

## **USDA forecasts higher sugar supply this year**

*Higher imports, lower food use boost ending stocks 28% from May*

WASHINGTON — The US Department of Agriculture, in its June 11 World Agricultural Supply and Demand Estimates report, forecast 2019-20 (the current marketing year that ends Sept. 30) US sugar ending stocks at 1,632,000 short tons, raw value, up 359,000 tons, or 28%, from 1,273,000 tons forecast in May but down 151,000 tons, or 8%, from 1,783,000 tons in 2018-19. The increased supply was the result of forecast higher imports and lower domestic use for food due to coronavirus lockdowns.

The 2019-20 ending stocks-to-use ratio was forecast at 13.4%, up from 10.4% as the May forecast and compared with 14.5% in 2018-19. The latest ratio is near the minimum USDA target of 13.5% as defined in the suspension agreements with Mexico.

US sugar production was unchanged from the May forecast at 8,024,000 tons, down 975,000 tons, or 11%, from last year, with beet sugar production forecast at 4,285,000 tons and cane sugar production at 3,740,000 tons.

Total imports were forecast at 4,015,000 tons, up 284,479 tons, or 8%, from May, due to an increase in imports from Mexico of 204,479 tons, now forecast at 1,255,000 tons, and an 80,000-ton increase in high-tier imports, now at 230,000 tons.

Total sugar supply was forecast at 13,822,000 tons, up 284,000 tons, or 2.1%, from May but down 255,000 tons, or 1.8%, from 2018-19.

Total sugar use in 2019-20 was forecast at 12,190,000 tons, down 75,000 tons from the May forecast due to a like decline in forecast deliveries for food, now at 12,050,000 tons, which is down 56,000 tons from 2018-19.

Domestic sugar deliveries for food were reduced “based on initial analysis of the effects of pandemic lockdowns on the demand for sugar,” the USDA said.

Projections for 2020-21 were unchanged except for a 359,000-ton increase in beginning stocks, now at 1,632,000 tons, offset by a like reduction in forecast imports from Mexico, now at 1,301,000 tons. Ending stocks were unchanged from May at 1,468,000 tons, with the 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%.

Total imports for 2020-21 were projected at 3,097,000 tons, down 359,000 tons due to the reduction for Mexico, and including tariff-rate quota 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. High-tier imports were projected at 50,000 tons, down 78% from 2019-20.

Mexico sugar production in 2019-20 was forecast at 5,230,000 tons, actual weight, up 105,000 tons, or 2.1%, from May but down 1,196,000 tons, or 19% from 2018-19. Exports were forecast at 1,113,000 tons, up 175,000 tons, or 19%, from May. Imports were unchanged at 89,000 tons, but domestic use was lowered 70,000 tons from May to 4,422,000 tons. Ending stocks were forecast at 953,000 tons, unchanged from May and equal to 2.5 months of domestic use.

The production increase was based on “increases in field and factory yields only partially offset by lower area harvested as the production campaign winds down,” the USDA said.

There were no changes from May made to forecasts for 2020-21 for Mexico, with production at 6,100,000 tons, domestic use at 4,575,000 tons, exports at 1,614,000 tons and ending stocks at 953,000 tons.