

Sweetener Users Association Conference Call Update

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SUA March 2021: Market Overview

- **US Sugar supply/demand**
 - **2020-21 S-T-U ratio** lowered to 15.1% from 16.1%.
 - Domestic sugar production raised again to new record high.
 - Imports from Mexico lowered to December level as expected.
 - Re-export imports lowered 50,000 tons.
 - Deliveries for food lowered 75,000 tons (due to non-reporters?).
 - SMD showed January deliveries for food down 4.8% from year ago; Oct.-Jan. deliveries down 2.6%; several categories improved.
 - Cash prices are unchanged from February.
- **Corn sweetener supply/demand**
 - No changes from February in corn used to produce sweeteners.
- **Global sugar supply/demand**
 - Spot raw and white futures prices well off recent highs.
 - Eyes on Brazil as new harvest season begins.
 - Moving into global surplus in 2021-22.

SUA March 2021: USDA 2020-21 WASDE

Short tons raw value	March	March	Change from Feb.		Change from 19-20		RS-SPC
	19-20	20-21	Tons	%	Tons	%	20-21
Begin. Stocks	1,783	1,618	-	0.0%	(165)	-9.3%	1,620
Production	8,149	9,374	62	0.7%	1,225	15.0%	9,325
Beet	4,351	5,093	47	0.9%	742	17.1%	5,050
Cane	3,798	4,281	16	0.4%	483	12.7%	4,275
Imports	4,235	3,122	(282)	-8.3%	(1,113)	-26.3%	3,130
T.R.Q.	2,152	1,721	-	0.0%	(431)	-20.0%	1,725
Other Prog.	432	300	(50)	-14.3%	(132)	-30.6%	300
Mexico	1,376	931	(232)	-19.9%	(445)	-32.3%	930
High Tier	275	170	-	0.0%	(105)	-38.2%	175
Total Supply	14,166	14,113	(220)	-1.5%	(53)	-0.4%	14,075
Exports	61	35	-	0.0%	(26)	-42.6%	35
Deliveries	12,414	12,230	(75)	-0.6%	(184)	-1.5%	12,250
Food	12,316	12,125	(75)	-0.6%	(191)	-1.6%	12,150
Other	98	105	-	0.0%	7	7.1%	100
Misc.	74	-	-	-	(74)	-100.0%	-
Total Use	12,549	12,265	(75)	-0.6%	(284)	-2.3%	12,285
Ending Stocks	1,618	1,848	(145)	-7.3%	230	14.2%	1,790
Stocks-to-use	12.9%	15.1%	-1.0		+2.2		14.6%

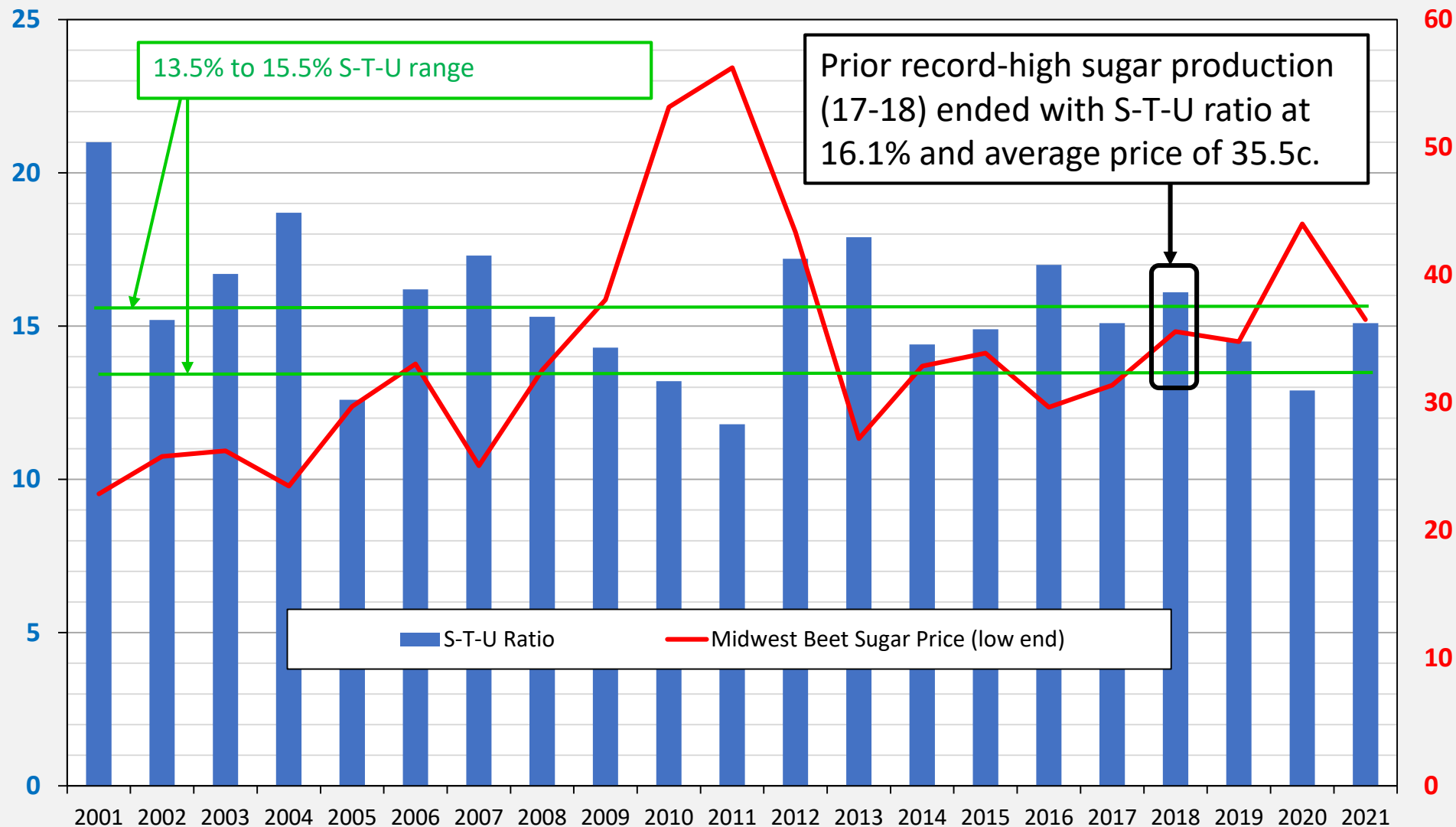
* S-T-U Ratio change is from prior S-T-U, not in tons or per cent.

