

USDA sees higher sugar use this and next year

Stock-to-use ratio for 2020-21 adjusted to 14.2% in October WASDE

WASHINGTON — The US Department of Agriculture, in its Oct. 9 World Agricultural Supply and Demand Estimates report, raised its forecast of domestic sugar deliveries for both 2019-20, which ended Sept. 30, and for 2020-21. Ending stocks and the stocks-to-use ratio for the past year were lowered but stocks and the ratio for the current marketing year were raised from September.

Sugar deliveries in 2019-20 were estimated at 12,300,000 tons, raw value, up 45,000 tons from the September forecast based on a 50,000-ton increase in deliveries for food at 12,200,000 tons and a 5,000-ton decrease in “other,” at 100,000 tons. Total use was estimated at 12,345,000 tons, up 55,000 tons from last month with exports also raised 10,000 tons to 45,000 tons.

Deliveries for 2019-20 were raised based on the pace to date, the USDA said. Sugar deliveries were raised by 100,000 tons in September, suggesting recovery from disruption caused by the coronavirus.

Sugar production in 2019-20 was estimated at 8,128,000 tons, up 139,000 tons from September, including beet sugar at 4,293,000 tons, up 49,000 tons, and cane sugar at 3,835,000 tons, up 90,000 tons.

Production forecasts for 2019-20 were raised based on new crop sugar produced in August and September prior to the end of the marketing year.

Total imports for 2019-20 were estimated at 4,136,000 tons, down 127,000 tons from September, reflecting a 185,000-ton decrease in tariff-rate quota imports, at 2,071,000 tons, only partially offset by a 17,000-ton increase in other program imports, estimated at 432,000 tons, and a 41,000-ton increase in high-tier imports at 251,000 tons.

Total sugar supply in 2019-20 was estimated at 14,047,000 tons, up 12,000 tons from September but down 30,000 tons from 2018-19.

Ending stocks for 2019-20 were estimated at 1,702,000 tons, down 43,000 tons from September, with the ending stocks-to-use ratio at 13.8%, down from 14.2% in September, down from 14.5% in 2018-19 and the lowest since 2011.

For 2020-21, which began Oct. 1, the USDA forecast domestic sugar production at 9,268,000 tons, down 24,000 tons from September but up 1,140,000 tons, or 14%, from last year. Beet sugar production was forecast at 5,206,000 tons, up 41,000 tons from September, but cane sugar outturn was forecast at 4,062,000 tons, down 65,000 tons. For beet sugar, higher forecast sugar beet production more than offset the amount counted in the 2019-20 marketing year, while for cane sugar, increased production counted for the past year was partially offset by expected higher output in September 2021, the USDA said.

Total imports were forecast at 3,120,000 tons, up 207,000 tons from September due to higher TRQ imports at 1,832,000 tons, up 208,000 tons. Imports from Mexico were unchanged from September at 888,000 tons, as were high-tier imports at 50,000 tons.

“Many exporters with raw sugar TRQ access have taken advantage of the extension of the quota year to the end of October by deferring shipments expected in September into October,” the USDA said.

Total sugar supply in 2020-21 was forecast at 14,089,000 tons, up 140,000 tons from September and up 42,000 tons from 2019-20.

Total sugar use in 2020-21 was forecast at 12,340,000 tons, up 50,000 tons from September but down 5,000 tons from 2019-20. Deliveries for food were forecast at 12,200,000 tons, with the 50,000-ton increase in 2019-20 carried into 2020-21. Other use categories were unchanged.

Ending stocks in 2020-21 were forecast at 1,749,000 tons, up 90,000 tons from September and up 47,000 tons from 2019-20. The ending stocks-to-use ratio was forecast at 14.2%, up from 13.5% in September.

Changes for Mexico were minor for both years. For 2019-20, slightly higher imports, slightly lower exports and lower domestic use resulted in a 40,000 tonne, actual weight, increase in ending stocks, forecast at 852,000 tonnes. For 2020-21, higher beginning stocks mostly were offset by higher exports and higher domestic use, resulting in a 4,000 tonne increase in ending stocks, forecast at 935,000 tonnes.