

# Sweetener Users Association Conference Call

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# SUA September 2021: What's Happening in Sugar?

- **Hurricane Ida disruption**
- **Domestic, 2020-21:**
  - Some spot refined cane prices were raised again (52c).
  - Nearby No. 16 raw sugar futures remain firm.
  - USDA raises deliveries for food; strong deliveries in July (SMD).
  - USDA raises TRQ but most expected to arrive in October.
  - Beet harvest is active and adding supplies to market.
- **Domestic, 2021-22:**
  - Some cane sugar prices were raised again (47c Jan. 1 forward).
  - USDA finally issues TRQ data as expected; USTR allocates.
  - Higher beet sugar production; cane sugar a question.
  - USDA raises deliveries for food (carryover from 2020-21).
  - WASDE adjusted for 13.5% S-T-U.
- **Global raw sugar prices were under pressure from weak nearby demand, but that may be changing.**
- **Overall, markets seem very unsettled.**

# SUA September 2021: Overview

- **US Sugar supply/demand – September 2021**
  - **For 2020-21:** Beet sugar production lowered 32,000 tons.
  - **TRQ imports lowered, other program and Mexico raised.**
  - Deliveries for food raised 75,000 tons (non-reporters).
  - Ending stocks lowered by 121,000 tons; S-T-U ratio at 13.2%
  - **For 2021-22:** Beet sugar production raised 124,000 tons.
  - Cane sugar production lowered (Florida); Louisiana unchanged.
  - Imports juggled to reflect TRQ announcements and 13.5% ratio.
  - Imports from Mexico lowered sharply to balance for 13.5%.
  - Deliveries for food raised 75,000 tons (flat from 2020-21).
- **Corn sweetener supply/demand**
  - Annual contracting for 2022 underway but uneven.
  - Prices up sharply from 2021 contracted levels.
  - Mexico's Oct.-July HFCS consumption down 5% from year ago.

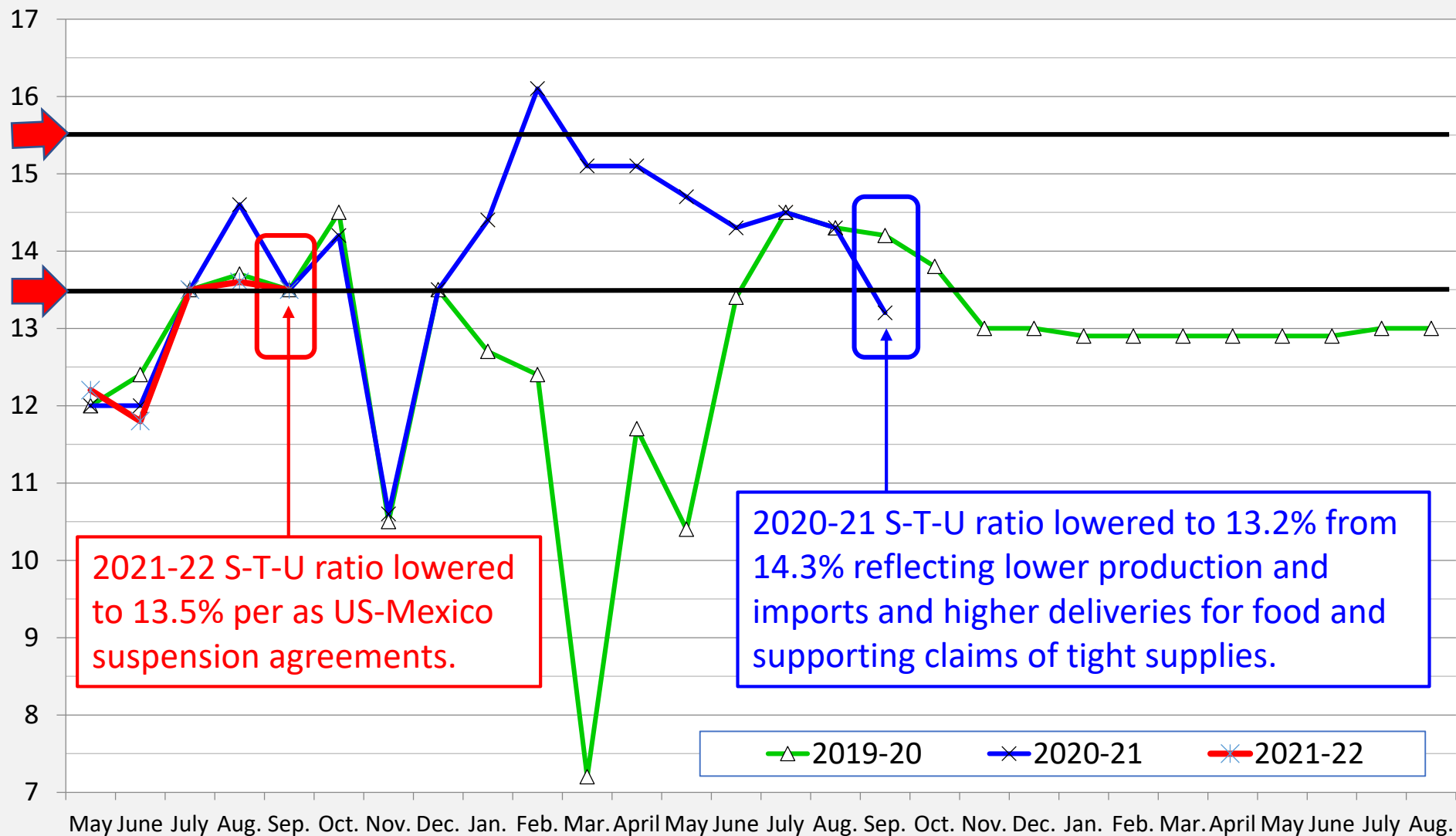
# SUA September 2021: USDA September WASDE

1,000 STRV	Sept.	Change	RS-SPC	Chg. from 19-20		Sept.	Chg. from Aug.		Chg. from 20-21		RS-SPC
	20-21	Tons	20-21	Tons	%	21-22	Tons	%	Tons	%	21-22
Begin. Stocks	1,618	-	1,620	(165)	-9.3%	1,632	(121)	-6.9%	14	0.9%	1,630
Production	9,202	(32)	9,190	1,053	12.9%	9,162	114	1.3%	(40)	-0.4%	9,145
Beet	5,031	(32)	5,025	680	15.6%	5,202	124	2.4%	171	3.4%	5,225
Cane	4,171	-	4,165	373	9.8%	3,960	(10)	-0.3%	(211)	-5.1%	3,920
Imports	3,169	(8)	3,175	(996)	-23.9%	3,212	76	2.4%	43	1.4%	3,265
T.R.Q.	1,693	(96)	1,700	(459)	-21.3%	1,803	416	30.0%	110	6.5%	1,800
Other Prog.	315	70	315	(117)	-27.1%	250	-	0.0%	(65)	-20.6%	250
Mexico	981	18	980	(395)	-28.7%	1,084	(365)	-25.2%	103	10.5%	1,115
High Tier	180	-	180	(25)	-12.2%	75	25	50.0%	(105)	-58.3%	100
Ttl Supply	13,989	(39)	13,985	(108)	-0.8%	14,006	69	0.5%	17	0.1%	14,040
Exports	52	7	50	(9)	-14.8%	35	-	0.0%	(17)	-32.7%	35
Deliveries	12,305	75	12,305	(39)	-0.3%	12,305	75	0.6%	-	0.0%	12,330
Food	12,200	75	12,200	(46)	-0.4%	12,200	75	0.6%	-	0.0%	12,225
Other	105	-	105	7	7.1%	105	-	0.0%	-	0.0%	105
Misc.	-	-	-	(74)	-100.0%	-	-	-	-	-100.0%	-
Total Use	12,357	82	12,355	(122)	-1.0%	12,340	75	0.6%	(17)	-0.1%	12,365
End. Stocks	1,632	(121)	1,630	14	0.9%	1,666	(6)	-0.4%	34	2.1%	1,675
S-T-U*	13.2%	- 1.1	13.2%	+0.2		13.5%	-0.1		+0.03		13.5%

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

# SUA September 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.



2020-21 S-T-U ratio lowered to 13.2% from 14.3% reflecting lower production and imports and higher deliveries for food and supporting claims of tight supplies.