SUA March 2021: USDA 2020-21 WASDE What Ifs

1,000 short tons	Mar.	Mar.	What if 1?	What if 2?	What if 3?	What if 4?
raw value	<u>19-20</u>	<u>20-21</u>	<u>Beet Prod.</u>	<u>Prod. + Use</u>	<u>Prod. + Use</u>	<u>S-T-U</u>
Begin. Stocks	1,783	1,618	1,618	1,618	1,618	1,618
Production	8,149	9,374	9,275	9,275	9,025	9,025
Beet	4,351	5,093	5,000	5,000	5,000	5,000
Cane	3,798	4,281	4,281	4,281	4,025	4,025
Imports	4,235	3,122	3,122	3,122	3,122	3,272
T.R.Q.	2,152	1,721	1,721	1,721	1,721	1,721
Other Prog.	432	300	300	300	300	300
Mexico	1,376	931	931	931	931	1,081
High Tier	275	170	170	170	170	170
Ttl Supply	14,166	14,113	14,015	14,015	13,765	13,915
Exports	61	35	35	35	35	35
Deliveries	12,414	12,230	12,230	12,305	12,230	12,230
Food	12,316	12,125	12,125	12,200	12,125	12,125
Other	98	105	105	105	105	105
Misc.	74	-	-	-	-	-
Total Use	12,549	12,265	12,265	12,340	12,265	12,265
Ending Stocks	1,618	1,848	1,750	1,675	1,500	1,650
Stocks-to-use	12.9%	15.1%	14.3%	13.6%	12.2%	13.5%

SUA March 2021: S-T-U Ratio vs Sugar Price

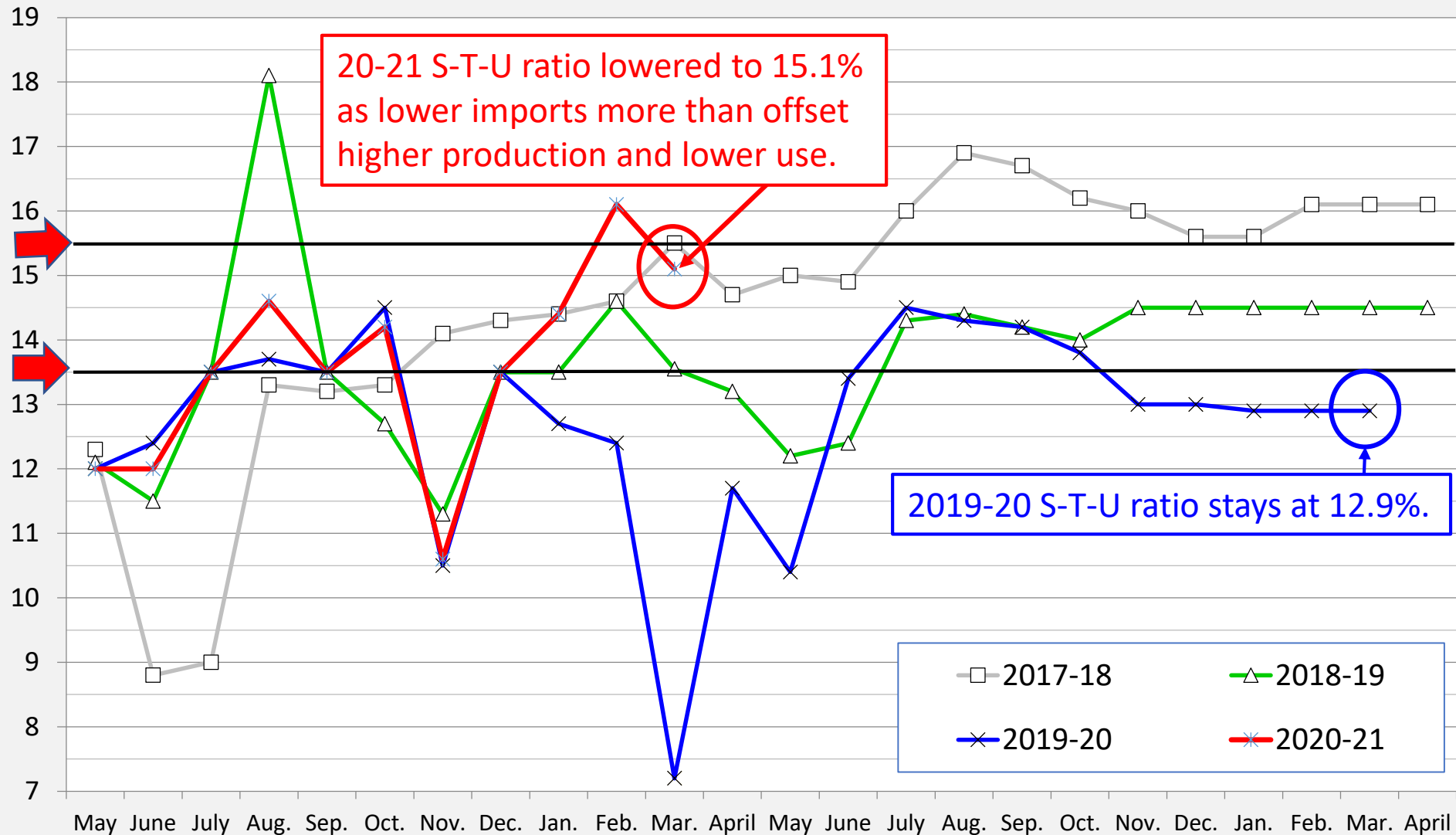
Annual stocks-to-use ratios, in per cent, price in cents/lb, both for fiscal year.



Sources: USDA and Sosland Publishing Co.

