

Sweetener Users Association Conference Call

September 18, 2020

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SUA September 2020: Presentation Overview

■ Domestic Sugar Market

- 2020 just keeps getting better: Hurricanes, fires, frosts, COVID-19, what else?
- “Surprise” TRQ increase had little impact on WASDE numbers.
- 2019-20 delivery increase offsets supply increase.
- July SMD – beet and cane deliveries up from June, up 0.3% for y-t-d.
- Supply for 2020-21 adjusted for 13.5% S-T-U ratio per SA.
- Sugar beet harvest is underway – early. Louisiana dodges Laura bullet.
- Bulk sugar prices for 2020-21 have firmed.

■ Global Sugar Market

- Strong production in Brazil and India offset lower production elsewhere.
- Demand, including impact from COVID-19, still unclear.

■ Corn Sweetener Market

- Coronavirus shifting 42% and 55% HFCS demand pattern?
- HFCS consumption forecast for Mexico adjusted lower.

■ Other factors affecting sugar

- Several legal and dietary issues percolating.

■ Conclusions

SUA September 2020: US Market Overview

■ Sugar supply/demand

- **2019-20** S-T-U ratio slips as deliveries are raised.
- TRQ increase has minimal impact on supply for this year.
- TRQ, other program, high-tier imports up; Mexico down.
- Increase in deliveries totally offsets higher imports.
- **2020-21** S-T-U ratio adjust to 13.5% per SA.
- Beet, cane sugar production adjusted slightly; many in doubt.
- Delivery forecast basically flat with 2019-20.
- Sugar supplies mostly committed through December.
- Prices have firmed as beet processors exceed 90% sold.

■ Corn sweetener supply/demand

- Domestic shipments have normalized since early in pandemic, but not making up losses; some demand shift seen in HFCS.
- Pricing for 2021 has firmed (now flat with 2020).
- HFCS demand in Mexico continues to decline.

SUA September 2020: USDA 2019-20 WASDE

<i>1,000 short tons</i>	Sept.	Change from Aug.		Change from 18-19		RS-SPC
<i>raw value</i>	19-20	Tons	%	Tons	%	19-20
Begin. Stocks	1,783	-	0.0%	(225)	-11.2%	1,783
Production	7,989	-	0.0%	(1,010)	-11.2%	7,989
Beet	4,244	-	0.0%	(695)	-14.1%	4,244
Cane	3,745	-	0.0%	(315)	-7.8%	3,745
Imports	4,263	101	2.4%	1,193	38.9%	4,225
T.R.Q.	2,256	18	0.8%	715	46.4%	2,240
Other Prog.	415	65	18.6%	(23)	-5.3%	415
Mexico	1,382	(13)	-0.9%	382	38.2%	1,360
High Tier	210	30	16.7%	118	128.3%	210
Ttl Supply	14,035	101	0.7%	(42)	-0.3%	13,997
Exports	35	-	0.0%	-	0.0%	35
Deliveries	12,255	100	0.8%	24	0.2%	12,255
Food	12,150	100	0.8%	44	0.4%	12,150
Other	105	-	0.0%	(21)	-16.7%	105
Misc.	-	-	-100.0%	(28)	-	-
Total Use	12,290	100	0.8%	(4)	0.0%	12,290
Ending Stocks	1,745	1	0.1%	(38)	-2.1%	1,707
Stocks-to-use	14.2%	-0.1		-0.3		13.9%

USDA's major changes were higher imports and higher food deliveries, which offset each other.

I think TRQ and Mexico imports both could fall short, lowering S-T-U ratio to 14% or lower.

Raw sugar TRQ through August was only 79% of projected, while other imports were on pace or ahead. TRQ increase helps. Many expect Mexico to fall short.

Domestic sugar supply is highly committed through December.

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

SUA September 2020: USDA 2020-21 WASDE

<i>1,000 short tons</i>	Sept.	Change from Aug.		Change from 19-20		RS-SPC
<i>raw value</i>	20-21	Tons	%	Tons	%	20-21
Begin. Stocks	1,745	1	0.8%	(38)	-2.1%	1,707
Production	9,292	27	0.2%	1,303	16.3%	9,200
Beet	5,165	(34)	0.3%	921	21.7%	5,100
Cane	4,127	61	0.3%	382	10.2%	4,100
Imports	2,913	(131)	0.5%	(1,350)	-31.7%	3,055
T.R.Q.	1,624	59	0.9%	(632)	-28.0%	1,630
Other Prog.	350	-	4.0%	(65)	-15.7%	350
Mexico	888	(191)	1.3%	(494)	-35.7%	1,025
High Tier	50	-	28.0%	(160)	-76.2%	50
Ttl Supply	13,949	(104)	0.1%	(86)	-0.6%	13,962
Exports	35	-	40.0%	-	0.0%	35
Deliveries	12,255	25	0.1%	-	0.0%	12,250
Food	12,150	25	0.1%	-	0.0%	12,150
Other	105	-	13.3%	-	0.0%	100
Misc.	-	-	0.0%	-	0.0%	-
Total Use	12,290	25	0.1%	-	0.0%	12,285
Ending Stocks	1,659	(129)	0.8%	(86)	-4.9%	1,677
Stocks-to-use	13.5%	-1.1		-0.7		13.7%

USDA had to adjust S-T-U to 13.5% per SA. Lowered beet, raised cane, raised TRQ due to extension, lower Mex. Deliveries are flat with 2019-20.

I think domestic sugar production is too high: beet crops are good but have a ways to go and cane seems high for both La. & Tex.

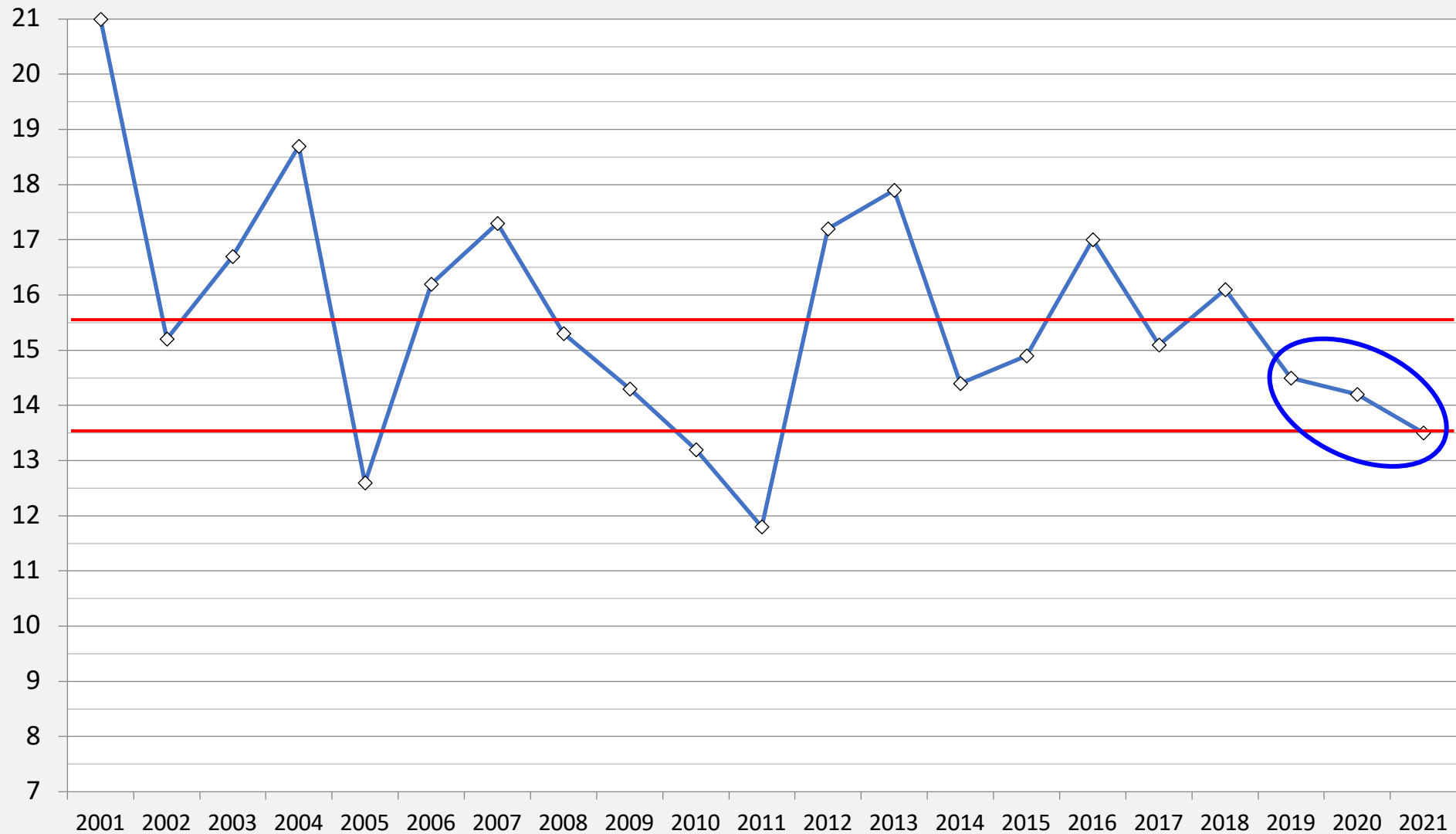
I left TRQ near the USDA est. but raised Mexico and think S-T-U will end above 13.5%.