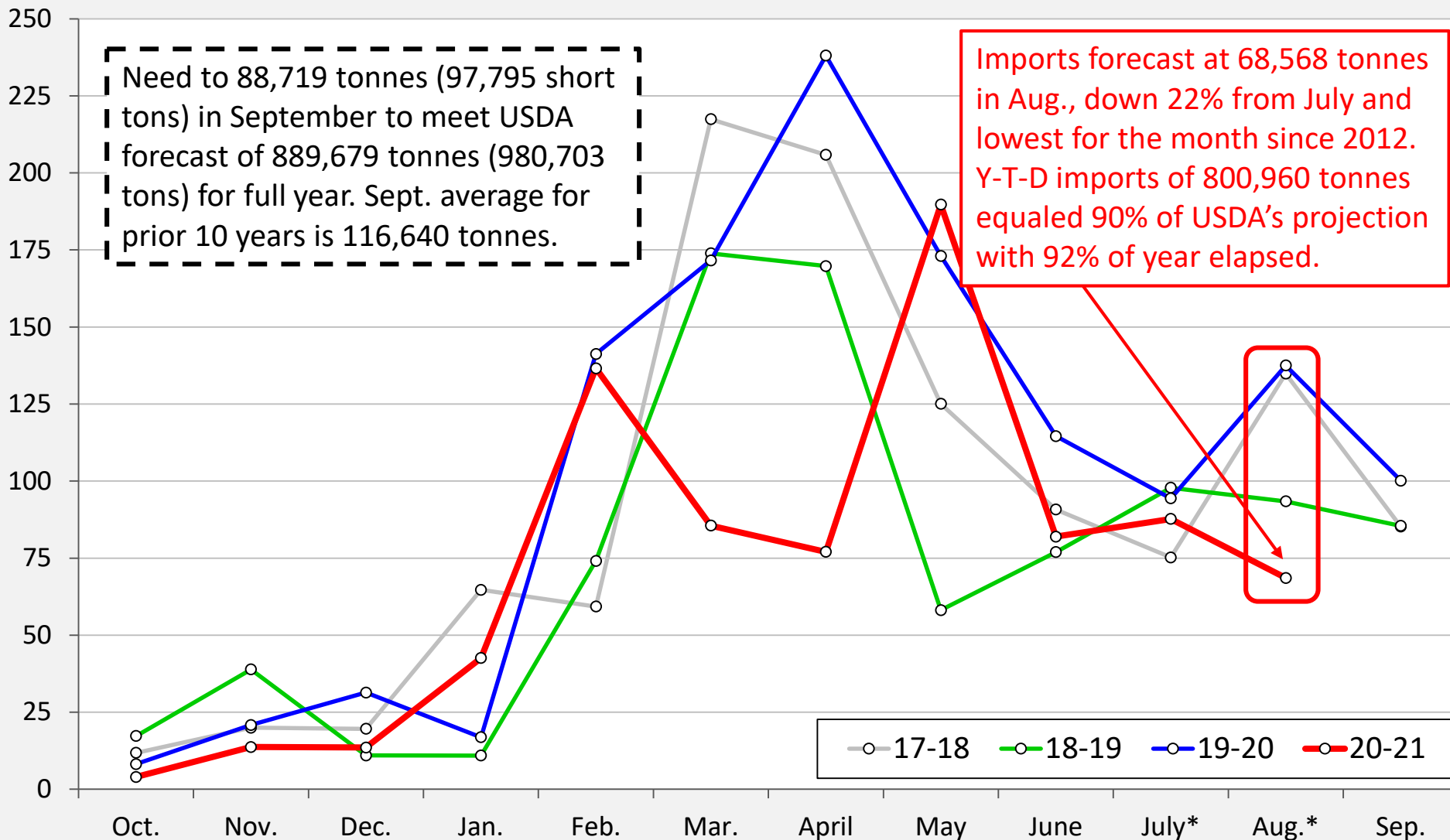
2021-22 S-T-U ratio lowered to 13.5% per as US-Mexico suspension agreements.

—△ 2019-20    
 —× 2020-21    
 —× 2021-22

Source: USDA

# SUA September 2021: Imports from Mexico

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



# SUA September 2021: Year-To-Date Sugar Imports

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

83% of year elapsed	Oct.-July 2020-21	% of Projected	Full-year Forecast
<b>WTO Raw TRQ</b>	1,176,442	96%	1,231,557
WTO Refined TRQ	218,015	99%	219,411
FTA Sugar in TRQs	221,059	91%	242,463
<b>Total Quota</b>	1,615,515	95%	1,693,431
<b>Re-export Program</b>	279,592	89%	315,000
<b>Mexico</b>	882,908	90%	980,703
High-duty Sugar	160,737	89%	180,000
<b>Total Imports</b>	2,938,752	93%	3,169,134

Total imports at 93% of projected total for year are on pace with 92% of year elapsed. Projections were unchanged from August for refined TRQ, FTA TRQ and high-duty; WTO raw TRQ was lowered 95,203 tons; re-export imports and Mexico were raised.

**Net change in projected imports for 2020-21 down 7,676 tons from August.**

# SUA September 2021: SMD September 2021

Source: USDA.

<i>Short tons, Raw value</i>	July	July	Change from 19-20	
	<u>2020-21</u>	<u>2019-20</u>	<u>Tons</u>	<u>%</u>
Beginning stocks	3,388,827	2,848,276	540,551	19.0%
Total production	74,833	60,930	13,903	22.8%
Beet	74,833	60,930	13,903	22.8%
Cane	0	0	0	100%
Total imports	335,765	399,221	(63,456)	-15.9%
Total supply	3,799,425	3,308,428	490,997	14.8%
Total exports	5,443	3,685	1,758	47.7%
Total deliveries	1,116,734	1,051,967	64,767	6.2%
<b>Deliveries, human use</b>	<b>1,106,953</b>	<b>1,044,690</b>	<b>62,263</b>	<b>6.0%</b>
Misc. supply adj.	106	14,819	(14,713)	-99.0%
Total use	1,122,283	1,070,471	51,812	4.8%
Ending stocks	2,677,142	2,237,956	439,186	19.6%

July deliveries for food were up 6% from July 2020 as strong beet sugar deliveries more than offset weak cane sugar deliveries, although beet was down From June 2021 and cane was up.