SUA March 2021: Monthly S-T-U Ratios

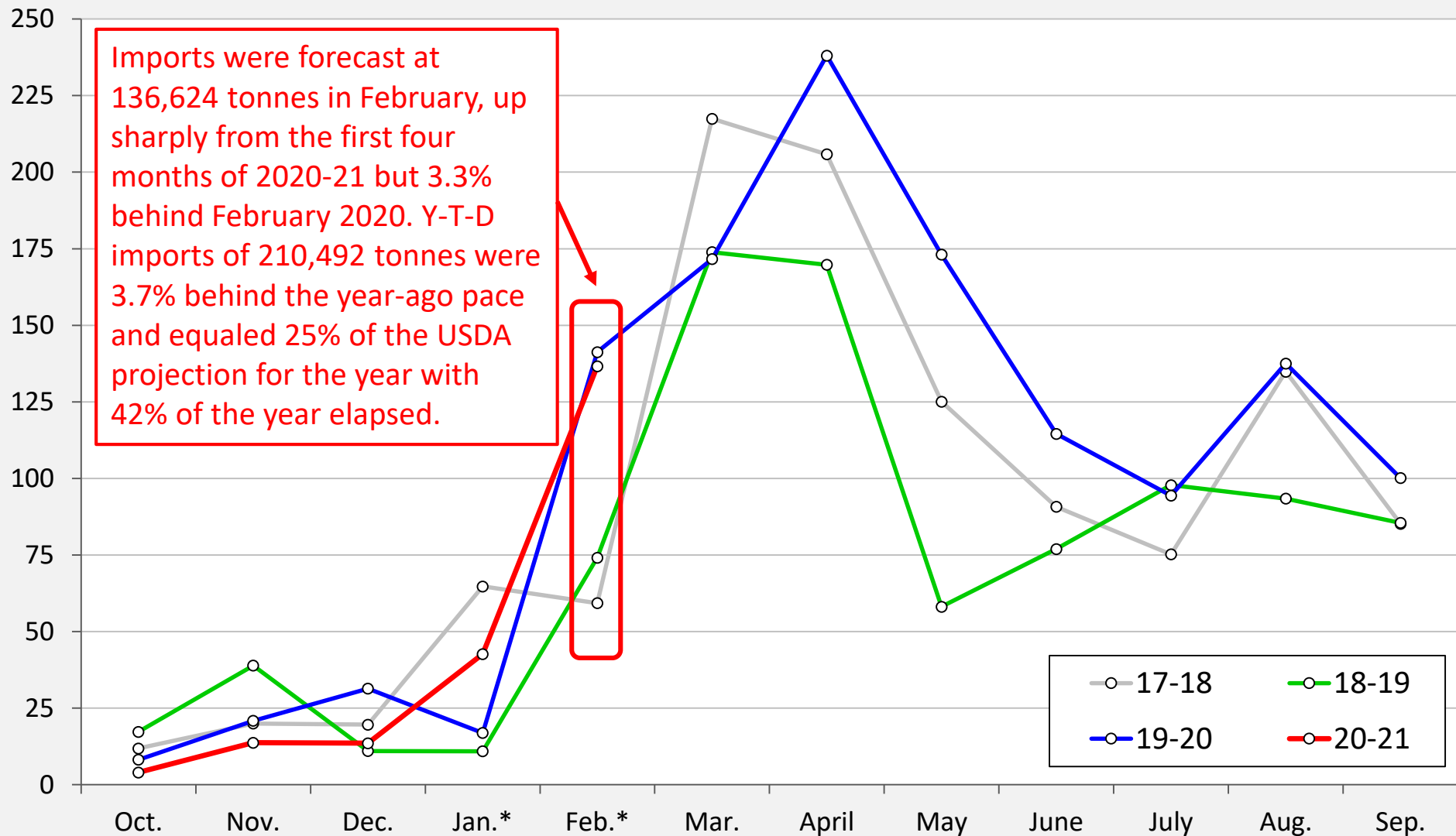
Two-year S-T-U ratios in per cent, beginning with first forecast in May for each marketing year.



Source: USDA

SUA March 2021: Imports from Mexico

In 1,000 tonnes, raw value. *2020-21 forecast. Sources: USDA and US Census Bureau.



Exports typically remain strong through April then drop in May.

SUA March 2021: Year-To-Date Sugar Imports

In short tons, raw value. Sources: USDA and US Census Bureau.

	Oct.-Feb. 2020-21	% of Projected	Full-year Forecast
WTO Raw TRQ	732,107	56%	1,303,274
WTO Refined TRQ	104,082	59%	175,318
FTA Sugar in TRQs	57,279	24%	242,463
Total Quota	893,468	52%	1,721,055
Re-export Program	77,144	26%	300,000
Mexico	232,027	25%	931,000
High-duty Sugar	100,211	59%	170,000
Total Imports	1,302,851	42%	3,122,055

Total imports at 42% of projected total for year are on track, but origins vary significantly. WTO raw and refined TRQ imports and high-duty sugar are ahead of pace, while FTA sugar in TRQs, re-export sugar and Mexico are well behind. Mexico not necessarily a concern as it has plenty of time to catch up and a relatively small export limit.

SUA March 2021: SMD January 2020-21

Source: USDA.

<i>Short tons, Raw value</i>	January	January	Change from 19-20	
	<u>2020-21</u>	<u>2019-20</u>	<u>Tons</u>	<u>%</u>
Beginning stocks	4,081,392	3,854,623	226,769	5.9%
Total production	1,323,451	934,007	389,444	41.7%
Beet	700,418	546,597	153,821	28.1%
Cane	623,033	387,411	235,622	60.8%
Total imports	202,664	281,363	(78,699)	-28.0%
Total supply	5,607,507	5,069,993	537,514	10.6%
Total exports	2,045	1,644	401	24.4%
Total deliveries	975,140	1,020,424	(45,284)	-4.4%
Deliveries, human use	964,215	1,012,519	(48,304)	-4.8%
Misc. supply adj.	-43,859	-36,239	(7,620)	-21.0%
Total use	933,326	985,829	(52,503)	-5.3%
Ending stocks	4,674,181	4,084,165	590,016	14.4%