Oct.-Dec. supplies tight.

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

SUA September 2020: Annual S-T-U Ratios

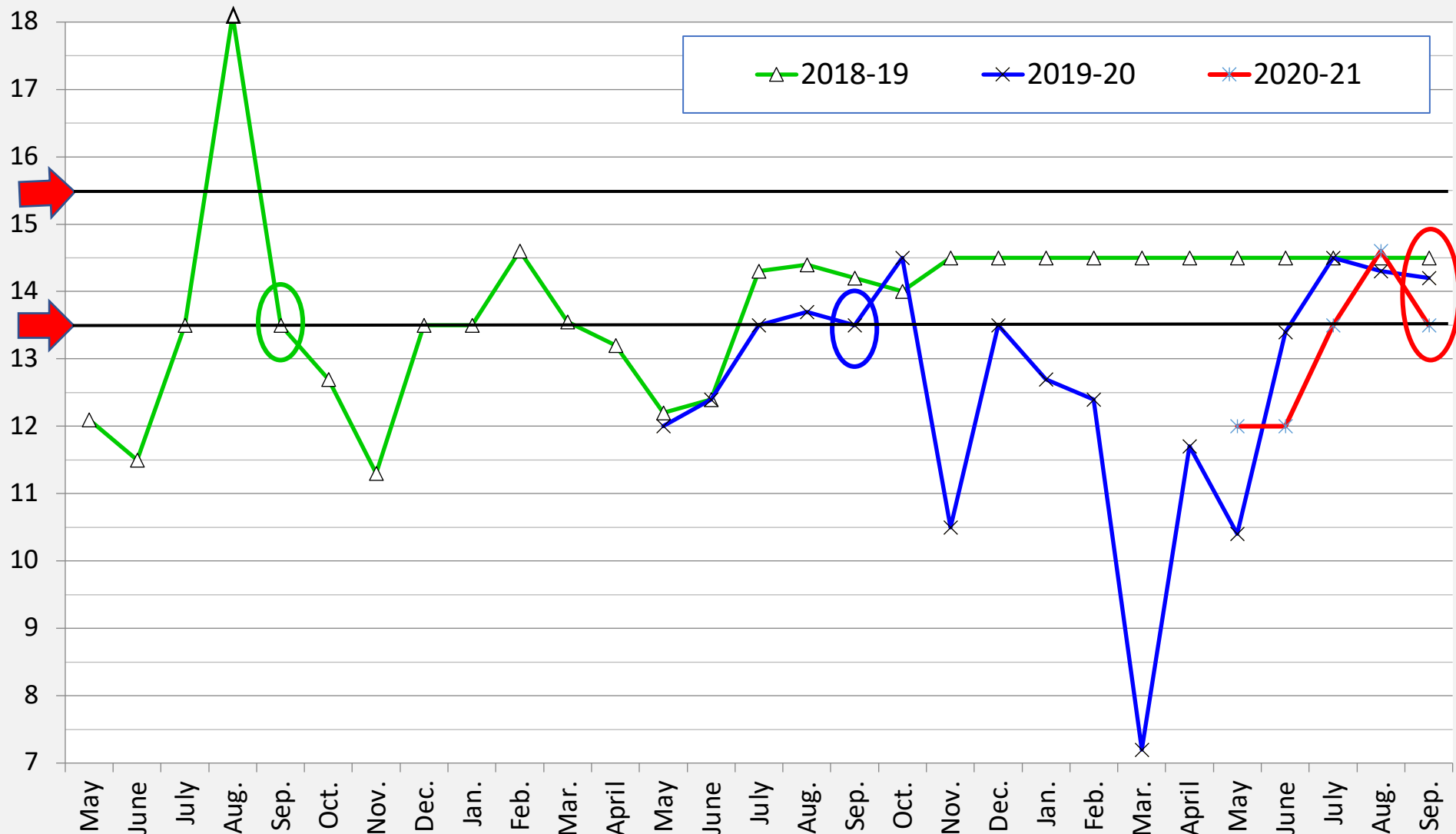
Annual stocks-to-use ratios, in percent. 2019-20, 2020-21 forecast as of Sept. 11.



Source: USDA

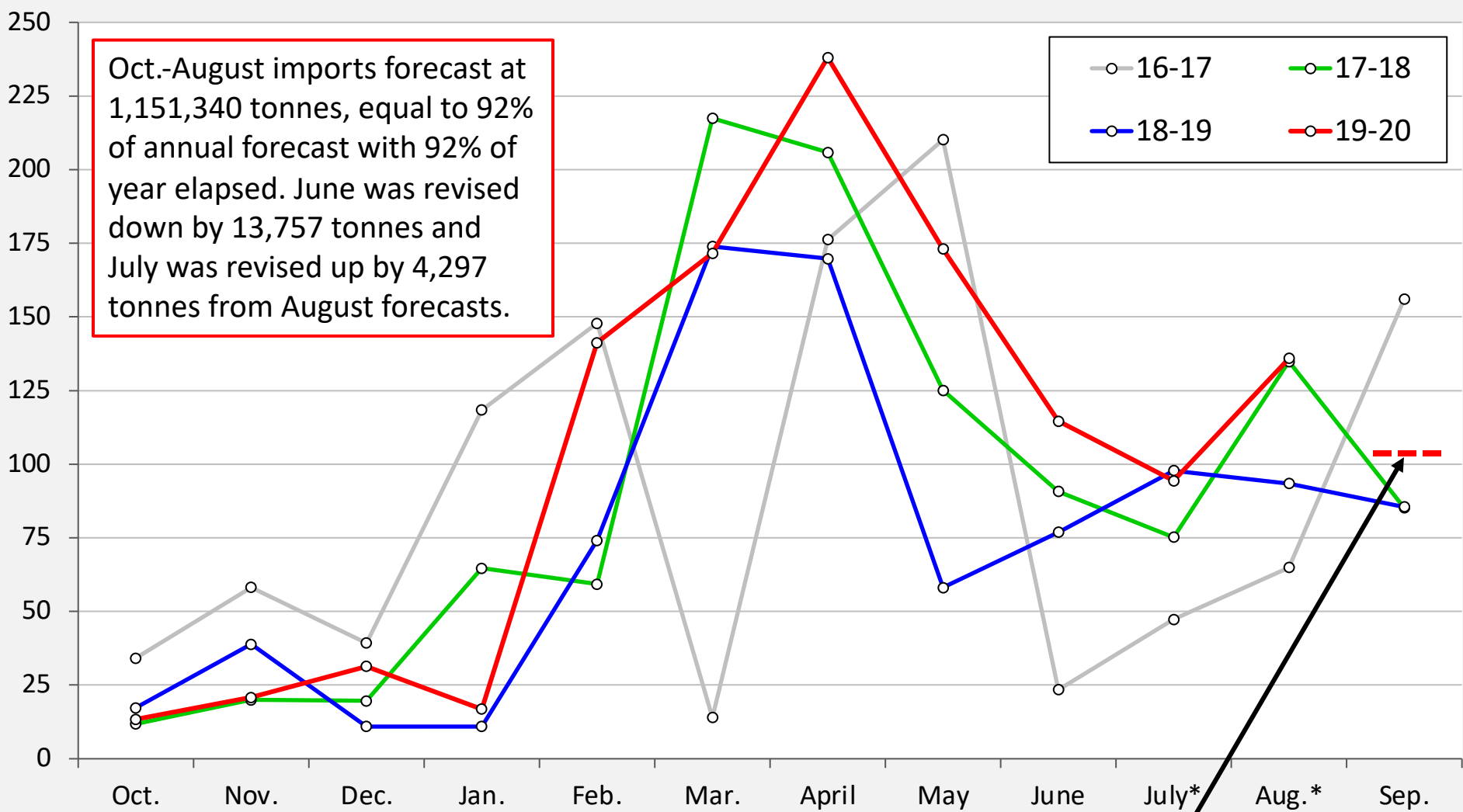
SUA September 2020: Monthly S-T-U Ratios

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



SUA September 2020: Imports from Mexico

In 1,000 tonnes, raw value. *2019-20 projected. Sources: USDA and US Census Bureau.



Oct.-August imports forecast at 1,151,340 tonnes, equal to 92% of annual forecast with 92% of year elapsed. June was revised down by 13,757 tonnes and July was revised up by 4,297 tonnes from August forecasts.

Imports will need to be 102,389 tonnes, raw value, in September to meet USDA's lowered forecast of 1,253,729 tonnes for the fiscal year.