# SUA September 2021: SMD September 2021

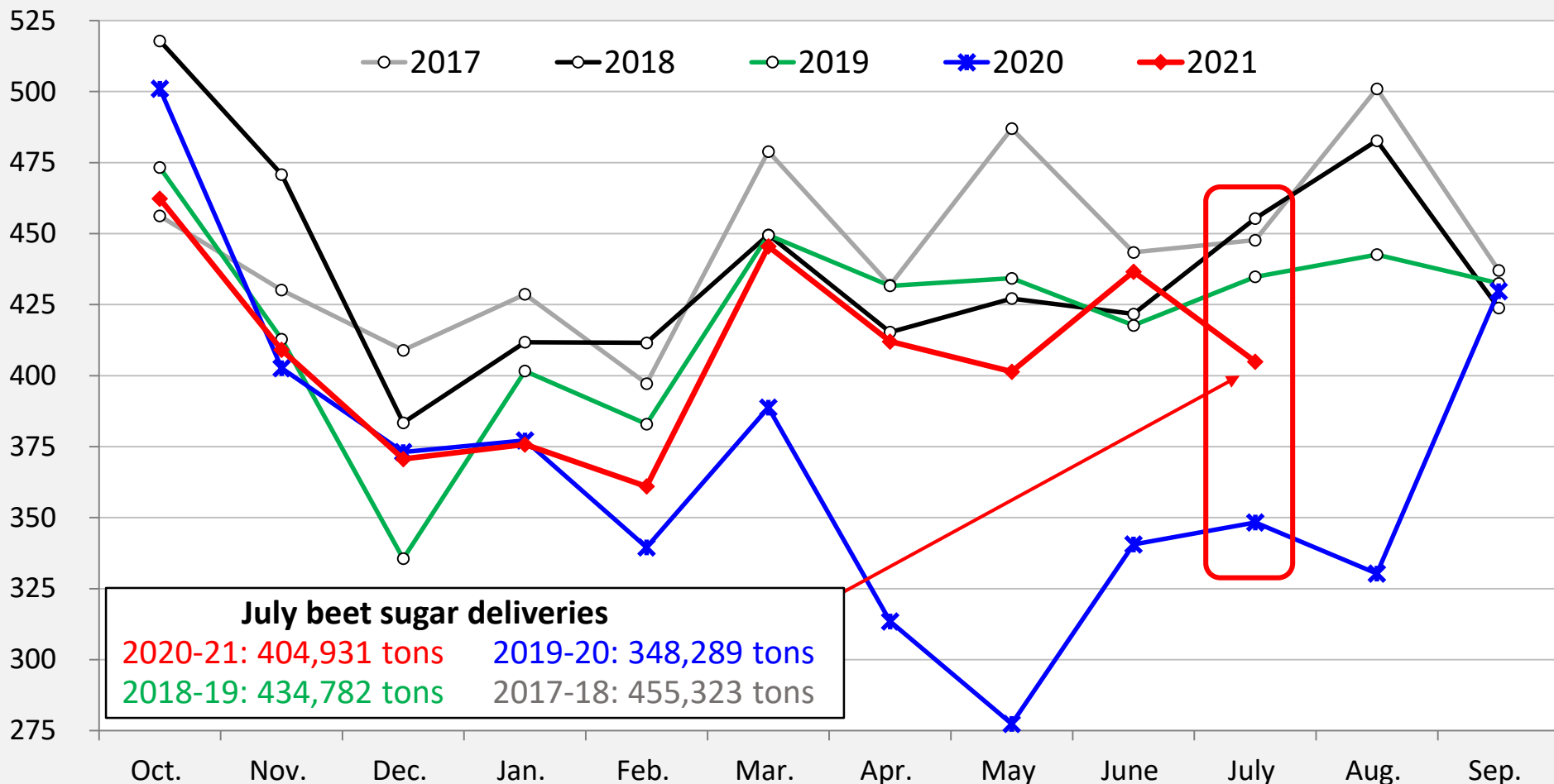
Source: USDA.

<i>Short tons, Raw value</i>	<b>Oct.-July</b>	<b>Oct.-July</b>	<b>Change from 19-20</b>	
	<b><u>2020-21</u></b>	<b><u>2019-20</u></b>	<b><u>Tons</u></b>	<b><u>%</u></b>
Beginning stocks	1,617,589	1,782,548	(164,959)	-9.3%
<b>Total production</b>	<b>8,542,537</b>	<b>7,313,901</b>	<b>1,228,636</b>	<b>16.8%</b>
Beet	<b>4,416,062</b>	<b>3,586,604</b>	<b>829,458</b>	<b>23.1%</b>
Cane	<b>4,126,475</b>	<b>3,727,297</b>	<b>399,178</b>	<b>10.7%</b>
Total imports	2,769,877	3,365,465	(595,588)	-17.7%
Total supply	12,930,003	12,461,914	468,089	3.8%
Total exports	44,426	31,356	13,070	41.7%
Total deliveries	10,184,155	10,158,902	25,253	0.2%
<b>Deliveries, human use</b>	<b>10,094,819</b>	<b>10,079,038</b>	<b>15,781</b>	<b>0.2%</b>
Misc. supply adj.	24,280	33,700	(9,420)	-28.0%
Total use	10,252,861	10,223,957	28,904	0.3%
Ending stocks	2,677,142	2,237,956	439,186	19.6%

USDA raised delivery projections for last year, this year and next year in September WASDE. July deliveries reflected in SMD were very strong, moving Oct.-July up 0.2% from 2019-20.