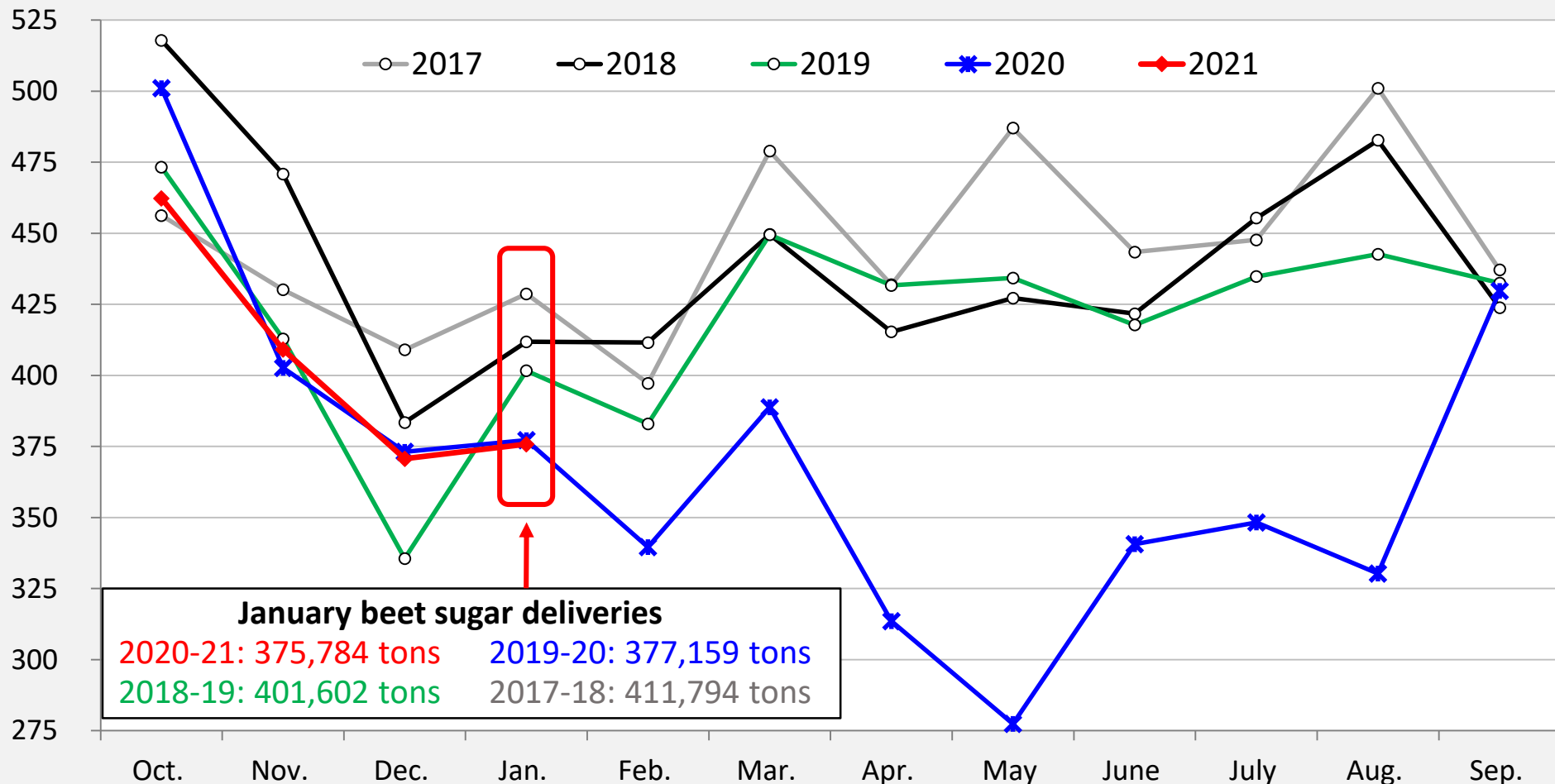
SUA March 2021: SMD Oct.-Jan. 2020-21

Source: USDA.

<i>Short tons, Raw value</i>	Oct.-Jan.	Oct.-Jan.	Change from 19-20	
	<u>2020-21</u>	<u>2019-20</u>	<u>Tons</u>	<u>%</u>
Beginning stocks	1,617,589	1,782,548	(164,959)	-9.3%
Total production	5,960,118	5,250,127	709,991	13.5%
Beet	2,982,434	2,493,393	489,040	19.6%
Cane	2,977,684	2,756,734	220,951	8.0%
Total imports	1,022,668	1,107,165	(84,497)	-7.6%
Total supply	8,600,374	8,139,840	460,535	5.7%
Total exports	18,251	7,492	10,758	143.6%
Total deliveries	3,938,988	4,044,386	(105,397)	-2.6%
Deliveries, human use	3,903,587	4,007,547	(103,959)	-2.6%
Misc. supply adj.	-31,045	3,797	(34,842)	-917.6%
Total use	3,926,194	4,055,675	(129,481)	-3.2%
Ending stocks	4,674,181	4,084,165	590,016	14.4%

SUA March 2021: Beet Sugar Deliveries

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

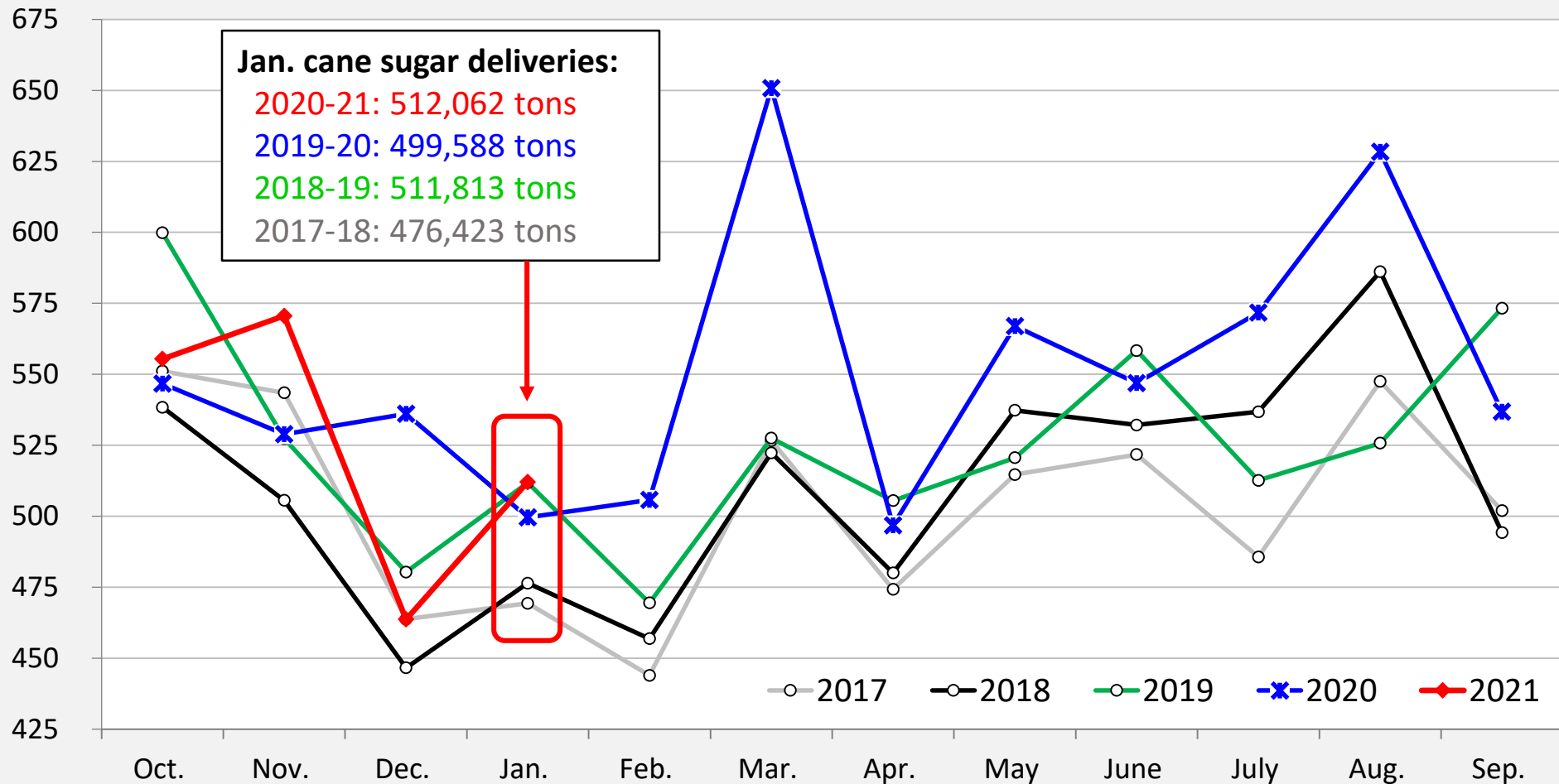


January beet sugar deliveries
 2020-21: 375,784 tons 2019-20: 377,159 tons
 2018-19: 401,602 tons 2017-18: 411,794 tons

January beet sugar deliveries of 375,784 tons were little changed from December or from a year ago. Oct.-Jan. beet deliveries of 1,617,778 tonnes were down 2.2% from a year earlier, when the force majeure went into effect, and were the lightest since 2015-16. Would expect deliveries to hold up this year.