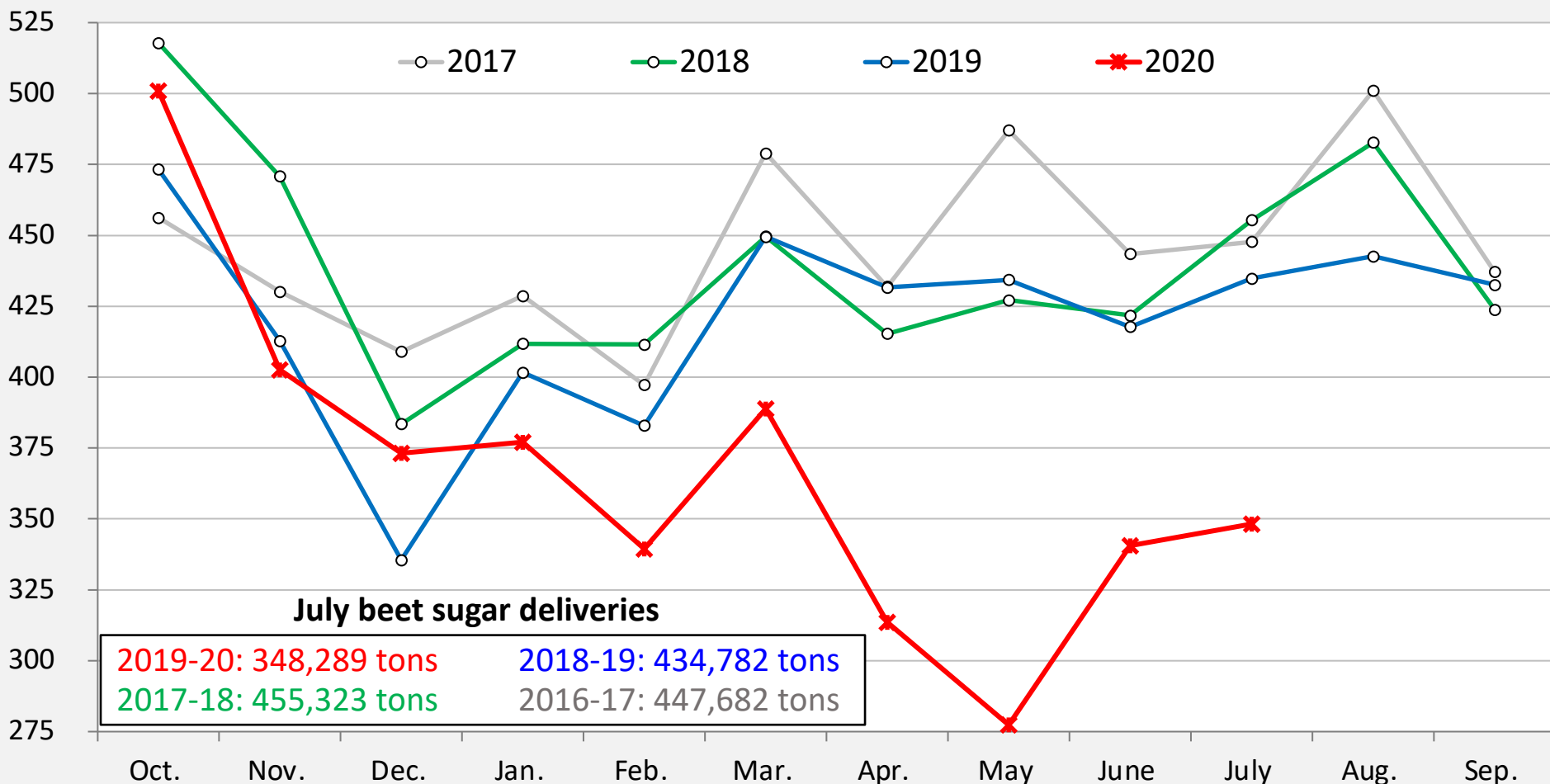
SUA September 2020: SMD October-July

Source: USDA.

<i>Short tons, Raw value</i>	Oct.-July	Oct.-July	Change from 18-19	
	<u>2019-20</u>	<u>2018-19</u>	<u>Tons</u>	<u>%</u>
Beginning stocks	1,782,548	2,007,901	(225,353)	-11.2%
Total production	7,306,577	8,353,577	(1,047,000)	-12.5%
Beet	3,610,191	4,356,753	(746,562)	-17.1%
Cane	3,696,386	3,996,822	(300,436)	-7.5%
Total imports	3,327,122	2,575,573	751,549	29.2%
Total supply	12,416,247	12,937,051	(520,805)	-4.0%
Total exports	31,356	30,600	756	2.5%
Total deliveries	10,121,043	10,111,221	9,822	0.1%
Deliveries, human use	10,041,179	10,008,363	32,816	0.3%
Misc. supply adj.	28,008	50,400	(22,392)	-44.4%
Total use	10,180,406	10,192,224	(11,818)	0.1%
Ending stocks	2,235,840	2,744,826	(508,986)	-18.5%

SUA September 2020: Beet Sugar Deliveries

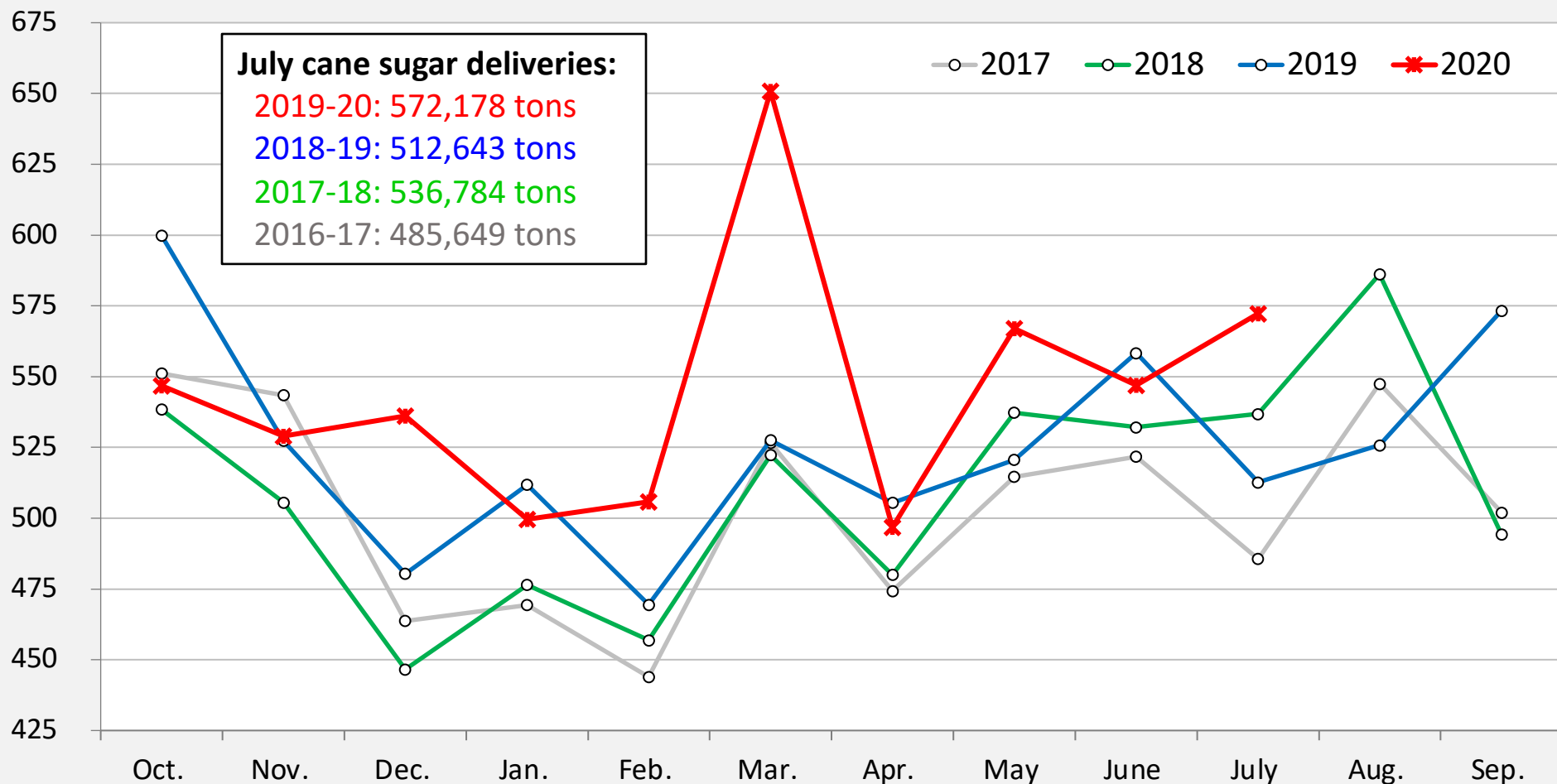
Monthly beet sugar deliveries, in 1,000 tons, raw value. Source: USDA



July beet sugar deliveries rose 2% from June but were down 20% from June 2019 and were the lowest for the month since July 2006. Year-to-date deliveries are down 12.3% from a year ago. Deliveries should increase in September as new crop sugar becomes available. Also suggests recovery from pandemic.