# SUA September 2021: Beet Sugar Deliveries

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

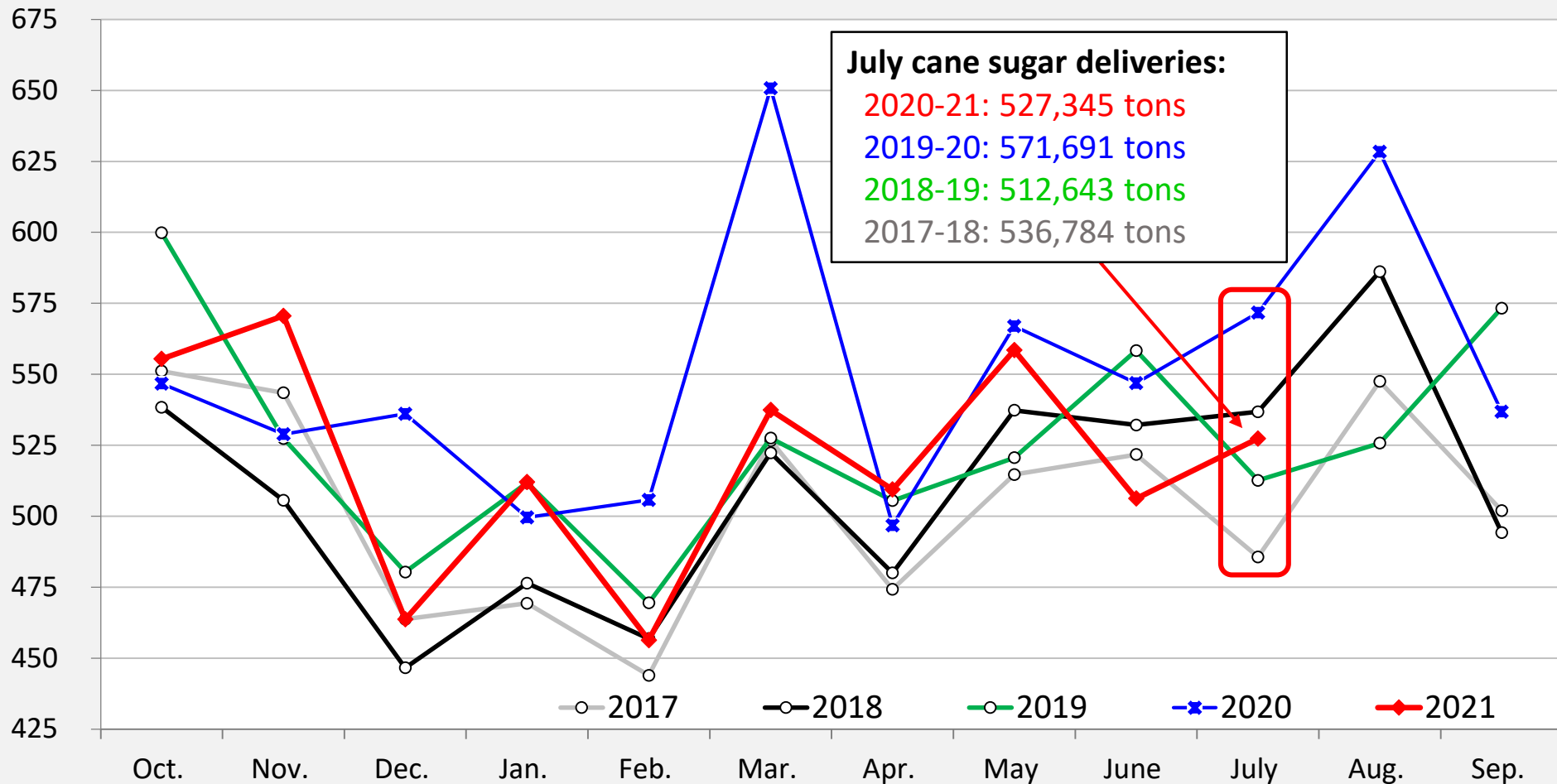


**July beet sugar deliveries**  
 2020-21: 404,931 tons      2019-20: 348,289 tons  
 2018-19: 434,782 tons      2017-18: 455,323 tons

July beet sugar deliveries of 404,931 tons were down 7.3% from June but were up 16% from a year ago. Other than last year, July beet sugar deliveries were the highest for the month since 2016. Oct.-July beet deliveries of 4,079,226 tons were up 11% from a year ago, when the force majeure were in force.

# SUA September 2021: Refined Cane Deliveries

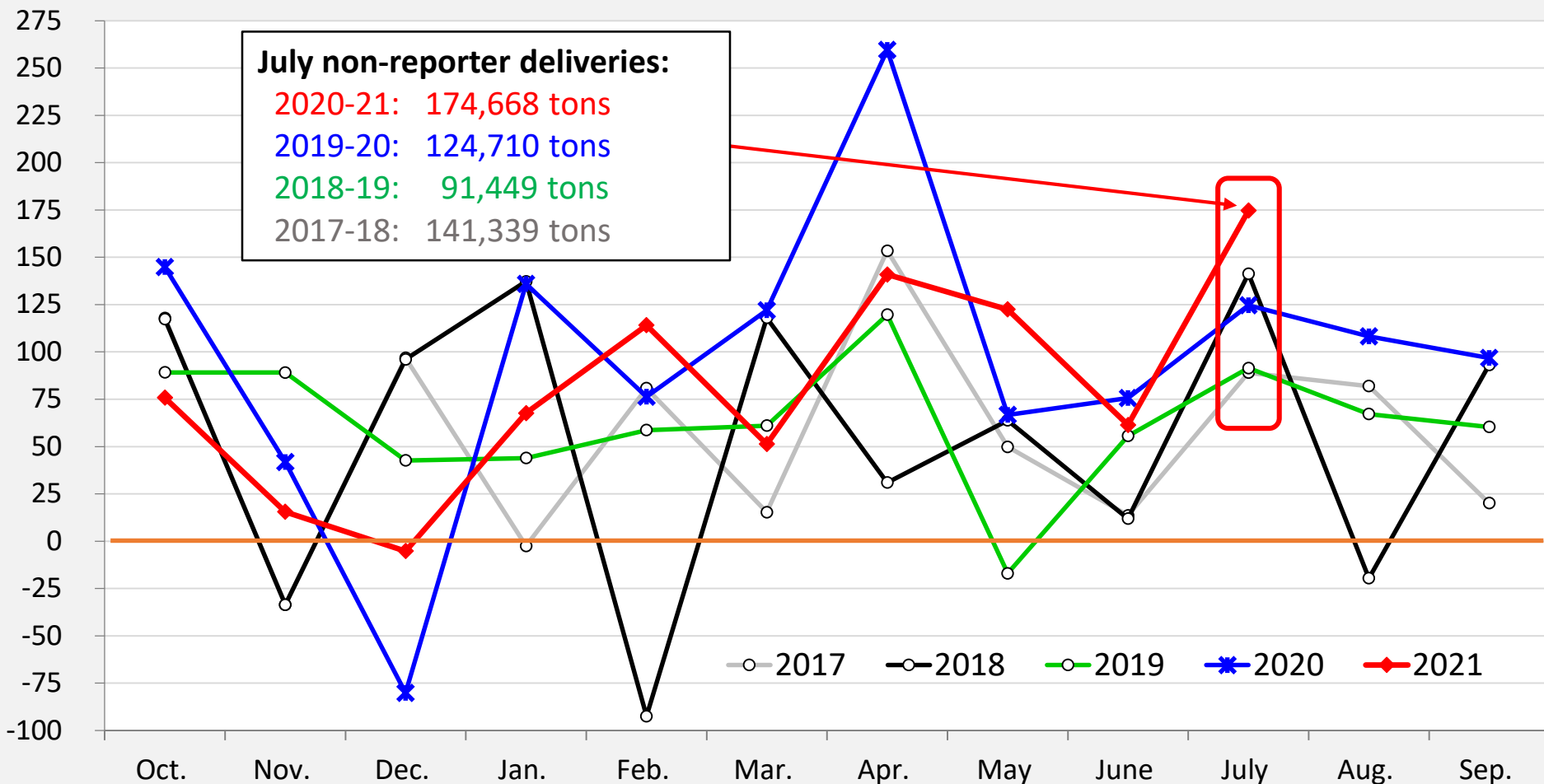
Monthly refined cane sugar deliveries, in 1,000 tons, raw value. Source: USDA



July cane sugar deliveries of 506,222 tons rose 4.2% from June but were down 8% from a year ago. Oct.-July deliveries of 5,197,058 tons were down 4.6% from the same period a year ago and were the lowest since 2017-18.

# SUA September 2021: Non-Reporter Deliveries

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



July N-R deliveries of 174,668 tons were up 184% from June, up 40% from a year ago and were the largest for the month since 2015. Y-T-D deliveries are down 15.4% from last year and the second highest on record. All prior months for 2020-21 were revised in the SMD report with a net change of about +33,000 tons.