SUA March 2021: Refined Cane Deliveries

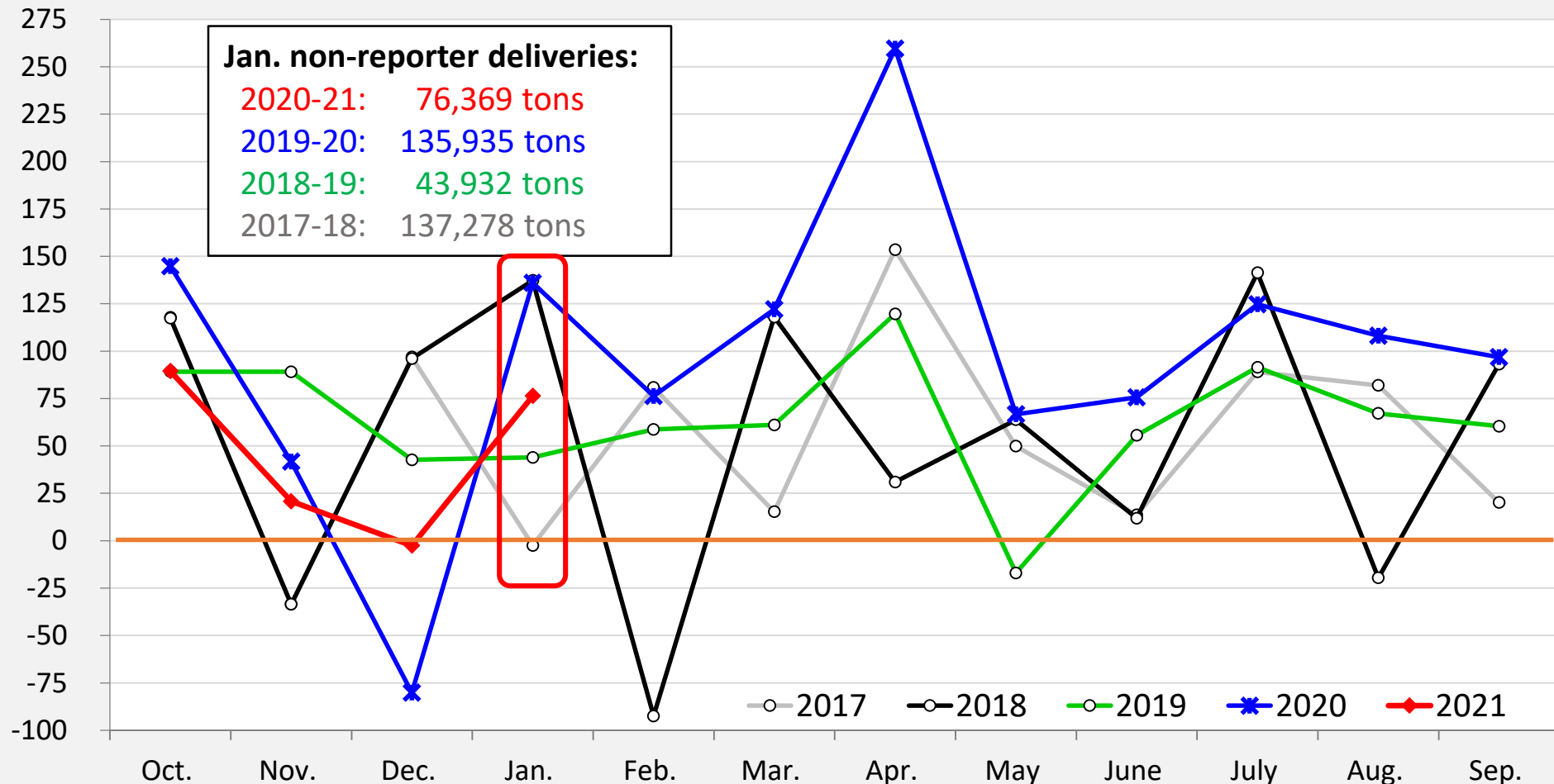
Monthly refined cane sugar deliveries, in 1,000 tons, raw value. Source: USDA



January cane sugar deliveries of 512,062 tons jumped 10.4% from December, were up 2.5% from a year ago and were the highest on record by a slim margin over 2018-19. Oct.-Jan. deliveries of 2,101,755 tons were down 0.5% from the same period a year earlier. Expect deliveries more consistent than a year ago.

SUA March 2021: Deliveries by Non-Reporters

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



Non-reporter deliveries in January jumped to 76,369 tons from -2,604 tons in December, which was revised up about 3,000 tons. Oct.-Jan. non-reporter deliveries of 184,054 tons were down 24.1% from a year earlier and the lowest for the period since 2016-17. Expect N-R deliveries to be lighter this year.

SUA March 2021: Deliveries for Human Use

<u>PRODUCT OR BUSINESS OF BUYER</u>	FY 2021	FY 2020	Oct.-Jan.	Oct.-Dec.
	<u>Oct.-Jan.</u>	<u>Oct.-Jan.</u>	<u>% change</u>	<u>% change</u>
Total Deliveries /1 (short tons, <u>actual weight</u>)	3,501,303	3,546,269	-1.3	-2.1
1-Bakery, cereal, and related products	812,171	817,825	-0.7	-1.5
5-Confectionery and related products	317,795	364,394	-12.8	-15.2
6-Ice cream and dairy products	269,446	261,642	3.0	2.0
7-Beverages	213,836	219,558	-2.6	-0.6
8-Canned, bottled and frozen foods	127,875	141,122	-9.4	-5.6
4-Multiple and all other food uses	382,015	386,476	-1.2	-4.6
10-Non-food uses	41,953	39,459	6.3	7.4
11-Hotels, restaurants, institutions	30,859	24,994	23.5	19.1
2-Wholesale grocers, jobbers, dealers	753,346	745,298	1.1	0.2
3-Retail grocers, chain stores	451,998	440,946	2.5	2.5
12-Government agencies	5,589	2,416	131.4	157.4
9-All other deliveries	94,421	102,137	-7.6	-11.2
Total Deliveries /1 (short tons, <u>raw value</u>)	3,746,394	3,794,508	-1.3	-2.1
Crystalline:	3,227,434	3,302,566	-2.3	-3.1
Consumer-size packages (retail)	790,110	742,586	6.4	6.2
Packages 50 lbs and greater	953,282	1,005,354	-5.2	-6.7
Unpackaged (bulk)	1,484,042	1,554,626	-4.5	-5.5
Non-crystalline/2	518,960	491,942	5.5	4.9