SUA September 2020: Refined Cane Deliveries

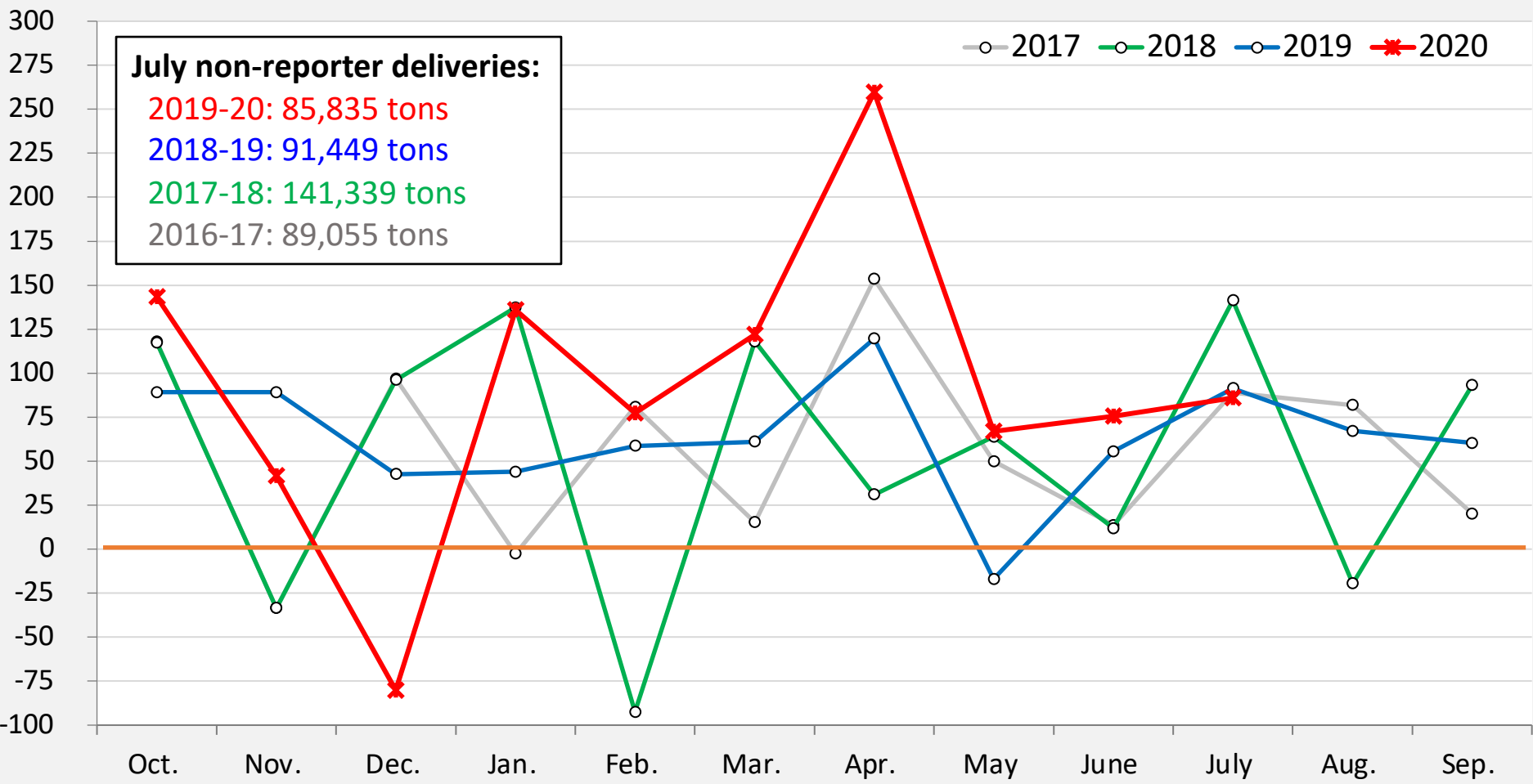
Monthly refined cane sugar deliveries, in 1,000 tons, raw value. Source: USDA



July cane sugar deliveries rose 4.6% from June, were up 11.5% from June 2019 and were the highest ever for July. Year-to-date deliveries were up 4.6%. Cane sugar deliveries typically increase in the summer as beet sugar supplies decline. Strong deliveries also suggest recovery from the pandemic.

SUA September 2020: Deliveries by Non-Reporters

Monthly non-reporter deliveries, in 1,000 tons, raw value. Source: USDA



Non-reporter deliveries in July increased 13% from June but were down 5.5% from July 2019 and the lowest for the month since 2012. Year-to-date non-reporter deliveries were up 294,000 tons, or 46%, from 2018-19. April and June N-R deliveries were lowered a combined 31,000 tons from last month.

SUA September 2020: Deliveries for Human Use

<u>PRODUCT OR BUSINESS OF BUYER</u>	FY 2020	FY 2019	Oct.-July	Oct.-June
	<u>Oct.-July</u>	<u>Oct.-July</u>	<u>% change</u>	<u>% change</u>
Total Deliveries/1 (short tons, <u>actual weight</u>)	8,575,743	8,837,286	-3.0	-3.0
1-Bakery, cereal, and related products	2,004,994	2,054,603	-2.4	-2.7
5-Confectionery and related products	857,721	997,097	-14.0	-14.3
6-Ice cream and dairy products	630,345	615,823	2.4	2.4
7-Beverages	516,417	600,020	-13.9	-14.0
8-Canned, bottled and frozen foods	358,816	341,453	5.1	4.6
4-Multiple and all other food uses	859,099	941,556	-8.8	-8.1
10-Non-food uses	108,014	122,531	-11.8	-15.6
11-Hotels, restaurants, institutions	69,090	70,603	-2.1	-3.5
2-Wholesale grocers, jobbers, dealers	1,838,631	1,839,486	0.0	-0.1
3-Retail grocers, chain stores	1,074,272	994,947	8.0	9.4
12-Government agencies	10,454	10,973	-4.7	-8.0
9-All other deliveries	247,888	248,194	-0.1	-0.3
Total Deliveries/1 (short tons, <u>raw value</u>)	9,176,045	9,455,896	-3.0	-3.0
Crystalline:	7,893,934	8,169,887	-3.4	-3.3
Consumer-size packages (retail)	1,863,622	1,824,172	2.2	2.5
Packages 50 lbs and greater	2,399,782	2,448,525	-2.0	-1.7
Unpackaged (bulk)	3,630,530	3,897,189	-6.8	-7.1
Non-crystalline/2	1,282,110	1,286,009	-0.3	-0.5

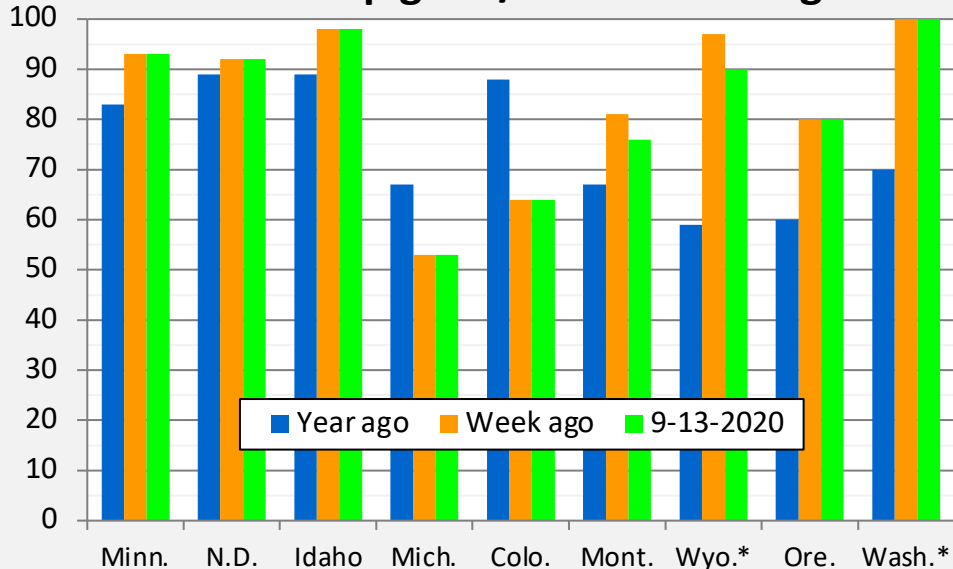
1/Deliveries from domestic sugar beet processors, sugar cane processors and refiners.