# SUA September 2021: Deliveries for Human Use

<u>PRODUCT OR BUSINESS OF BUYER</u>	FY 2021	FY 2020	Oct.-July	Oct.-June
	<u>Oct.-July</u>	<u>Oct.-July</u>	<u>% change</u>	<u>% change</u>
<b>Total Deliveries/1</b> (short tons, <u>actual weight</u> )	8,732,270	8,575,290	1.8	1.9
<b>1-Bakery, cereal, and related products</b>	2,049,893	2,004,542	2.3	3.2
5-Confectionery and related products	812,298	857,721	-5.3	-5.4
6-Ice cream and dairy products	683,285	630,345	8.4	8.6
7-Beverages	606,290	516,417	17.4	16.3
8-Canned, bottled and frozen foods	322,333	358,816	-10.2	-10.7
4-Multiple and all other food uses	910,715	859,099	6.0	6.5
10-Non-food uses	104,794	108,014	-3.0	0.0
11-Hotels, restaurants, institutions	74,913	69,090	8.4	9.0
<b>2-Wholesale grocers, jobbers, dealers</b>	1,900,685	1,838,631	3.4	2.8
<b>3-Retail grocers, chain stores</b>	1,008,137	1,074,272	-6.2	-6.7
12-Government agencies	13,183	10,454	26.1	30.2
9-All other deliveries	245,744	247,888	-0.9	-0.5
<b>Total Deliveries/1</b> (short tons, <u>raw value</u> )	9,343,529	9,175,561	1.8	1.9
Crystalline:	7,983,392	7,893,934	1.1	1.1
Consumer-size packages (retail)	1,784,205	1,863,622	-4.3	-4.3
<b>Packages 50 lbs and greater</b>	2,467,715	2,399,782	2.8	1.8
<b>Unpackaged (bulk)</b>	3,731,472	3,630,530	2.8	3.4
Non-crystalline/2	1,360,137	1,281,626	6.1	6.7

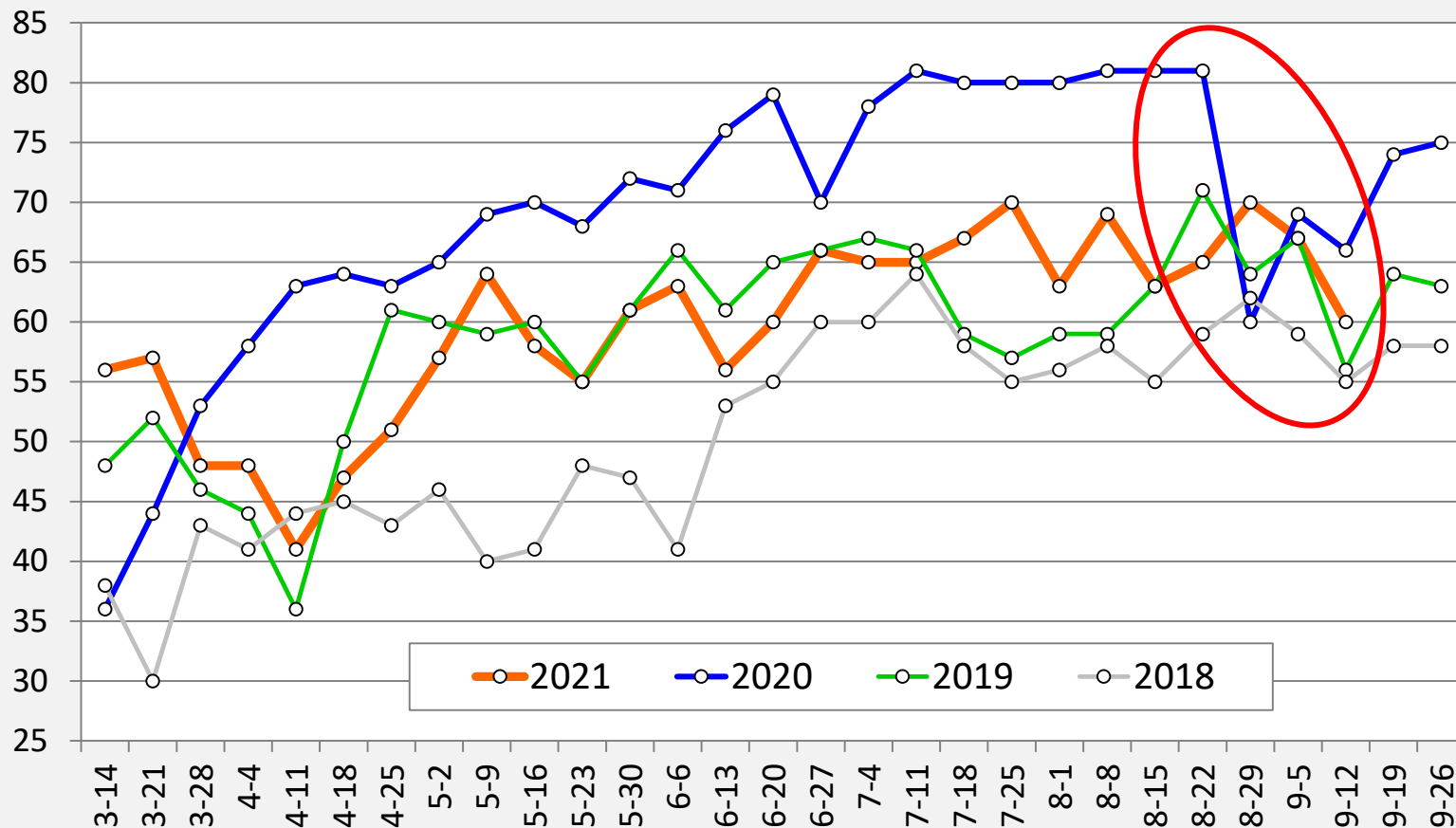
1/Deliveries from domestic sugar beet processors, sugar cane processors and refiners.

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

Source: USDA

# SUA September 2021: Sugar Cane Crop Ratings

Good-to-excellent ratings, in per cent, as of Sept. 12. Source: USDA state Crop Progress report.

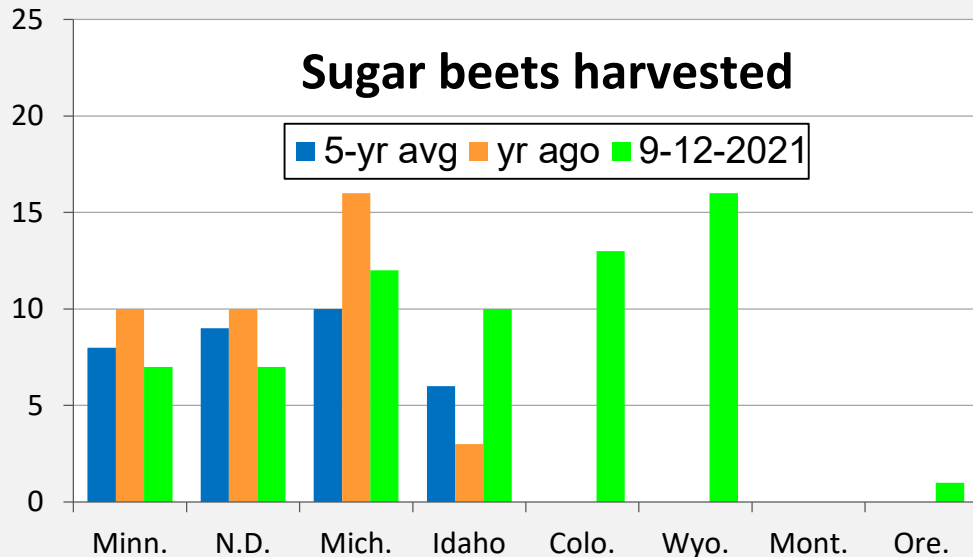


Louisiana sugarcane was rated 60% good to excellent on Sept. 12, down from a season high 70% on Aug. 29. The drop was much less than a year ago (81% to 60%) after Hurricane Laura. USDA said minimal damage from Hurricane Ida to Louisiana cane crop, but LSU report suggests damage of varying degrees to about 25% of crop.