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

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

Source: USDA

SUA March 2021: USDA 2021-22 Outlook

<i>Short tons</i>	Feb.	Feb.	Outlook	Change from 20-21	
<i>raw value</i>	<u>19-20</u>	<u>20-21</u>	<u>21-22</u>	<u>Tons</u>	<u>%</u>
Begin. Stocks	1,783	1,618	1,993	375	23.2%
Production	8,149	9,312	9,399	87	0.9%
Beet	4,351	5,046	5,154	108	2.1%
Cane	3,798	4,265	4,245	(20)	-0.5%
Imports	4,235	3,404	2,728	(676)	-19.9%
T.R.Q.	2,152	1,721	1,597	(124)	-7.2%
Other Prog.	432	350	350	-	0.0%
Mexico	1,376	1,163	735	(428)	-36.8%
High Tier	275	170	46	(124)	-72.9%
Total Supply	14,166	14,333	14,119	(214)	-1.5%
Exports	61	35	35	-	0.0%
Deliveries	12,414	12,305	12,405	100	0.8%
Food	12,316	12,200	12,300	100	0.8%
Other	98	105	105	-	0.0%
Misc.	74	-	-	-	-
Total Use	12,549	12,340	12,440	100	0.8%
Ending Stocks	1,618	1,993	1,679	(314)	-15.8%
Stocks-to-use	12.9%	16.1%	13.5%	-2.6	

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

SUA March 2021: Cash sugar prices

- Beet sugar 2020-21** Offers are steady at about 36.5c f.o.b. Midwest, 39.50c in Michigan and near 40c on the West Coast.
- Cane sugar 2020-21** Offers are at 42c a lb in the Northeast and West Coast. Southeast offered at 38.50c to 39.50c. Gulf offered at 38c to 39.50c; all are steady from Feb.
- Beet & cane 2021-22** Oct.-Dec. 2021 well covered but limited coverage for rest of marketing year; offers about flat with spot.

Recent developments and factors to watch in cash sugar market

- Small amounts of spot sugar are selling, at times above list price.
- Activity for January 2022 forward remains slow. Only additional data needed is sugar beet acres from March 31 USDA Prospective Plantings report.
- Sellers are seeking flat pricing from 2020-21 for next year, in part citing high raw sugar futures, location of raws and “feel” of market tighter than 15.1%.
- Buyers are hoping for lower prices in part due to 15.1% S-T-U ratio.
- Major unknown is impact on sugar demand as country emerges from COVID-19.
- **S-T-U could drop quickly if beet production below USDA, Louisiana raws stay stranded and demand pops later in year.**

SUA March 2021: Mexico WASDE

In 1,000 tonnes, actual weight. Source: USDA March 2021 WASDE

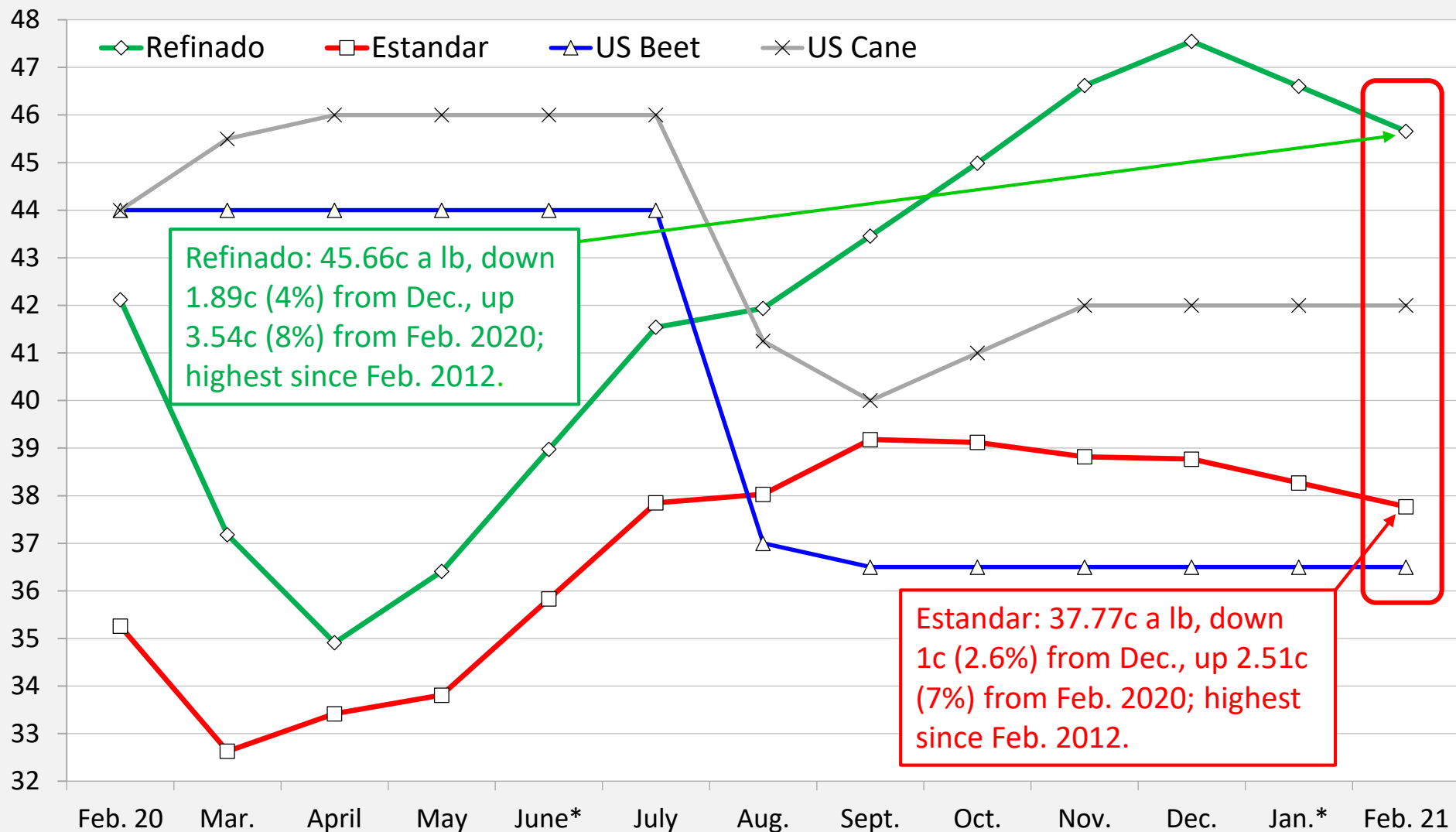
	March	Change from 19-20		Change from Feb.	
	<u>20-21</u>	<u>Tonnes</u>	<u>%</u>	<u>Tonnes</u>	<u>%</u>
Begin. Stocks	858	-	0.0%	(311)	-26.6%
Production	5,900	(50)	-0.8%	622	11.8%
Imports	105	-	0.0%	28	36.4%
Total Supply	6,863	(50)	-0.7%	339	5.2%
Exports	1,492	2	0.1%	280	23.1%
Domestic Use	4,445	(43)	-1.0%	(10)	-0.2%
Total Use	5,937	(41)	-0.7%	270	4.8%
Ending Stocks	926	(9)	-1.0%	68	7.9%
S-T-U (total)	15.6%	-		+0.5	
S-T-U (domestic)	20.8%	-		+1.5	

