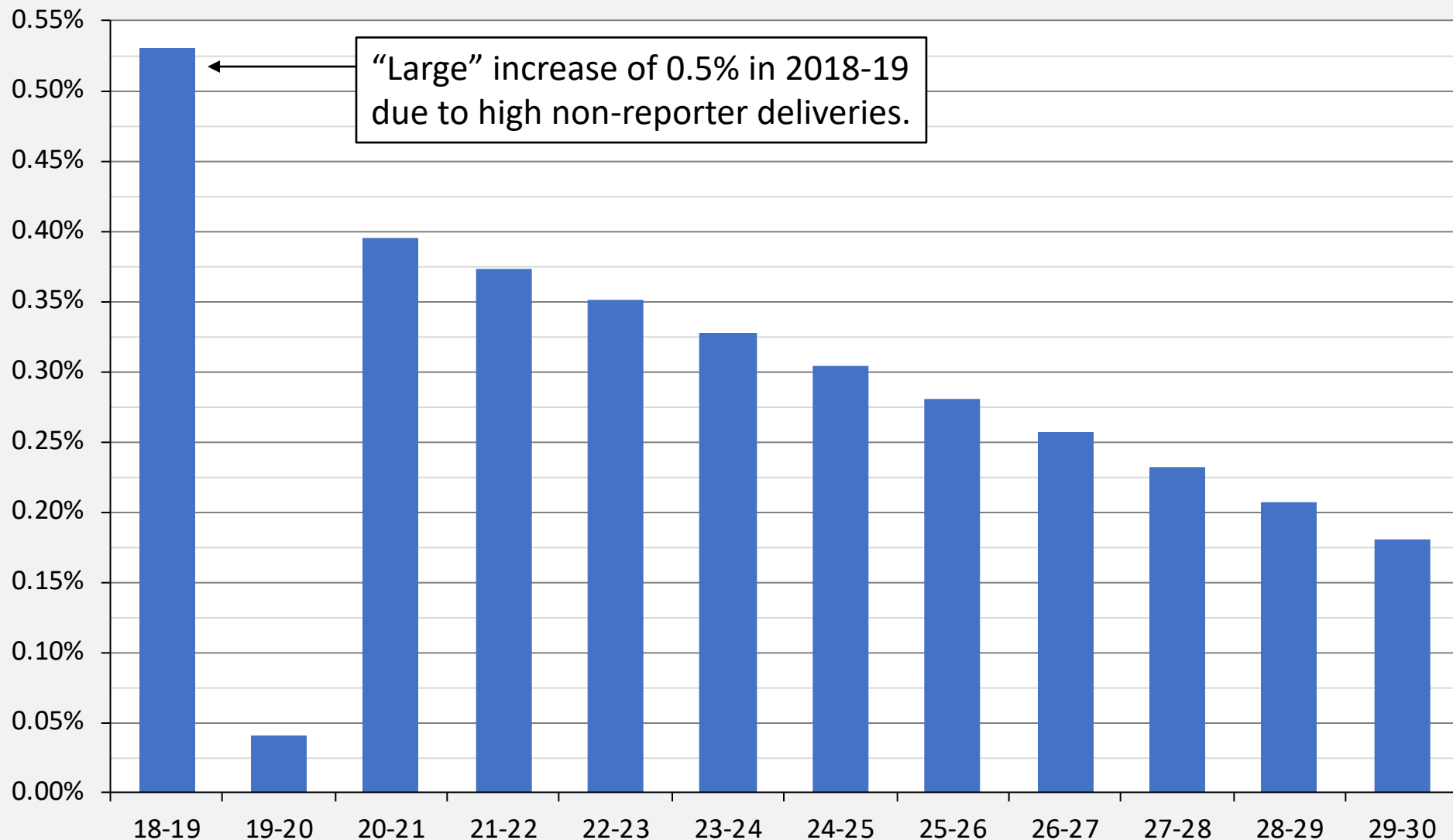
# SUA November 2019: Long-Term Supply Outlook

Total U.S. sugar supply, in 1,000 short tons, raw value. Source: U.S.D.A. long-term projections.



# SUA November 2019: Long-Term Outlook

Projected per cent increase in U.S. domestic sugar deliveries. Source: U.S.D.A.



# SUA November 2019: Other Issues & Trends

- **Weather** – Significant impact in Red River Valley; watch others.
- **Trade** – Suspension Agreements amendments key; China trade war will continue to impact broader market.
- **G.M.O. and Added Sugars Labeling** – Consumer reaction remains primary unknown.
- **Sugar/beverage taxes** – Probably more impact outside U.S. as countries continue to add or increase sugar taxes.
- **Consumer Sugar Perception/Reduction** – Sugar reduction remains high on survey responses and is one of top 2019 trends.
- **Reformulation** – Food and beverage makers continue to cut sweeteners globally in response to consumers and to avoid taxes.
- **Dean Foods Bankruptcy** – Impact on payments to sweetener sellers; unknown impact/decline going forward.

# SUA November 2019: Conclusions

## ■ Domestic Sweetener Market

- Refined sugar deliveries stronger in September but expected to continue weaker year-over-year trend.
- USDA sharply reduced 2019-20 beet sugar production forecast.
- USDA also lowered cane sugar forecast for 2019-20.
- Sugar beet harvest mostly completed with significant abandoned acres in Red River Valley and Canada.
- Sugar cane crops still about average.
- Little if any beet sugar currently being offered. Cane sugar offers also limited and much higher when available.
- Corn sweetener prices higher for 2020 despite weaker demand.

## ■ Global Sugar Market

- Nearby world raw prices want to firm but India stocks remain.
- Deficit forecast for 2019-20 is supportive to prices.
- Ongoing questions about global consumption.