# SUA September 2021: Sugar Beet Crop

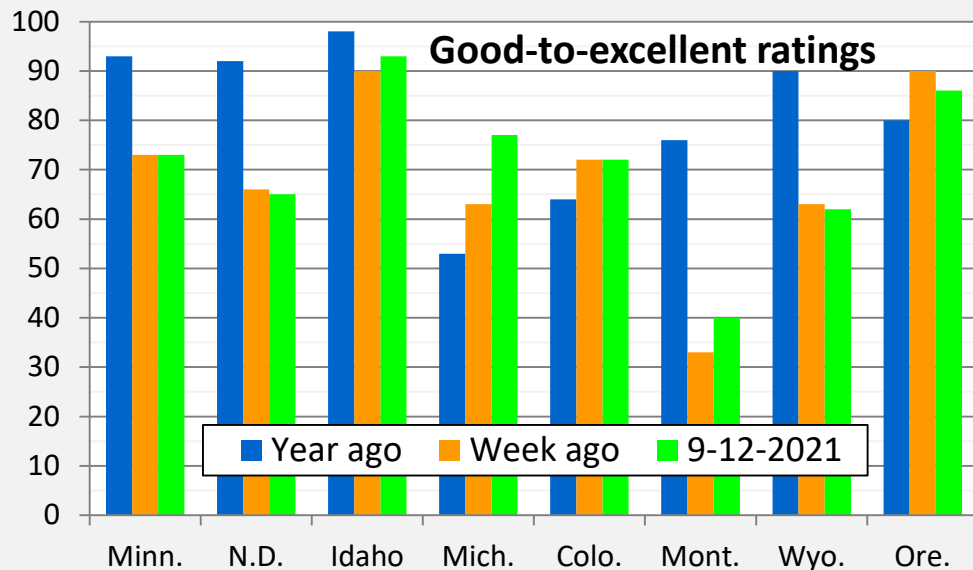
In per cent, as of Sept. 12. Source: USDA state Crop Progress reports.

## Sugar beets harvested



Sugar beet harvest was reported in all states but Montana as of Sept. 12. Harvest was behind a year ago and the 5-year average in the Red River Valley, where timely August rainfall revived the crop. Harvest was ahead of average in Michigan and Idaho. Harvest started early in Michigan, late in the RRV and about normal in most other states.

## Good-to-excellent ratings



Crop condition ratings become less important late in the season with less focus on what's above ground, although a freeze or heavy rainfall is bad. Growers want dry weather now so as not to dilute sugar content in beets. A late freeze in 2019 "did the crop in." So far, conditions appear favorable for this harvest.

# SUA September 2021: Sugar Beet/Cane Production

In 1,000 tons. Source: USDA September Crop Production report.

Sugar Beets	Sept.	Change from Aug.	Change from 2020	
	2021		Tons	%
Minnesota	11,358	254	213	1.9%
N. Dakota	5,600	178	147	2.7%
Idaho	6,987	119	142	2.1%
Michigan	4,803	349	445	10.2%
Nebraska	1,295	(31)	(122)	-8.6%
Montana	1,327	60	138	11.6%
California	1,087	-	-	0.0%
Colorado	777	(5)	35	4.7%
Wyoming	872	3	(40)	-4.4%
Oregon	415	(34)	31	8.1%
Washington	91	9	5	5.8%
<b>US Total</b>	<b>34,612</b>	<b>902</b>	<b>994</b>	<b>3.0%</b>

Higher sugar beet production in seven of the 11 states more than offset declines in three states as the USDA forecast 2021 sugar beet production at 34,612,000 tons, up 2.7% from Aug. and up 3% from 2020. Harvested area and average yield both were raised from Aug. and from 2020. USDA reflected the increase with higher beet sugar production forecast in the WASDE.

Sugar Cane	Sept.	Change from Aug.	Change from 2020	
	2021		Tons	%
Florida	17,294	-	(1,501)	-8.0%
Louisiana	16,268	441	101	0.6%
Texas	1,170	(14)	32	2.8%
<b>US Total</b>	<b>34,732</b>	<b>427</b>	<b>(1,368)</b>	<b>-3.8%</b>

USDA forecast 2021 sugar cane production at 34,732,000 tons, up 1.2% from Aug. but down 3.8% from 2020. Production was raised for Louisiana; we would expect that to be lowered in Oct. Florida was unchanged from Aug. but down 8% from 2020. Harvested area was down slightly from Aug. and down 2% from 2020 and yields were raised from Aug. but down from 2020.



# SUA September 2021: Cash Sugar Prices - Firm

**Beet sugar 2020-21** Offers firm at 39c to 40c f.o.b. Midwest, some up to 42c. 41c in Michigan; 40c and above on the West Coast.

**Cane sugar 2020-21**  
*(periods vary)* Sept. offers are at 52c a lb all locations from one refiner. Southeast offered at 43c by one refiner, 52c by another. Gulf offered 52c by one refiner; other out of market.

**Beet & cane 2021-22** Oct.-Sept. beet offered 39c to 40c Midwest, 41c Michigan. NE & WC offered at 47c Jan. forward by one refiner. SE cane offered 43c Oct.-Sept. by one refiner; 45c Jan. forward by another. Gulf cane offered 46c Jan. forward by one; other out of market temporarily.

## Recent developments and factors to watch in cash sugar market

- The Gulf situation continues to develop with one refiner running at pre-Ida levels but another struggling with power, rail and other issues. Louisiana sugar cane losses still being evaluated; initial estimates are that 118,000 acres (24% of harvested area) have 16% to 29% yield reductions. Estimates of 2021-22 cane sugar losses range from 30,000 tons to more than 100,000 tons. Crop has time to recover some, but harvest delay would tighten Oct.-Dec. supplies.

- **The Market has a firm tone and is highly unsettled.**

# SUA September 2021: New York #16 Raw Futures

ICE domestic raw sugar futures as of September 15, 2021, in cents per lb. Source: Tech Nova

Contract	Last	Net Change	High	Low	Volume	Open Interest	Time	Settlement
ESFX21 (D10)	36.10 S	0.04	36.50	36.00	4	1997	1:12:35 PM EDT - 09/15/21	36.10 S
ESFF22 (D10)	34.80 S	0.10	34.80	34.75	10	1181	1:12:35 PM EDT - 09/15/21	34.80 S
ESFH22 (D10)	34.70 S	0.10			0	1999	1:12:35 PM EDT - 09/15/21	34.70 S
ESFK22 (D10)	34.60 S	0.00			0	926	1:12:35 PM EDT - 09/15/21	34.60 S
ESFN22 (D10)	34.55 S	0.00			0	894	1:12:35 PM EDT - 09/15/21	34.55 S
ESFU22 (D10)	34.50 S	0.00			0	842	1:12:35 PM EDT - 09/15/21	34.50 S
ESFX22 (D10)	33.29 S	0.00			10	980	1:12:35 PM EDT - 09/15/21	33.29 S
ESFF23 (D10)	32.00 S	0.00			0	805	1:12:35 PM EDT - 09/15/21	32.00 S
ESFH23 (D10)	31.80 S	0.00			0	1180	1:12:35 PM EDT - 09/15/21	31.80 S
ESFK23 (D10)	31.80 S	0.00			0	810	1:12:35 PM EDT - 09/15/21	31.80 S
ESFN23 (D10)	31.80 S	0.00			0	635	1:12:35 PM EDT - 09/15/21	31.80 S

Prices have firmed from last month, with nearby up nearly 2c a lb, most of 2022 up about 1.5c and 2023 months up about 0.35c. Spot price still below 37.75c high set in late July. Gulf situation has supported raws, as have refiners' needs to import. Nearby should tick lower when Nov. goes off board on Oct. 8, but prices still historically high. Recent trading volume has been light, but scattered across board, indicating some hedging has been taking place.