For 2019-20: No changes from February.

For 2020-21: Production lowered 50,000 tonnes based on lower projections of sugarcane yields and sucrose content through February. Deliveries for human consumption lowered 43,000 tonnes on slower pace to date. Exports minimally changed as lower exports to US are offset by higher exports to third countries. Plenty of sugar available to export.

SUA March 2021: US & Mexico sugar prices

Average monthly cash prices in cents/lb. *Prices average of before/after months.



Sources: USDA and Sosland Publishing Company.

SUA March 2021: New York #16 Raw Futures

ICE domestic raw sugar futures as of March 10, 2021, in cents per lb. Source: Tech Nova

Contract	Last	Net Change	High	Low	Volume	Open Interest	Time	Settlement
ESFK21 (D10)	30.10 S	0.15	30.10	29.99	47	2143	1:19:15 PM EST - 03/10/21	30.10 S
ESFN21 (D10)	30.13 S	0.10	30.13	30.00	38	2783	1:19:15 PM EST - 03/10/21	30.13 S
ESFU21 (D10)	30.13 S	0.08	30.13	30.08	40	1709	1:19:15 PM EST - 03/10/21	30.13 S
ESFX21 (D10)	29.12 S	0.12	29.14	29.10	25	1336	1:19:15 PM EST - 03/10/21	29.12 S
ESFF22 (D10)	28.10 S	0.10			0	539	1:19:15 PM EST - 03/10/21	28.10 S
ESFH22 (D10)	28.10 S	0.10			0	425	1:19:15 PM EST - 03/10/21	28.10 S
ESFK22 (D10)	28.10 S	0.10			0	280	1:19:15 PM EST - 03/10/21	28.10 S
ESFN22 (D10)	28.10 S	0.10			0	454	1:19:15 PM EST - 03/10/21	28.10 S
ESFU22 (D10)	28.05 S	0.05			0	235	1:19:15 PM EST - 03/10/21	28.05 S
ESFX22 (D10)	27.95 S	0.00			0	100	1:19:15 PM EST - 03/10/21	27.95 S
ESFF23 (D10)	27.45 S	0.05			0		1:19:15 PM EST - 03/10/21	27.45 S

Three nearby months moved above 30c a lb on March 10 and were at four-year highs. Most support seen coming from situation in Louisiana where excess raws need to be shipped to US East Coast. Spot May has about a 1c premium to November 2021 and a 2c premium in later months. Expect nearby raws to stay high until Louisiana situation is resolved, more raws are imported from Mexico or there is a TRQ reallocation.

SUA March 2021: Global Sugar Overview

- **Global supply/demand fundamentals (2020-21)**
 - The tight nearby global supply situation continues but may be easing as India is shipping more raws by bulk vessel vs refined by container.
 - Uncertainty about Brazil's new cane crop (new MY year begins April 1). Dry conditions expected to reduce sugar content, higher energy prices may pull some cane to ethanol as energy prices rise, but presently sugar remains more profitable than ethanol.
- **Global supply/demand balance**
 - Forecasts for size of 2020-21 deficit mixed; shifting to small global surplus in 2021-22.
- **Pricing**
 - Nearby New York raws and London whites are down sharply from recent highs.
 - NY raws pressured by fund selling (net long remains large) and recent weakness in Brazil's currency value.
 - Tight nearby supplies and rising energy prices offer support, as does potential post-COVID bounce.

SUA March 2021: New York #11 Raw Futures

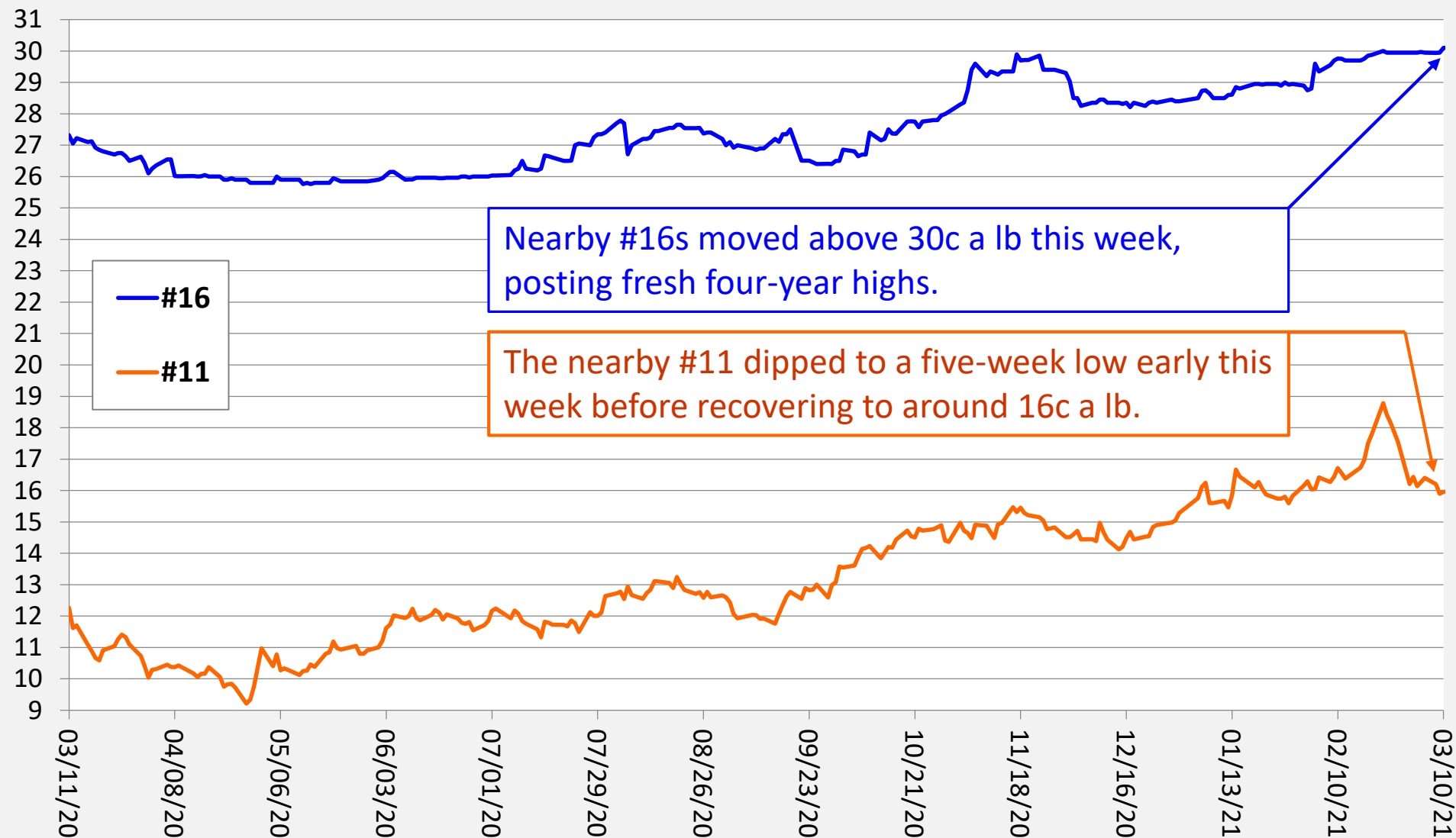
ICE world raw sugar futures as of March 10, 2021, in cents per lb. Source: Tech Nova

