

# **Sweetener Users Association Board Meeting**

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# SUA October 2022: What's Happening in Sugar?

## ■ Domestic

- USDA raises 2022-23 sugar supply forecast.
- USDA leaves 2022-23 delivery forecast unchanged.
- 2021-22 deliveries up 6.5% in August, up 2.9% Y-T-D per SMD.
- Very little uncommitted beet sugar available.
- Beet processors likely to remain out of market for rest of 2022-23.
- Sellers note active inquiries for 2022-23.
- Beet, cane harvests progressing well in most states.
- Late-season weather has continued to be favorable for beets.
- Hurricane Ian misses Florida sugar cane fields, SE refineries.

## ■ Global

- Brazil sugar production lowered due to late-season rainfall.
- Energy prices, Brazil politics remain influences on sugar market.
- India set to resume exports; rain delays harvest in some areas.
- EU beet harvest reduced; refined sugar prices record high.
- Philippines won't ship US TRQ in 2022-23.

# SUA October 2022: S/D Overview - Sugar

- **US Sugar supply/demand – October 2021-22**
  - USDA lowers beet sugar, raises cane and total sugar production.
  - Imports lowered (lower TRQ more than offsets higher Mex., high-tier).
  - Deliveries for food unchanged.
  - Ending stocks raised 20,000 tons; S-T-U ratio to 14% from 13.8%.
- **US Sugar supply/demand – October 2022-23**
  - Beginning stocks raised 20,000 tons.
  - Higher cane sugar production more than offsets lower beet sugar.
  - TRQ imports raised 129,000 tons after specialty sugar announced.
  - USDA includes lack of Philippines TRQ by raising TRQ shortfall.
  - Mexico imports unchanged.
  - Mexico production lowered 100,000 tonnes.
  - Deliveries unchanged from September.
  - Ending stocks raised 162,000 tons from September.
  - S-T-U ratio raised to 14.8% from 13.5% in September.
  - Market is much tighter than 14.8% S-T-U.

# SUA October 2022: USDA 21-22 WASDE

1000 short tons raw value	October	Change from Sept.		Change from 20-21	
	<u>21-22</u>	<u>Tons</u>	<u>%</u>	<u>Tons</u>	<u>%</u>
Begin. Stocks	1,705	-	0.0%	87	5.4%
Production	9,117	52	0.6%	(116)	-1.3%
<b>Beet</b>	<b>5,078</b>	<b>(24)</b>	<b>-0.5%</b>	(14)	-0.3%
<b>Cane</b>	<b>4,039</b>	<b>76</b>	<b>1.9%</b>	(102)	-2.5%
<b>Imports</b>	<b>3,644</b>	<b>(29)</b>	<b>-0.8%</b>	423	13.1%
<b>T.R.Q.</b>	<b>1,579</b>	<b>(69)</b>	<b>-4.2%</b>	(170)	-9.7%
Other Prog.	298	(2)	-0.7%	6	2.1%
<b>Mexico</b>	<b>1,379</b>	<b>24</b>	<b>1.8%</b>	411	42.5%
<b>High Tier</b>	<b>388</b>	<b>18</b>	<b>4.9%</b>	176	83.0%
Ttl Supply	14,465	22	0.2%	393	2.8%
Exports	35	-	0.0%	(14)	-28.6%
Deliveries	12,657	2	0.0%	380	3.1%
<b>Food</b>	<b>12,550</b>	-	0.0%	389	3.2%
Other	107	2	1.9%	(9)	-7.8%
Misc.	-	-	-	(40)	-100%
Total Use	12,692	2	0.0%	325	2.6%
<b>Ending Stocks</b>	<b>1,773</b>	<b>20</b>	<b>1.1%</b>	68	4.0%
<b>Stocks-to-use</b>	<b>14.0%</b>	<b>+0.2</b>		+0.2	

No separate estimates from me since the year is in the rearview mirror;  
14% S-T-U still seems high considering prices, availability.