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

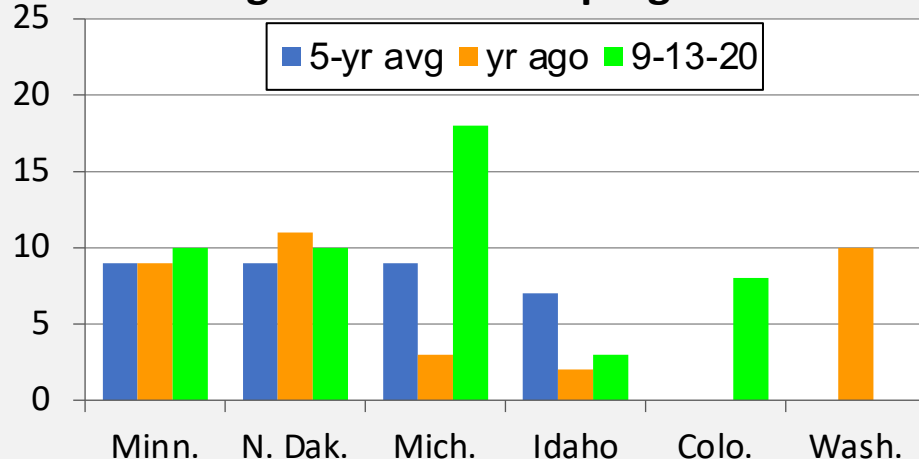
Source: USDA

SUA September 2020: Beet and Cane Crops

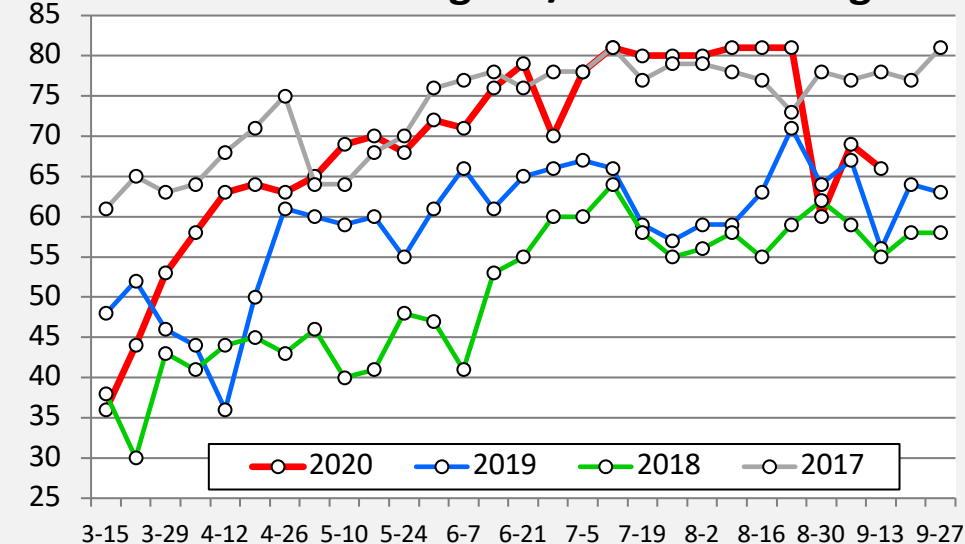
Beet crop good/excellent ratings



Sugar beet harvest progress



Louisiana cane good/excellent ratings



Beet harvest; beet and cane ratings

As of Sept. 13 beet harvest was underway with five states reporting data. Michigan led with 18% harvested followed by Minn. and N.D. at 10%, Colorado at 8% and Idaho at 3%. Crop ratings remained outstanding in most states with all but Michigan, Colorado and Montana over 80% G/E.

Louisiana sugarcane ratings took a hit from Hurricane Laura even if damage was said to be minimal, falling from 81% good to excellent before to 60% after then recovering modestly. More will be known in the next few weeks.

SUA September 2020: Beet and Cane Production

Sugar beet production

1,000 tons	Sept.	From 2019		From August	
	2020	Tons	%	Tons	%
Minnesota	11,928	3,528	42.0%	(252)	-2.1%
N. Dakota	5,992	1,572	35.6%	(22)	-0.4%
Idaho	6,673	238	3.7%	66	1.0%
Michigan	4,469	322	7.8%	(30)	-0.7%
Nebraska	1,401	332	31.1%	(83)	-5.6%
Montana	1,419	266	23.1%	34	2.5%
California	1,105	25	2.3%	-	0.0%
Colorado	790	41	5.5%	(9)	-1.1%
Wyoming	921	242	35.6%	45	5.1%
Oregon	360	(17)	-4.5%	2	0.6%
Wash.	85	(6)	-6.6%	(1)	-1.2%
US Total	35,143	6,543	22.9%	(250)	-0.7%

Sugarcane production

1,000 tons	Sept.	From 2019		From August	
	2020	Tons	%	Tons	%
Florida	18,007	363	2.1%	14	0.1%
Louisiana	14,956	1,795	13.6%	268	1.8%
Texas	1,175	43	3.8%	378	47.4%
U.S.	34,138	2,201	6.9%	660	2.0%

Sugar beet production

In its Sept. 11 Crop Production report, USDA forecast 2020 US sugar beet production at 35,143,000 tons, down 0.7% from August but up 23% from 2019. The decline nearly equaled the reduction for top-producing Minnesota with the other 10 states offsetting each other. Harvested area was unchanged from August at 1,126,800 acres but up 15% from 2019. Average yield was forecast at 31.2 tons per acre, down 0.2 ton from August but up 2 tons, or 7%, from 2019.

Sugarcane production

USDA forecast 2020 sugarcane output at 34,138,000 tons, up 2% from August and up 7% from 2019. Area was forecast at 932,300 acres, up 0.9% from August and up 2.1% from 2019. Average yield was forecast at 36.6 tons/acre, up 0.4 ton from August and up 1.6 tons from 2019.

SUA September 2020: Cash sugar prices

Beet sugar 2019-20

Beet sugar prices remain nominal; Supply is increasing as new crop beets are being sliced but supplies mostly are fully committed through December.

Cane sugar 2019-20

Prices in all regions at 46c f.o.b. from one major refiner through September; around 43c to 44c for Oct.-Dec.

Beet sugar 2020-21

Prices were raised after the Chalmette fire and as beet processors' sales reached 90% of expected 2020-21 production. Midwest mostly at 36.50c January forward, up from 34c to 35c in early August. Minimal discounting. Prices likely to be raised as processors reach 95% sold.

Cane sugar 2020-21

Refined cane sugar prices also are higher for calendar 2020-21. Northeast and West Coast mostly offered at 41c, Gulf and Southeast at 38c to 39c.

SUA September 2020: Cash sugar situation

Recent developments and factors to watch in cash sugar market

- **For 2019-20**, strong cane deliveries and higher (from August) beet deliveries suggest impact from coronavirus may be mostly in past.
- Beet harvest is underway in all areas but not full bore until October. Early production limited and filling shortfalls.
- Domino fire has tightened spot supply even with capacity at other plants.
- Still widespread concern that Mexico will not ship 100% of its export limit, even with only one month left. Prices there above US market.
- TRQ imports well below target through August.

- **For 2020-21**, beet processors are 90% or more sold.
- **One processor withdrew from bulk market this week** (into November).
- Discounts are gone and prices are poised to move higher to slow sales.
- Most beet sugar for 2020-21 was sold in 34c to 35.5c range, but remaining beet and cane sugar buyers will pay higher prices if not covered.
- Fingers crossed on weather in beet regions and hurricanes in South.
- Mexico weather also an ongoing concern as dryness persists.
- USDA sees deliveries flat with 2019-20 shows uncertainty.

SUA September 2020: Mexico WASDE

In 1,000 tonnes, actual weight. Source: USDA September 12, 2020, WASDE

	September	Change from		September	Change from	
	<u>19-20</u>	<u>August</u>	<u>18-19</u>	<u>20-21</u>	<u>August</u>	<u>19-20</u>
Begin. Stocks	1,169	-	(226)	812	5	(357)
Production	5,278	-	(1,148)	6,000	-	722
Imports	105	14	20	89	-	(16)
Total Supply	6,552	14	(1,354)	6,901	5	349
Exports	1,222	(11)	(982)	1,502	5	280
Domestic Use	4,518	20	(14)	4,468	-	(50)
Total Use	5,740	9	(996)	5,970	5	230
Ending Stocks	812	5	(357)	931	-	119
S-T-U (total)	14.1%	-	-3.3	15.6	-1.0	+1.5
S-T-U (domestic)	18.0%	+0.1	-7.8	20.8	-	+2.8

For 2019-20, very minor changes with exports lowered on US decrease.

Exports to US for this year 64% raw and 36% refined (verses SA at 70%/30%).