Contract	Last	Net Change	High	Low	Volume	Open Interest	Time	Settlement
ESBK21 (D10)	15.96 S	0.06	16.13	15.91	42067	391566	1:17:39 PM EST - 03/10/21	15.96 S
ESBN21 (D10)	15.53 S	0.09	15.64	15.46	28485	206453	1:17:39 PM EST - 03/10/21	15.53 S
ESBV21 (D10)	15.42 S	0.12	15.49	15.31	16678	154716	1:17:39 PM EST - 03/10/21	15.42 S
ESBH22 (D10)	15.66 S	0.13	15.69	15.53	5035	99368	1:17:39 PM EST - 03/10/21	15.66 S
ESBK22 (D10)	14.89 S	0.14	14.92	14.76	2746	54937	1:17:39 PM EST - 03/10/21	14.89 S
ESBN22 (D10)	14.27 S	0.14	14.29	14.14	1508	50309	1:17:39 PM EST - 03/10/21	14.27 S
ESBV22 (D10)	13.88 S	0.14	13.90	13.75	779	37633	1:17:39 PM EST - 03/10/21	13.88 S
ESBH23 (D10)	13.97 S	0.14	13.99	13.87	282	15394	1:17:39 PM EST - 03/10/21	13.97 S
ESBK23 (D10)	13.52 S	0.13	13.53	13.42	156	5983	1:17:39 PM EST - 03/10/21	13.52 S
ESBN23 (D10)	13.28 S	0.14	13.32	13.18	177	9864	1:17:39 PM EST - 03/10/21	13.28 S
ESBV23 (D10)	13.25 S	0.16	13.28	13.20	88	5567	1:17:39 PM EST - 03/10/21	13.25 S

Spot month (May) down about 1c from month ago (March) and dipped to 5-week low early this week. Spot month down about 3c from Feb. 22 high near 19c a lb, but prices remain 2c to nearly 4c a lb above year-ago values spot through May 2022. Tight nearby raws and large fund net long continue to support, even if funds have waivered a bit recently. Strong nearby premium to late 2022 and 2023 months as market is expected to shift to global surplus in 2021-22.

SUA March 2021: World/Domestic Futures

Nearby ICE New York raw sugar futures, in cents per lb, as of March 10, 2021.



Nearby #16s moved above 30c a lb this week, posting fresh four-year highs.

The nearby #11 dipped to a five-week low early this week before recovering to around 16c a lb.

SUA March 2021: Corn Sweetener Prices

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

42% HFCS Spot

	<u>2021</u>	<u>2020</u>
Midwest	25½-26	25½-26
Northeast	27-27½	27-27½
Southeast	27¼-27¾	27¼-27¾
South	26¾-27¼	26¾-27¼
West	27½-28¾	27½-28¾

55% HFCS Spot

	<u>2021</u>	<u>2020</u>
Midwest	32¾-33¾	32¾-33¾
Northeast	34¼-35¼	34¼-35¼
Southeast	34¼-35¼	34¼-35¼
South	34-35	34-35
West	34¾-35¾	34¾-35¾

Corn Syrup Spot

	<u>2021</u>	<u>2020</u>
Midwest	36¾-37¼	36¾-37¼
Northeast	39-39½	39-39½
Southeast	39-39½	39-39½
South	40-40½	40-40½
West	41-41½	41-41½

No changes in forecast use of corn for corn sweeteners in the March WASDE.

USDA reported Mexico's October-January HFCS consumption at 441,000 tonnes, dry weight, down 19,000 tonnes, or 4.1%, from same period a year ago, which is a faster rate of decline than last month. March forecast for 2020-21 HFCS use was unchanged from January at 1,377,000 tonnes, down 0.8% from 2019-20.

At Colloquium Craig Ruffolo forecast continued decline in HFCS demand with prices in 2022 about flat with this year in part due to much higher net cost of corn.

No changes in glucose and dextrose from last month. Demand for both remains good.

Dextrose Spot

	<u>2021</u>	<u>2020</u>
East	42-42½	42-42½
Midwest	41-41½	41-41½
South	43-43½	43-43½
West	44-44½	44-44½

Corn futures up sharply from a month ago, year ago, especially Sept. forward. USDA made no changes for corn in March WASDE.

SUA March 2021: Conclusions

- **Domestic Sweetener Market**
 - Supplies appear adequate with 15.1% S-T-U, but . . .
 - In reality stocks are somewhat tight due to location of domestic raws; possibly lower beet sugar production could tighten supplies even more.
 - What will demand do as country emerges from COVID-19?
 - Prices are unchanged nearby and offered steady for next year.
 - Contracting for 2021-22 moving slowly for January forward.
 - Corn sweetener demand continues to wane, but prices expected steady into 2022 due to higher corn prices.
- **Global Sugar Market**
 - Nearby world raws and whites are well off recent highs.
 - Market shifting from small deficit in 20-21 to surplus in 21-22.
 - Focus returns to Brazil as new crop harvest set to begin.
 - Emergence from COVID-19 should be positive for demand.