# SUA October 2022: USDA 22-23 WASDE

1000 short tons	October	October	Change from Sept.		Change from 21-22		RS-SPC
raw value	<u>21-22</u>	<u>22-23</u>	<u>Tons</u>	<u>%</u>	<u>Tons</u>	<u>%</u>	<u>22-23</u>
Begin. Stocks	1,705	1,773	20	1.1%	68	4.0%	1,770
Production	9,117	9,154	13	0.1%	37	0.4%	9,100
<b>Beet</b>	5,078	<b>5,106</b>	<b>(13)</b>	<b>-0.3%</b>	28	0.6%	<b>5,050</b>
Cane	4,039	4,048	27	0.7%	9	0.2%	4,050
<b>Imports</b>	3,644	3,610	129	3.7%	(34)	-0.9%	3,525
<b>T.R.Q.</b>	1,579	<b>1,691</b>	<b>129</b>	<b>8.3%</b>	112	7.1%	<b>1,600</b>
Other Prog.	298	250	-	0.0%	(48)	-16.1%	250
<b>Mexico</b>	1,379	1,619	-	0.0%	240	17.4%	<b>1,575</b>
<b>High Tier</b>	388	<b>50</b>	<b>-</b>	<b>0.0%</b>	(338)	-87.1%	<b>100</b>
Ttl Supply	14,465	14,537	162	1.1%	72	0.5%	14,395
Exports	35	35	-	0.0%	-	0.0%	35
Deliveries	12,657	12,630	-	0.0%	(27)	-0.2%	12,630
<b>Food</b>	12,550	12,525	-	0.0%	(25)	-0.2%	12,525
Other	107	105	-	0.0%	(2)	-1.9%	105
Misc.	-	-	-	-	-	-100.0%	-
Total Use	12,692	12,665	-	0.0%	(27)	-0.2%	12,665
<b>Ending Stocks</b>	1,773	<b>1,872</b>	<b>162</b>	9.5%	99	5.6%	1,730
<b>Stocks-to-use</b>	14.0%	<b>14.8%</b>	<b>+1.3</b>		+0.8		<b>13.7%</b>

Green column – Wildcards are beet sugar production, TRQ and Mexico. USDA has high-tier too low. USDA's demand forecast could go either way, likely up slightly. I have S-T-U at 13.7% but seems tighter.

# SUA July 2022: October 2022 SMD (Aug. data)

Source: USDA.

-- Monthly --

<i>Short tons,</i> <i>Raw value</i>	<b>August</b> <b>2021-22</b>	<b>% change</b> <b>from 20-21</b>
Beginning stocks	2,724,108	+1.7%
<b>Total production</b>	<b>105,134</b>	<b>-7.6%</b>
<b>Beet</b>	<b>105,134</b>	<b>-7.6%</b>
<b>Cane</b>	<b>0</b>	<b>0.0%</b>
<b>Total imports</b>	<b>302,376</b>	<b>+63.6%</b>
<b>Total supply</b>	<b>3,131,617</b>	<b>+5.1%</b>
Total exports	6,215	+75.1%
Total deliveries	1,123,526	+5.2%
<b>Deliveries, human use</b>	<b>1,117,997</b>	<b>+6.5%</b>
Misc. supply adj.	780	-92.4%
<b>Total use</b>	<b>1,130,521</b>	<b>+4.5%</b>
<b>Ending stocks</b>	<b>2,001,096</b>	<b>+5.5%</b>

## SUPPLY

August beet sugar production was down 7.6% from August 2021 with little if any early harvest.

Imports were up sharply.

## USE

August deliveries were strong, up 6.5% for food use, with total use up 4.5% from August 2021.

# SUA July 2022: October 2022 SMD (Oct.-Aug. data)

Source: USDA.

-- Year-to-Date --

<i>Short tons,</i>	<b>Oct.-Aug.</b>	<b>% change</b>
<i>Raw value</i>	<b><u>2021-22</u></b>	<b><u>from 20-21</u></b>
Beginning stocks	1,704,830	+5.4%
<b>Total production</b>	<b>8,626,372</b>	<b>-0.4%</b>
<b>Beet</b>	<b>4,707,904</b>	<b>+3.9%</b>
<b>Cane</b>	<b>3,918,468</b>	<b>-5.1%</b>
<b>Total imports</b>	<b>3,314,600</b>	<b>+11.2%</b>
<b>Total supply</b>	<b>13,645,802</b>	<b>+2.9%</b>
Total exports	27,273	-43.2%
Total deliveries	11,594,105	+2.8%
<b>Deliveries, human use</b>	<b>11,493,244</b>	<b>+2.9%</b>
Misc. supply adj.	23,328	-32.5%
<b>Total use</b>	<b>11,644,706</b>	<b>+2.5%</b>
<b>Ending stocks</b>	<b>2,001,096</b>	<b>+5.5%</b>

## SUPPLY

Oct.-Aug. beet production up about 4%, cane down about 5%, imports up about 11% from same 11 months in 2020-21.