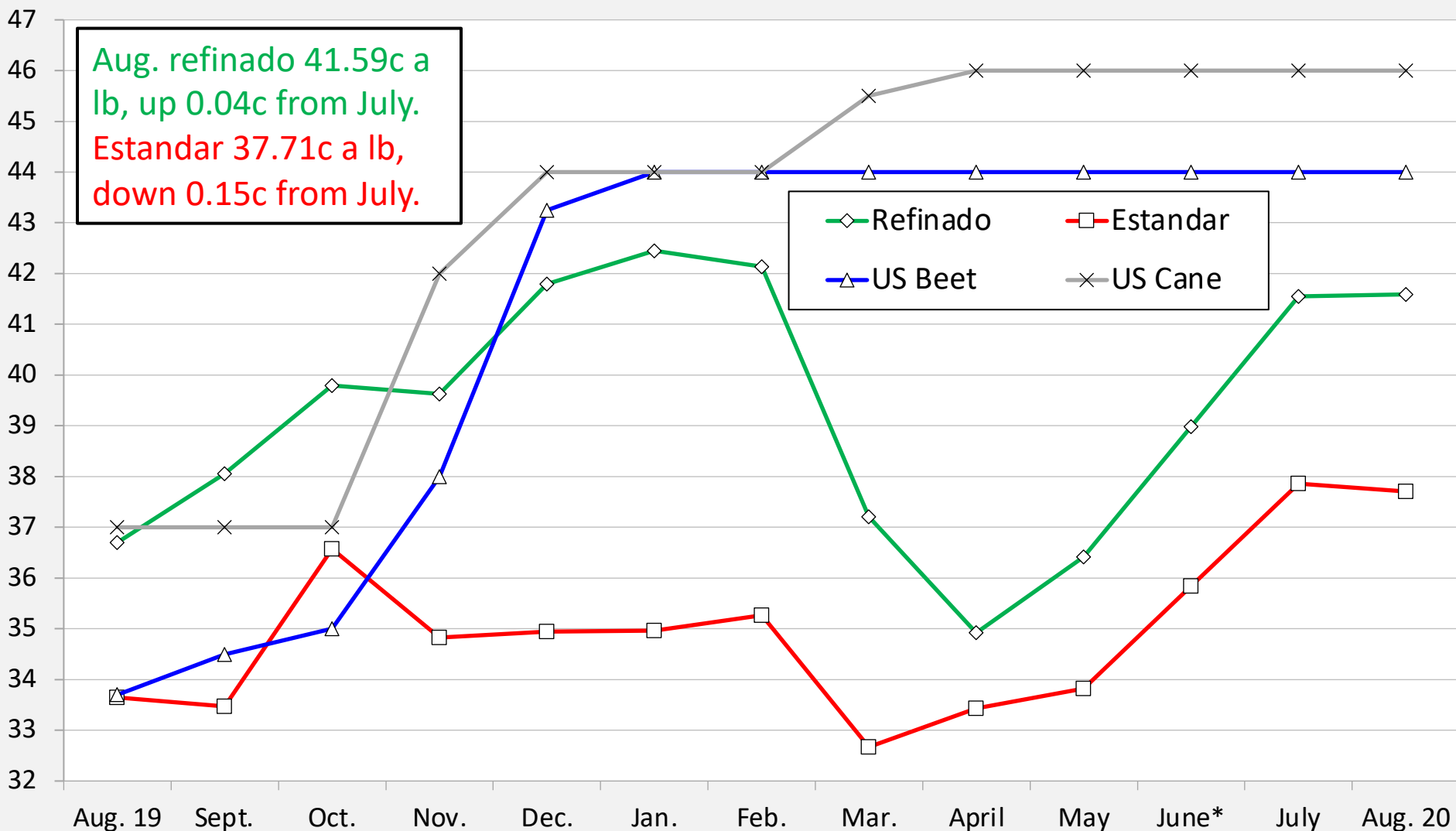
NOTE: Many still doubt Mexico's ability to fill current-year export target.

For 2020-21, even fewer changes. Totals don't reflect significant shift in exports from US to third-country destinations due to US balance for 13.5% S-T-U.

Mexico should have plenty of sugar, even as dryness persists.

SUA September 2020: US & Mexico sugar prices

Average monthly cash prices in cents/lb. *June prices not available, used May-July average.



Sources: USDA and Sosland Publishing Company.

SUA September 2020: New York #16 Raw Futures

ICE domestic raw sugar futures as of Sept. 16, 2020, in cents per lb. Source: Tech Nova

Contract	Last	Net Change	High	Low	Volume	Open Interest	Time	Settlement
ESFX20 (D10)	27.35 S	0.24	27.35	27.11	6	1660	1:09:10 PM EDT - 09/16/20	27.35 S
ESFF21 (D10)	27.25 S	0.00	27.01	27.01	263	1895	1:09:10 PM EDT - 09/16/20	27.25 S
ESFH21 (D10)	27.20 S	-0.05			205	1973	1:09:10 PM EDT - 09/16/20	27.20 S
ESFK21 (D10)	27.30 S	-0.05			210	1332	1:09:10 PM EDT - 09/16/20	27.30 S
ESFN21 (D10)	27.35 S	-0.05			210	1849	1:09:10 PM EDT - 09/16/20	27.35 S
ESFU21 (D10)	27.35 S	-0.05			215	1585	1:09:10 PM EDT - 09/16/20	27.35 S
ESFX21 (D10)	27.25 S	-0.05			0	899	1:09:10 PM EDT - 09/16/20	27.25 S
ESFF22 (D10)	26.70 S	-0.02			0	50	1:09:10 PM EDT - 09/16/20	26.70 S
ESFH22 (D10)	26.70 S	-0.02			0	50	1:09:10 PM EDT - 09/16/20	26.70 S
ESFK22 (D10)	26.70 S	-0.02			0	50	1:09:10 PM EDT - 09/16/20	26.70 S
ESFN22 (D10)	26.70 S	-0.02			0	50	1:09:10 PM EDT - 09/16/20	26.70 S

Domestic raw futures have firmed from a month ago with largest gains spot through November 2021 with trading still mostly in the 27c to 28c a lb range for that period. Discount in forward months (2022). Volume this week has been quite high for the No. 16s (in the 100s vs 10s or nil), suggesting refiners may be putting on coverage.

SUA September 2020: Global Sugar Overview

- **Global supply/demand fundamentals**
 - Production down from 2019-20 in Thailand, Europe, Russia, Pakistan.
 - Production up from 2019-20 in Brazil, India, North America.
 - Good demand indicated by China and by London October white sugar deliveries (nearby).
 - Coronavirus impact on demand still unknown; disrupting India.
- **Global supply/demand balance**
 - ISO reduced 2019-20 deficit forecast from 9.3 million tonnes to 136,000 tonnes and forecast 2020-21 deficit at 724,000 tonnes. Punted on impact from COVID-19.
- **Pricing**
 - Nearby world raw prices have retreated from a month ago.
- **Full impact of coronavirus on demand still unknown.**

SUA September 2020: New York #11 Raw Futures

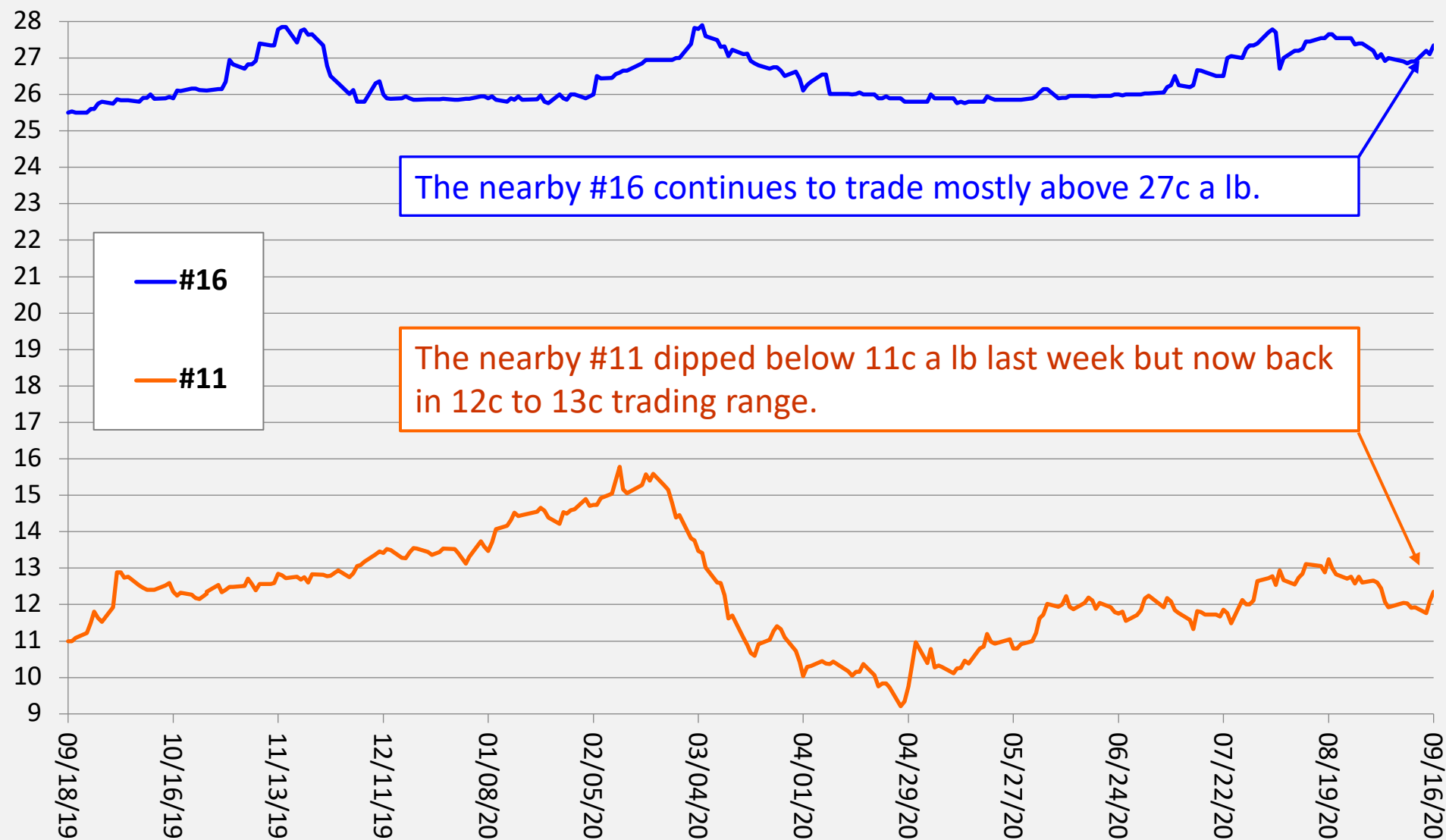
ICE world raw sugar futures as of September 16, 2020, in cents per lb. Source: Tech Nova