# SUA September 2021: Mexico WASDE

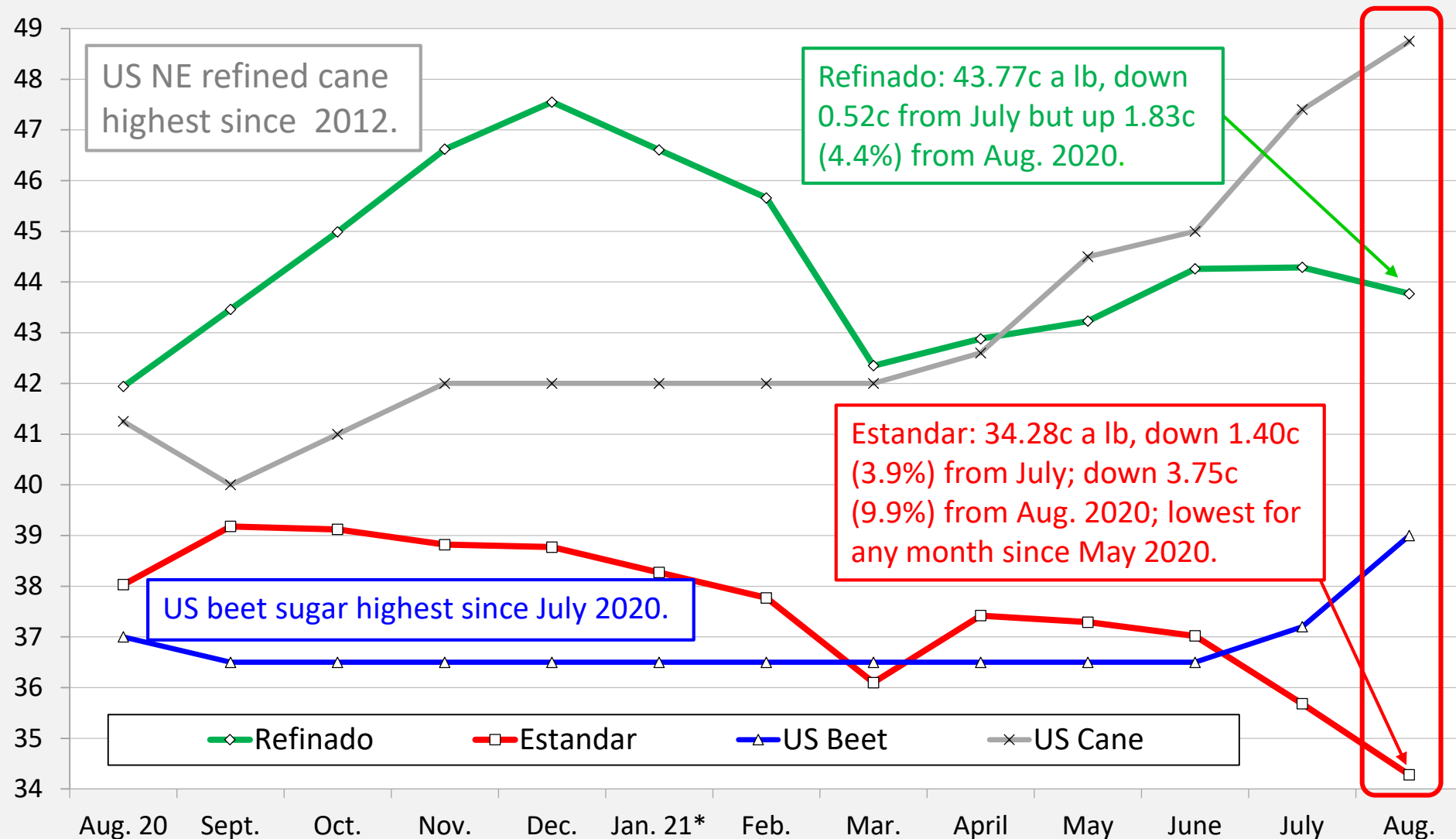
In 1,000 tonnes, actual weight. Source: USDA September 2021 WASDE

	September			2021-22 change from				
	<u>20-21</u>	<u>Aug.</u>	<u>19-20</u>	<u>21-22</u>	<u>Aug.</u>	<u>%</u>	<u>20-21</u>	<u>%</u>
<b>Begin. Stocks</b>	858	-	(311)	913	(3)	-0.3%	55	6.4%
<b>Production</b>	5,715	-	437	5,809	-	0.0%	94	1.6%
<b>Imports</b>	75	(30)	(2)	55	(30)	-35.3%	(20)	-26.7%
<b>Total Supply</b>	6,648	(30)	124	6,777	(33)	-0.5%	129	1.9%
<b>Exports</b>	1,345	(12)	133	1,482	(15)	-1.0%	137	10.2%
<b>Domestic Use</b>	4,390	(15)	(65)	4,382	(15)	-0.3%	(8)	-0.2%
<b>Total Use</b>	5,735	(27)	68	5,864	(30)	-0.5%	129	2.2%
<b>Ending Stocks</b>	913	(3)	55	913	(3)	-0.3%	-	0.0%
<b>S-T-U (total)</b>	15.9%	-	+0.8	15.6%	-		- 0.3	
<b>S-T-U (dom.)</b>	20.8%	-	+1.5	20.8%	-		-	

Imports, exports and domestic use were lowered for both this year and for 2021-22, resulting in a small net reduction in ending stocks of 3,000 tonnes to 913,000 tonnes for both years. No changes in forecast production for either year were made. Sharply lower 2021-22 exports to the United States mostly were balanced by higher exports to other countries, resulting in a small net change.

# SUA September 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 September 2021: Global Sugar Overview

## ■ Global supply/demand fundamentals

- Brazil's sugar production recovered some in late August, but early harvest to salvage crop from frosts and favorable dry weather likely to result in early end of crushing season. Still sharply down from 2020-21.
- Exports from India were strong in 2020-21 and expected to continue unsubsidized in 2021-22.
- Indications of weak nearby global sugar demand "confused" by ED&F Man move to take larger-than-expected deliveries against London white sugar that expired at 4½-year high on Sept. 15. Turn in demand?
- Logistics and high freight costs remain a major concern and disruptor; some countries drawing down domestic stocks rather than import.

## ■ Pricing

- Nearby raws (No. 11) about 0.75c below 4-year highs set in August.
- Funds continue to be a factor in No. 11 market, having sold some contracts in early Sept., but net long remains large.
- World raws above 18c encourage exports by India, which has forward sold more sugar for 2021-22 than is typical.