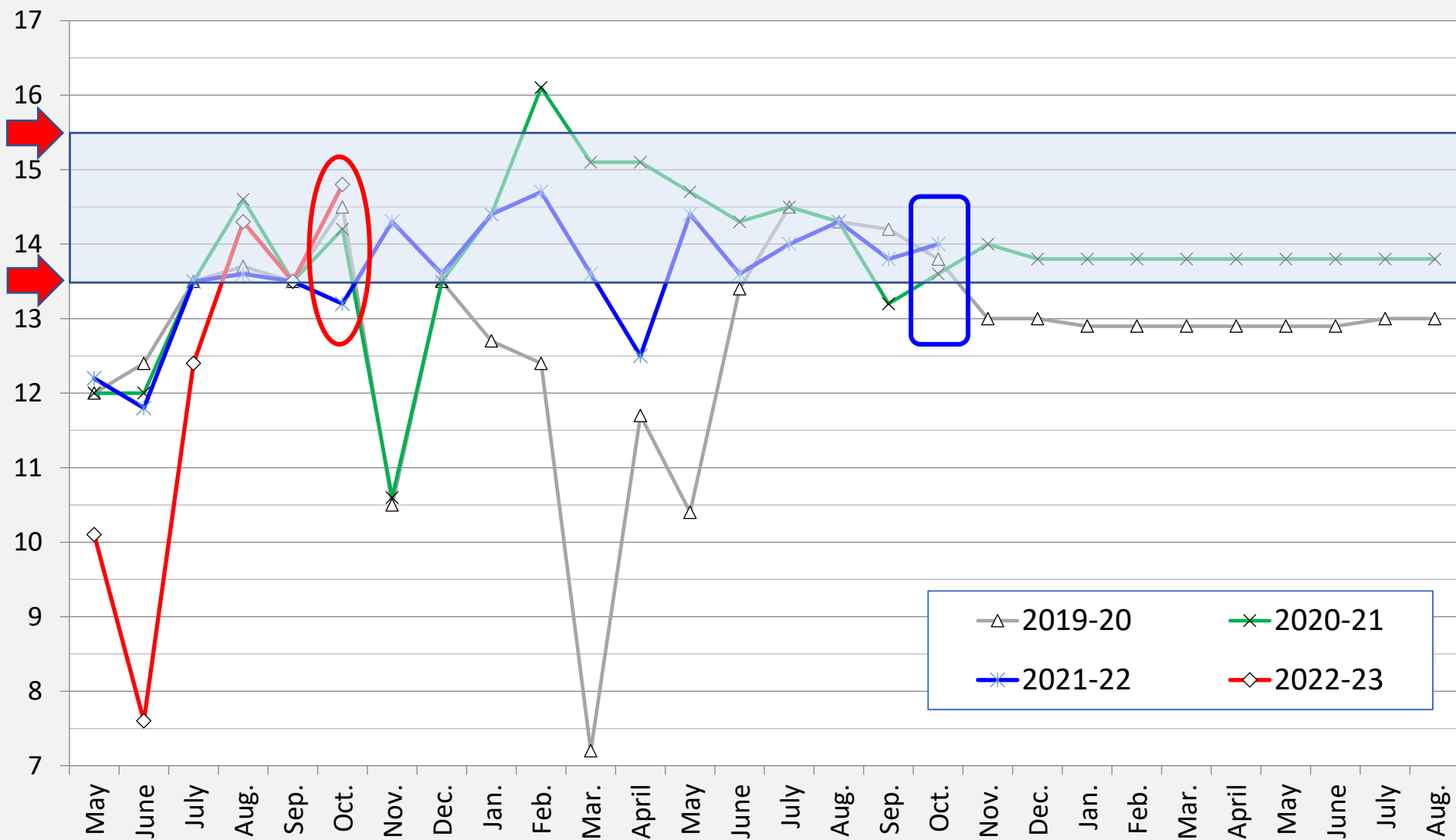
## USE

Oct.-Aug. deliveries for food up 2.9% from same period last year; total use up 2.5%.