Contract	Last	Net Change	High	Low	Volume	Open Interest	Time	Settlement
ESBV20 (D10)	12.35 S	0.27	12.43	12.06	110676	155566	1:02:27 PM EDT - 09/16/20	12.35 S
ESBH21 (D10)	12.92 S	0.21	13.02	12.69	88755	370603	1:02:27 PM EDT - 09/16/20	12.92 S
ESBK21 (D10)	12.75 S	0.23	12.84	12.53	20428	140109	1:02:27 PM EDT - 09/16/20	12.75 S
ESBN21 (D10)	12.58 S	0.22	12.67	12.37	9677	100873	1:02:27 PM EDT - 09/16/20	12.58 S
ESBV21 (D10)	12.57 S	0.20	12.68	12.39	4843	93073	1:02:27 PM EDT - 09/16/20	12.57 S
ESBH22 (D10)	12.89 S	0.19	13.00	12.71	2640	47027	1:02:27 PM EDT - 09/16/20	12.89 S
ESBK22 (D10)	12.50 S	0.16	12.58	12.35	971	32708	1:02:27 PM EDT - 09/16/20	12.50 S
ESBN22 (D10)	12.23 S	0.13	12.32	12.12	621	22665	1:02:27 PM EDT - 09/16/20	12.23 S
ESBV22 (D10)	12.17 S	0.09	12.25	12.10	116	18452	1:02:27 PM EDT - 09/16/20	12.17 S
ESBH23 (D10)	12.45 S	0.09	12.43	12.42	29	8293	1:02:27 PM EDT - 09/16/20	12.45 S
ESBK23 (D10)	12.37 S	0.09	12.34	12.34	7	1375	1:02:27 PM EDT - 09/16/20	12.37 S
ESBN23 (D10)	12.31 S	0.09	12.30	12.30	6	1319	1:02:27 PM EDT - 09/16/20	12.31 S

Futures are mixed compared with a month ago. Spot through July 2021 are lower and October 2021 and forward are higher, but prices are trading within ongoing range. Fund net longs are high and provide support but risk selling pressure (as seen last week). Mixed fundamentals of poor crops in Thailand, Russia and Europe but larger crops in India, Brazil, Mexico, US and others. Demand is uncertain, but appears to be bouncing back from COVID-19. Little if any carry, and some discounts out forward.

SUA September 2020: World/Domestic Futures

Nearby ICE New York raw sugar futures, in cents per lb, as of Sept. 16, 2020.



The nearby #16 continues to trade mostly above 27c a lb.

The nearby #11 dipped below 11c a lb last week but now back in 12c to 13c trading range.

SUA September 2020: Corn Sweetener Prices

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

42% HFCS Spot

	<u>2020</u>	<u>2019</u>
Midwest	25½-26	25-25¾
Northeast	27-27½	26½-27¼
Southeast	27¼-27¾	26¾-27½
South	26¾-27¼	26¼-27
West	27½-28¾	27-28¾

Annual contracting of corn sweeteners 1s progressing slowly. Pricing mostly is flat with 2020 contracted levels with lower corn production forecast and higher corn prices firming market from flat to lower in August.

Refiners note that 55% HFCS demand (beverages) has recovered from early in the pandemic period but likely will be down for the year, while 42% HFCS shipments have been strong (42% has led the way down in use for years) due to increased at-home snack and sweet goods demand. USDA left forecast 2019-20 and 2020-21 use of corn for sweeteners and starch unchanged from August in its September Feed Outlook.

55% HFCS Spot

	<u>2020</u>	<u>2019</u>
Midwest	32¾-33¾	31¾-32¼
Northeast	34¼-35¼	33¼-33¾
Southeast	34¼-35¼	33¼-33¾
South	34-35	33-33½
West	34¾-35¾	33¾-35¼

Corn Syrup Spot

	<u>2020</u>	<u>2019</u>
Midwest	36¾-37¼	35¾-36¼
Northeast	39-39½	38-38½
Southeast	39-39½	38-38½
South	40-40½	39-39½
West	41-41½	40¼-40¾

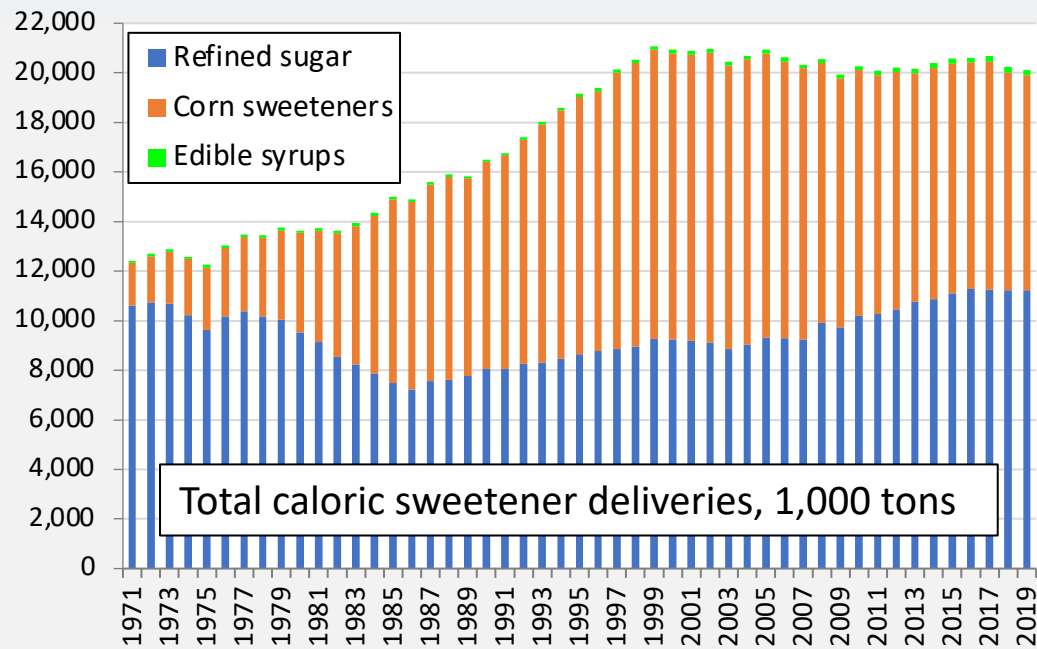
Mexico's Oct.-July HFCS use was down 9.5% y-o-y. Forecast 19-20 at 1,410,000 tonnes, down 60,000 from August and down 118,000 from 18-19. Forecast for 20-21 unchanged at 1,470,000 tonnes.

Dextrose Spot

	<u>2019</u>	<u>2018</u>
East	42-42½	40½-41½
Midwest	41-41½	39½-40½
South	43-43½	41½-42½
West	44-44½	42½-43½

USDA cut its 2020 corn production forecast by 2.5% in Sept. due to derecho and drought. Corn futures are sharply higher.

SUA September 2020: Sweetener Deliveries



Annual US caloric sweetener deliveries (not adjusted for loss)

Data usually comes out in July came out in September this year with new data for 2019.

Total deliveries

Refined sugar: 11,237,000 tons, up 13,000 tons from 2018.

