

USDA lowers sugar supply estimates for last year and this year

WASHINGTON — The US Department of Agriculture, in its Nov. 10 World Agricultural Supply and Demand Estimates report, lowered its forecast of sugar supply in 2020-21 and its estimate of final supply in 2019-20.

For 2020-21 (the current marketing year that began Oct. 1), sugar ending stocks were forecast at 1,309,000 tons, down 440,781 tons, or 25%, from October and down 314,000 tons, or 19%, from 1,623,000 tons in 2019-20, with the latter lowered 78,492 tons, or 4.6%, from last month.

The 2020-21 ending stocks-to-use ratio was forecast at 10.6%, down from 14.2% in October and well below the 13.5% minimum seen as reflecting an adequate sugar supply. The stocks-to-use ratio for 2019-20 was lowered to 13% from 13.8% last month. It should be noted that the stocks-to-use ratio for the current year can be low in November before the USDA adjusts the export limit for Mexico in December, which tends to bring the ratio back to or near the minimum 13.5%. However, that is not the case for the past year's ratio, which is likely to end as the lowest since 11.8% in 2011.

For 2019-20, production was raised by 21,000 tons, raw value, as a 37,000-ton reduction in cane sugar outturn was more than offset by a 58,000-ton increase in beet sugar due mainly to strong production from the 2020 beet crop in August and September. Imports were raised by 18,000 tons as a 24,000-ton increase in high-tier imports more than offset a 6,000-ton decline in imports from Mexico, estimated at 1,376,000 tons. Total supply for last year was estimated at 14,085,000 tons, up 38,000 tons from October.

Total sugar use last year was estimated at 12,462,000 tons, up 117,000 tons from October as deliveries for food were raised by 35,000 tons to 12,235,000 tons, "other" deliveries were lowered 2,000 tons to 98,000 tons and exports were raised 16,000 tons to 61,000 tons. The USDA did not comment in the WASDE about sugar deliveries, although it was the third consecutive month that deliveries for food have been raised for 2019-20.

For 2020-21, total sugar supply was forecast at 13,649,000 tons, down 440,781 tons from October due to lower beginning stocks, lower production and lower imports from the 2019-20 raw sugar tariff-rate quota that was extended to Oct. 31.

Total production in 2020-21 was forecast at 9,001,000 tons, down 267,000 tons from October, with beet sugar at 4,899,000 tons, down 306,820 tons due to lower sugar beet yields and production and record beet sugar production of 764,645 tons in the August-September period (counted in the 2019-20 marketing year), only partially offset by average production of 664,608 tons forecast for August-September 2021 from next year's beet crop. A large decline in 2020-21 beet sugar production had been anticipated by many in the trade. Cane sugar production in 2020-21 was forecast at 4,101,000 tons, up 39,668 tons from October based on a like increase in Louisiana production, which was mostly shifted from expected September 2020 production into October, counting in the 2020-21 marketing year.

Total imports for 2020-21 were forecast at 3,025,000 tons, down 95,137 tons from October. Raw sugar imports from the extended 2019-20 TRQ were estimated at 151,898 tons, down 120,136 tons from the October forecast, the USDA said. High-tier imports for the year were forecast at 75,000 tons, up 25,000 tons from October but well below 275,000 tons in 2019-20.

Sugar deliveries in 2020-21 all were unchanged from October, with total deliveries forecast at 12,340,000 tons, down 122,000 tons from last year, including deliveries for food at 12,200,000 tons, down 35,000 tons.

For Mexico, sugar production in 2020-21 was forecast at 5,950,000 tonnes, actual weight, down 50,000 tonnes from the October forecast but up 672,000 tonnes from 5,278,000 tonnes in 2019-20, which was unchanged from October. The revised production estimate for 2020-21 incorporated initial harvested area, sugarcane yields and sugar recovery rates from CONDADESUCA. Imports for this year were lowered slightly, with total supply forecast at 6,894,000 tonnes, down 47,000 tonnes from October but up 370,000 tons from last year. Exports were forecast at 1,471,000 tonnes, down 47,000 tonnes from October, resulting in ending stocks of 935,000 tonnes, unchanged from October but up 77,000 tonnes from 858,000 tonnes in 2019-20.