

USDA raises imports to boost sugar supply

WASHINGTON — Sharply higher sugar imports from Mexico, along with modest gains in tariff-rate quota and high-tier imports, more than offset slightly lower domestic beet sugar production and beginning stocks, raising the 2020-21 ending stocks-to-use ratio to 13.5% in the US Department of Agriculture's Dec. 10 World Agricultural Supply and Demand Estimates report.

Most of the changes from the USDA's November WASDE were expected as December is the month that Mexico's export limit is adjusted to bring the stocks-to-use ratio to the minimum 13.5% as outlined in the agreements suspending countervailing duty and anti-dumping investigations on sugar from Mexico.

The 13.5% ending stocks-to-use ratio was raised from 10.6% as the November forecast and compared with 13% as the likely final ratio for 2019-20, which was unchanged from November. The 2018-19 ratio was 14.5%.

A slight increase in "other" use lowered 2019-20 sugar ending stocks by 5,000 tons, raw value, resulting in 2020-21 beginning stocks of 1,618,000 tons.

Beet sugar production in 2020-21 was forecast at 4,859,000 tons, down 40,396 tons from November but up 508,000 tons from a year earlier. Cane sugar production was unchanged from November at 4,101,000 tons, up 303,000 tons from the prior year, with total domestic production at 8,960,000 tons, up 811,000 tons, or 10%, from 2019-20.

Beet sugar production was lowered on processors' forecasts of lower sugar beet production than forecast in November, the USDA said. Cane sugar production was left unchanged as higher sugarcane yields in Louisiana were offset by "the slower-than-expected pace during the hurricane-affected early weeks of the campaign and the planned extension of harvest end dates to accommodate the large crop."

Total imports for 2020-21, which began Oct. 1, were forecast at 3,428,000 tons, up 403,706 tons from November but down 726,000 tons from 2019-20. TRQ imports were forecast at 1,808,000 tons, up 97,000 tons from November but down 263,000 tons from last year.

"Raw sugar 2019-20 TRQ entering in October 2020 (thus counted in 2020-21) has been revised upward by 96,956 tons for a total of 248,854 tons," the USDA said. "After the publication of USDA's Sweetener Market Data this month, FAS (the USDA's Foreign Agricultural Service) resolved certain anomalies in Customs' reporting for TRQ entries. Additional sugar not recorded for October sourced from Australia, Brazil and several other countries was determined to have entered. As a consequence of this adjustment, raw sugar TRQ imports for 2020-21 are projected at 1,381,000 tons, and the 2019-20 raw sugar TRQ shortfall is estimated at 84,180 tons."

High-tier imports were raised to 110,000 tons, up 35,000 tons from last month but down 165,000 tons from a record 275,000 tons in 2019-20.

Imports from Mexico were projected at 1,160,000 tons, up 271,750 tons from November but down 216,000 tons from 2019-20.

Total sugar supply in 2020-21 was forecast at 14,006,000 tons, up 357,525 tons from November but down 79,000 tons from 2019-20.

Total sugar use in 2020-21 was projected at 12,340,000 tons, unchanged from November but down 128,000 tons from 12,468,000 tons in 2019-20. Deliveries for food were forecast at 12,200,000 tons, unchanged from a month ago but down 35,000 tons from last year.

US sugar ending stocks in 2020-21 were forecast at 1,666,000 tons, up 357,000 tons from November and up 48,000 tons from 2019-20.

For Mexico, there were no changes to 2019-20 estimates and only slight changes for 2020-21. Production in 2020-21 was unchanged from November at 5,950,000 tonnes, actual weight, up 672,000 tonnes from last year. Imports were forecast at 105,000 tonnes, up 19,000 tonnes from November and up 28,000 tonnes from last year. Exports were forecast at 1,490,000 tonnes, up 19,000 tonnes from November and up 278,000 tonnes from 2019-20. Although the export limit for shipments to the United States was raised sharply from November, total exports were minimally changed as Mexico switches shipments from other countries to the United States.

"Exports to the United States are increased to 992,683 tonnes as calculated US needs as set out in the AD/CVD suspension agreements," the USDA said. "Exports to third-country destinations are residually decreased to 496,824 tonnes."

Ending stocks were unchanged from November at 935,000 tonnes, up 77,000 tonnes from 2019-20.