Corn sweeteners: 8,659,000 tons, dry basis, down 130,000 tons from 2018.

Other: minor and flat.

Total: 20,236,000 tons, down 0.6%.

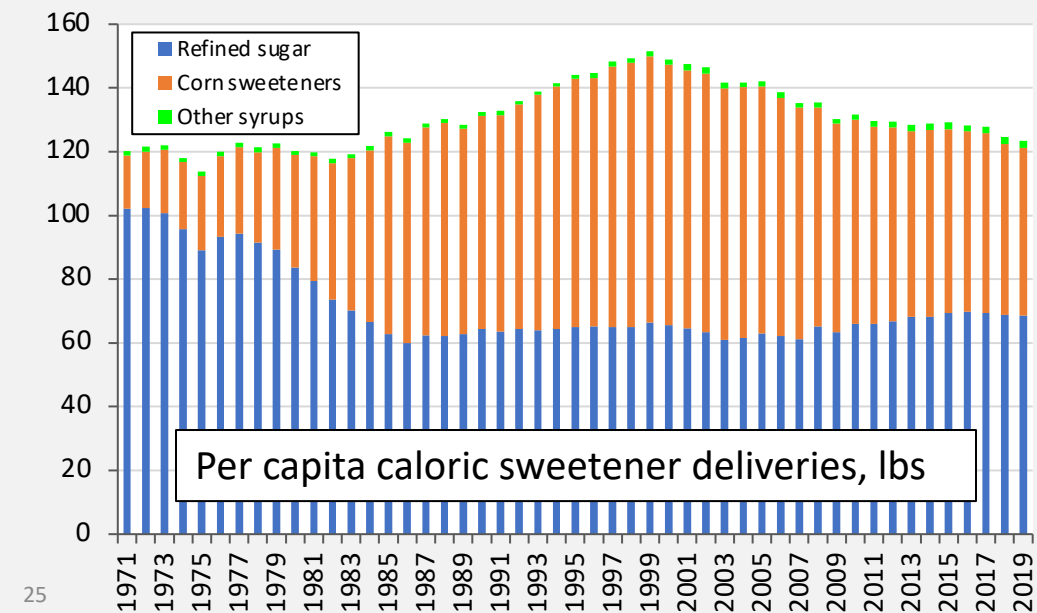
Per capita deliveries

Refined sugar: 68.5 lbs, down 0.2 lb.

Corn sweeteners: 52.8 lbs, down 1.0 lb.

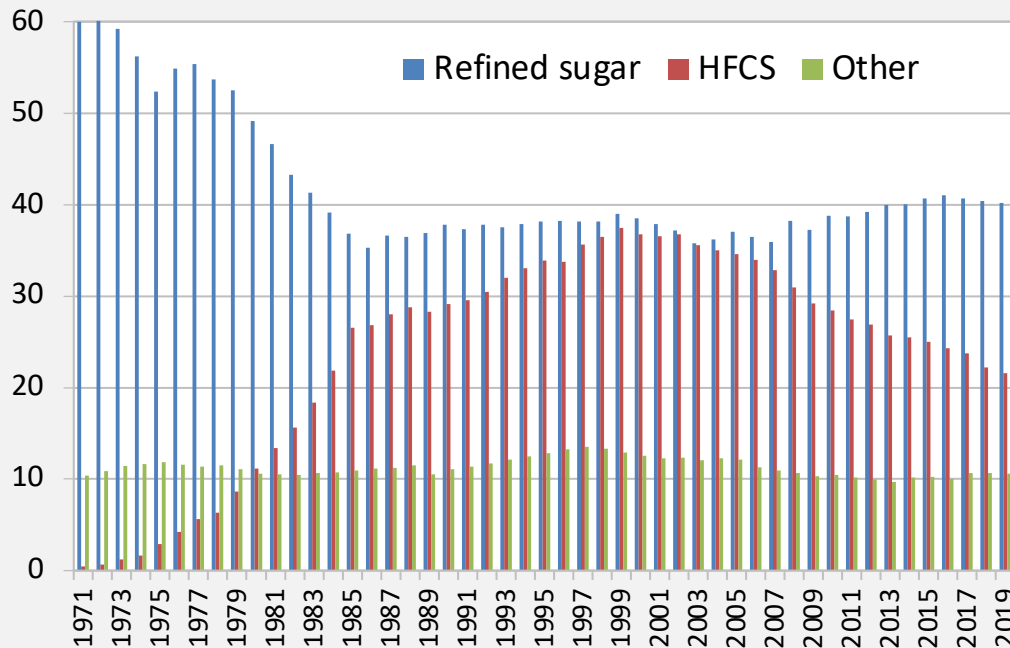
Other: 2.1 lbs, flat.

Total: 123.3 lbs, down 1.3 lbs from 2018 and lowest since 121.8 lbs in 1984.



Source: USDA

SUA September 2020: Per Capita Consumption



US per capita caloric sweetener consumption (adjusted for loss, in lbs)

-- Same data, shown two ways --

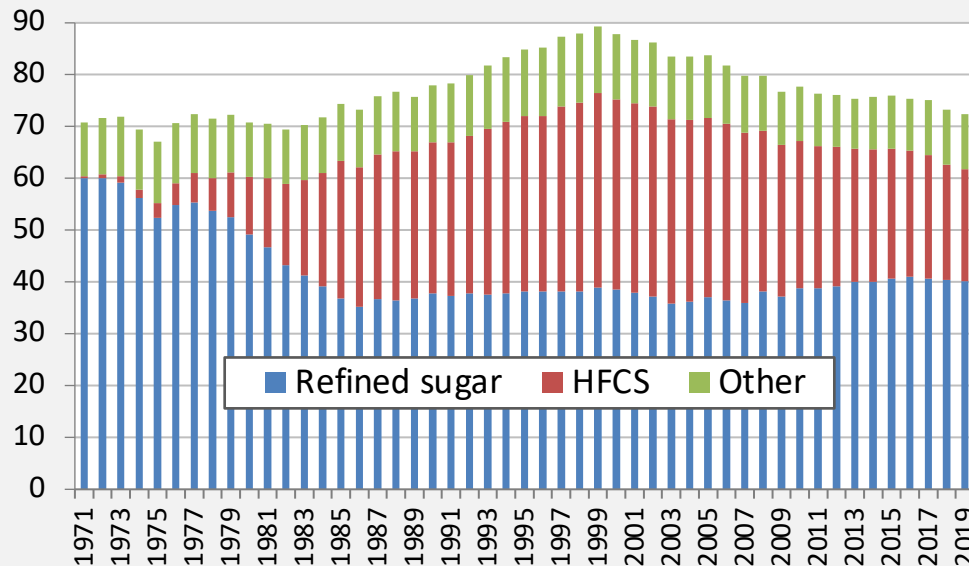
Data usually comes out in July came out in September this year with new data for 2019 and some slight revisions to past five years.

Refined sugar: 40.2 lbs, down 0.2 lb from 2018 and lowest since 2014. Relatively stable since 2013 (40 to 41 lbs)

HFCS: 21.6 lbs, down 0.6 lb from 2018 and lowest since 1983. After peaking at 37.5 lbs in 1999, HFCS consumption has declined every year except 2002.

Other: 10.8 lbs, up 0.1 lb from 2018.

Total: 72.6 lbs, down 0.7 lb from 2018 and lowest since 71.8 lbs in 1984.



Source: USDA

SUA September 2020: Other Issues & Trends

- **Sugar and corn sweetener demand appears to have recovered from coronavirus declines but some ongoing changes are evident.**
- **Trade** – Mexico: Exports expected to fall short. Brazil ethanol?
- **Labeling, US** – The Sugar Association FDA Citizen Petition.
- **Labeling, GMO** – Lawsuit challenges exclusion of highly-refined ingredients and other aspects of USDA GMO labeling rule.
- **Sugar taxes** – California lawsuit challenges preemption laws that stopped/slowed city and metro soda taxes since 2018.
- **Labeling, Mexico** – 3-stage, front-of-package begins Oct. 1.
- **Dietary Guidelines for Americans** – Sugar in crosshairs.
- **Transportation** – Spot prices rising as freight demand increases.
- **Weather** – Temperatures north, hurricanes south.

SUA September 2020: Conclusions

- **Domestic Sweetener Market**
 - Supplies are going to be tight through December but should loosen considerably after January, barring adverse weather.
 - Beet processors are over 90% sold for 2020-21 and poised to raise already-firm prices.
 - Demand remains uncertain, but deliveries indicate it is back. Some sellers fear impact of another uptick in coronavirus cases.
 - Fingers crossed for no repeat of last year's weather debacle (not in forecast) and no major hurricanes (forecast number raised).
 - Corn sweetener prices for 2021 firmer but still flat with 2020.
- **Global Sugar Market**
 - Raws have continued to trade within recent range amid mixed supply/demand signals. Modest global deficit going forward, but record production/exports from Brazil and subsidized exports from India keeping lid on prices.