

USDA forecasts lower sugar supply this year

WASHINGTON — The US Department of Agriculture, in its May 12 World Agricultural Supply and Demand Estimates report, forecast 2019-20 US sugar ending stocks at 1,273,000 short tons, raw value, down 161,000 tons, or 11%, from 1,434,000 tons in April due to a slight decline in US beet sugar production and a sharp drop in imports from Mexico. Deliveries were unchanged from April.

The 2019-20 ending stocks-to-use ratio was forecast at 10.4%, down from 11.7% in April, down from 14.5% in 2018-19 and below the minimum USDA target of 13.5% as defined in the suspension agreements with Mexico. Ending stocks would need to increase 383,000 tons to bring the stocks-to-use ratio up to 13.5%, based on the May WASDE data.

US sugar production was forecast at 8,024,000 tons, down 13,000 tons from April due to a like decrease in beet sugar production, forecast at 4,285,000 tons. Cane sugar production was unchanged at 3,740,000 tons with the cane harvest completed in all states but Florida.

Total imports were forecast at 3,731,000 tons, down 149,000 tons, or 3.8%, from April, due to a like decline in imports from Mexico, forecast at 1,050,000 tons, which was reduced due to lower production in Mexico. Other import categories were unchanged from April with tariff-rate quota at 2,180,000 tons, other program at 350,000 tons and high-tier at 150,000 tons.

Total sugar supply was forecast at 13,538,000 tons, down 161,000 tons, or 1.2%, from April and down 539,000 tons, or 3.8%, from 2018-19.

Total sugar use in 2019-20 at 12,265,000 tons, including exports at 35,000 tons, “other” at 105,000 tons and deliveries for food at 12,125,000 tons, all were unchanged from the April WASDE.

In its initial projections for 2020-21, which begins Oct. 1, the USDA forecast sugar ending stocks at 1,468,000 tons, with an ending stocks-to-use ratio at 12%.

Sugar production in 2020-21 was forecast at 9,005,000 tons, up 981,000 tons, or 12%, from 2019-20, including beet sugar at 4,965,000 tons, up 16%, and cane sugar at 4,040,000 tons, up 8%, due mostly to an increase in Louisiana.

Imports for 2020-21 were projected at 3,456,000 tons, including TRQ imports at the World Trade Organization and free trade agreement minimum of 1,395,000 tons, with a projected TRQ shortfall of 99,208 tons. Imports from Mexico were projected at 1,660,000 tons, up 58% from the current year. High-tier imports were projected at 50,000 tons, down 67% from 2019-20.

Mexico sugar production in 2019-20 was forecast at 5,125,000 tonnes, actual weight, down 110,000 tonnes, or 2.1%, from April and down 1,301,000 tonnes, or 20%, from 2018-19. Exports were forecast at 938,000 tonnes, down 127,000 tonnes, or 12%, from April. Imports and domestic use were unchanged. Ending stocks were forecast at 953,000 tonnes, up 17,000 tonnes from April.

For 2020-21, Mexico’s sugar production was projected at 6,100,000 tonnes, up 975,000 tonnes, or 19%, from this year. Imports were unchanged from this year at 89,000 tonnes. Domestic use was seen at 4,575,000 tonnes, up 83,000 tonnes, and exports were forecast at 1,614,000 tonnes, up 676,000 tonnes, or 72%.