# SUA September 2021: New York #11 Raw Futures

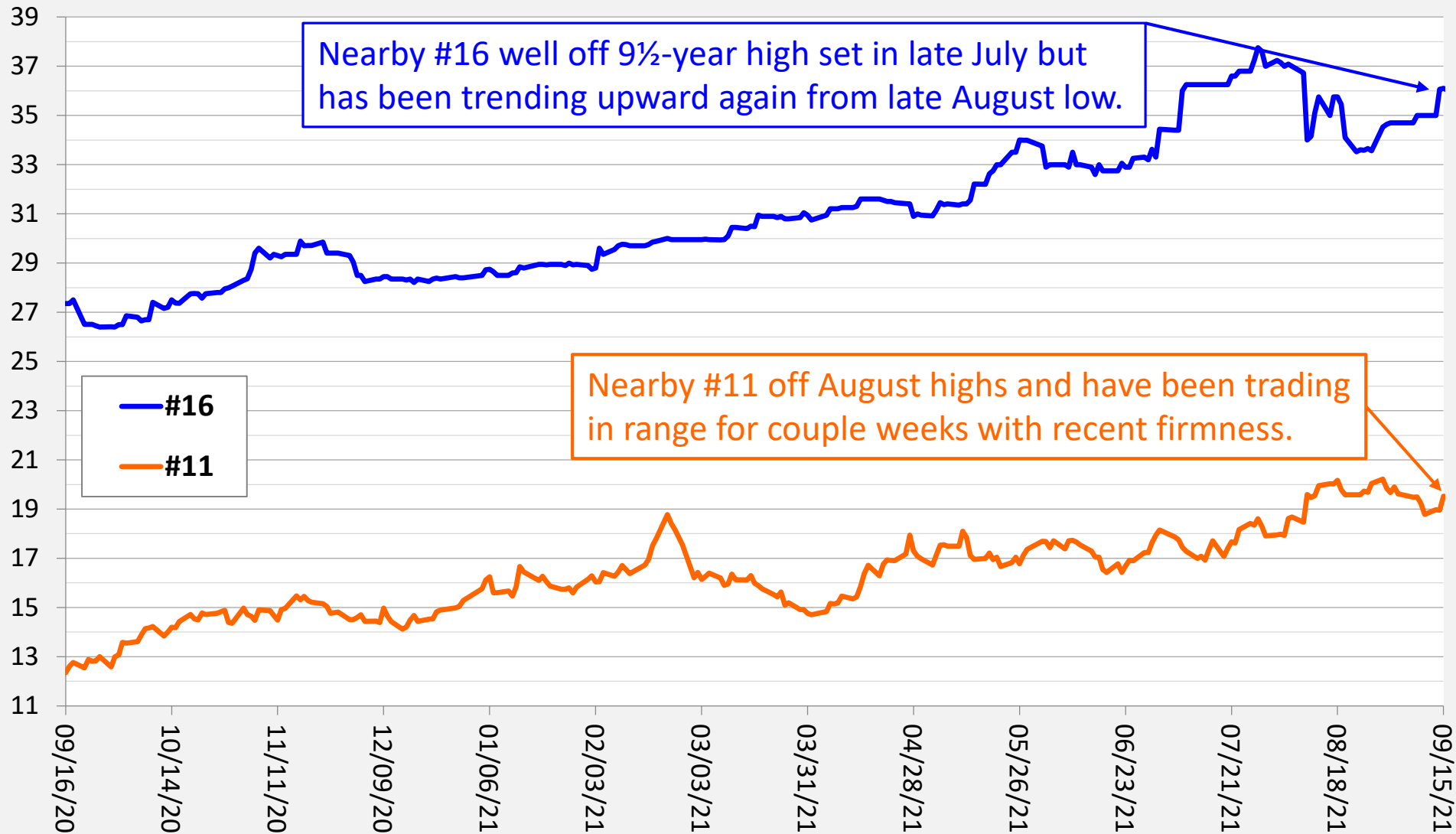
ICE world raw sugar futures as of September 15, 2021, in cents per lb. Source: Tech Nova

Contract	Last	Net Change	High	Low	Volume	Open Interest	Time	Settlement
ESBV21 (D10)	19.52 S	0.56	19.65	18.96	123296	190358	1:04:34 PM EDT - 09/15/21	19.52 S
ESBH22 (D10)	20.26 S	0.60	20.37	19.68	82996	387686	1:04:34 PM EDT - 09/15/21	20.26 S
ESBK22 (D10)	19.73 S	0.50	19.86	19.23	27659	153453	1:04:34 PM EDT - 09/15/21	19.73 S
ESBN22 (D10)	19.07 S	0.37	19.22	18.70	16325	107879	1:04:34 PM EDT - 09/15/21	19.07 S
ESBV22 (D10)	18.74 S	0.30	18.86	18.44	6038	91567	1:04:34 PM EDT - 09/15/21	18.74 S
ESBH23 (D10)	18.64 S	0.24	18.75	18.40	3108	36979	1:04:34 PM EDT - 09/15/21	18.64 S
ESBK23 (D10)	17.48 S	0.15	17.57	17.33	1187	14842	1:04:34 PM EDT - 09/15/21	17.48 S
ESBN23 (D10)	16.57 S	0.10	16.67	16.49	863	19098	1:04:34 PM EDT - 09/15/21	16.57 S
ESBV23 (D10)	16.01 S	0.05	16.10	15.93	438	17632	1:04:34 PM EDT - 09/15/21	16.01 S
ESBH24 (D10)	15.92 S	0.04	15.94	15.82	153	3718	1:04:34 PM EDT - 09/15/21	15.92 S
ESBK24 (D10)	15.36 S	0.02	15.36	15.35	100	1173	1:04:34 PM EDT - 09/15/21	15.36 S
ESBN24 (D10)	14.99 S	-0.03	14.99	14.98	103	430	1:04:34 PM EDT - 09/15/21	14.99 S

After posting strong gains from July into August, spot No. 11 future is little changed from month ago due to concerns about weak global sugar demand and strong exports from India, more than offsetting much lower production in Brazil. But later months are higher across the board from a month ago reflecting carryover of damage in Brazil into 2022-23 (April-March) crop and more balanced to deficit global market in 2021-22. Recent activity in London white sugar may signal upturn in demand. Stronger crude oil prices also supportive (Brazilian ethanol).

# SUA September 2021: World/Domestic Futures

Nearby ICE New York raw sugar futures, in cents per lb, as of September 15, 2021.



# SUA September 2021: Corn Sweeteners

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

Venues are open across the country (note college and pro football), which should be good for HFCS demand.

Contracting for 2022 is ongoing with some refiners said to be over 70% sold but some buyers saying they can't get offers. Prices appear to be up \$3 to \$5 a cwt from 2021.

USDA left Mexico HFCS consumption forecasts for this year and next year unchanged from August (2021-22 forecast down 1.9% from 2020-21, 2020-21 forecast down 4.5% from 2019-20. Oct.-July consumption was down 5% from same period year ago. Both HFCS and sugar consumption are trending lower in Mexico.

In Sept. Feed Outlook, USDA raised its forecast March-May use of corn for glucose and dextrose by 5.5% and for starch by 13.5%, but lowered HFCS by 0.5%; annual forecasts unchanged.

## 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

USDA forecast US 2021 corn production at 15 billion bus, up 2% from Aug., up 6% from 2020 and above trade expectations; futures higher on spillover from wheat, condition ratings.



# SUA September 2021: Other Matters

- Logistics remain a major concern for sugar and nearly every commodity and ingredient as well as packaging – ocean freight for imports and trucks for domestic movement; rail to a lesser degree unless disrupted by weather. Some processors moving to f.o.b. + freight cost contracts since rates are moving (mostly up) so much. Higher fuel costs also passed on to buyers.
- The wide beet sugar/refined cane sugar spread is supporting beet prices, although beet currently in driver's seat as is typical at this time of year.
- Ongoing sugar reduction efforts globally.

# SUA September 2021: Conclusions

- **Domestic Sweetener Market**
  - Gulf situation continues to develop; tightens nearby supplies.
  - Sugar supplies likely tight at least through December due to Gulf, import situation (little from Mexico during that period).
  - Late beet harvest will tighten supplies into October; but can't "relax" until past threat of freeze later in month.
  - Beet crop is better than expected and will help relieve tightness.
  - Little incentive to lower beet prices due to high cane prices.
  - Most business (90% plus for beets) for 2021-22 is done.
  - Logistics/freight driving up delivered prices of sugar.
  - Corn sweetener prices are much higher for 2022.
- **Global Sugar Market**
  - Lower production in Brazil offset by higher exports from India.
  - Nearby raw futures prices continue near 20c a lb.
  - Possible upturn in nearby demand.
  - COVID-19 still a factor in some areas.