WASDE food use up 3.2%, total use up 2.6%.

# SUA October 2022: Monthly S-T-U Ratios

Monthly S-T-U ratios starting in May with initial USDA projection. In percent.

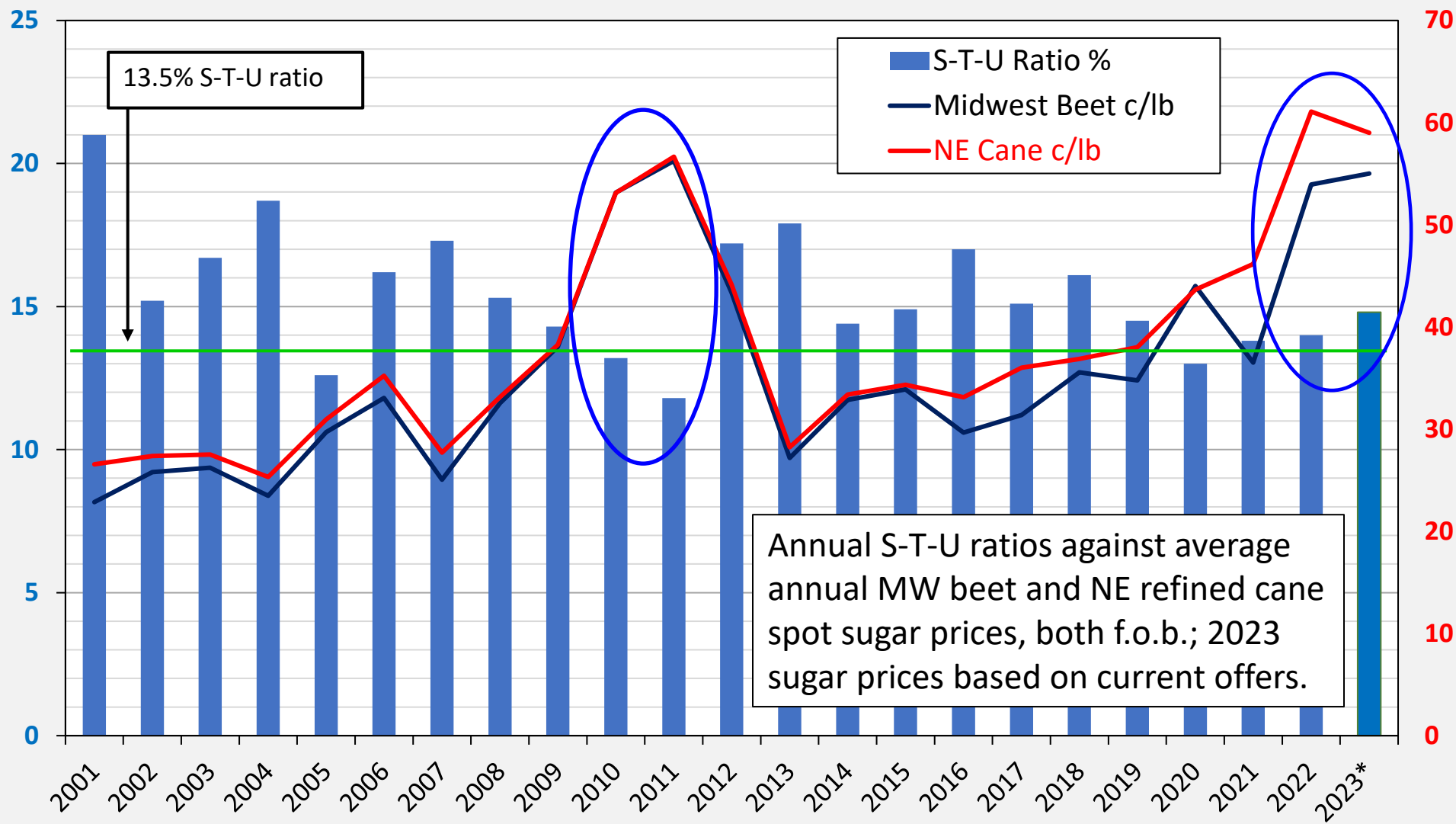


Source: USDA.



# SUA October 2022: S-T-U Ratios vs Sugar Prices

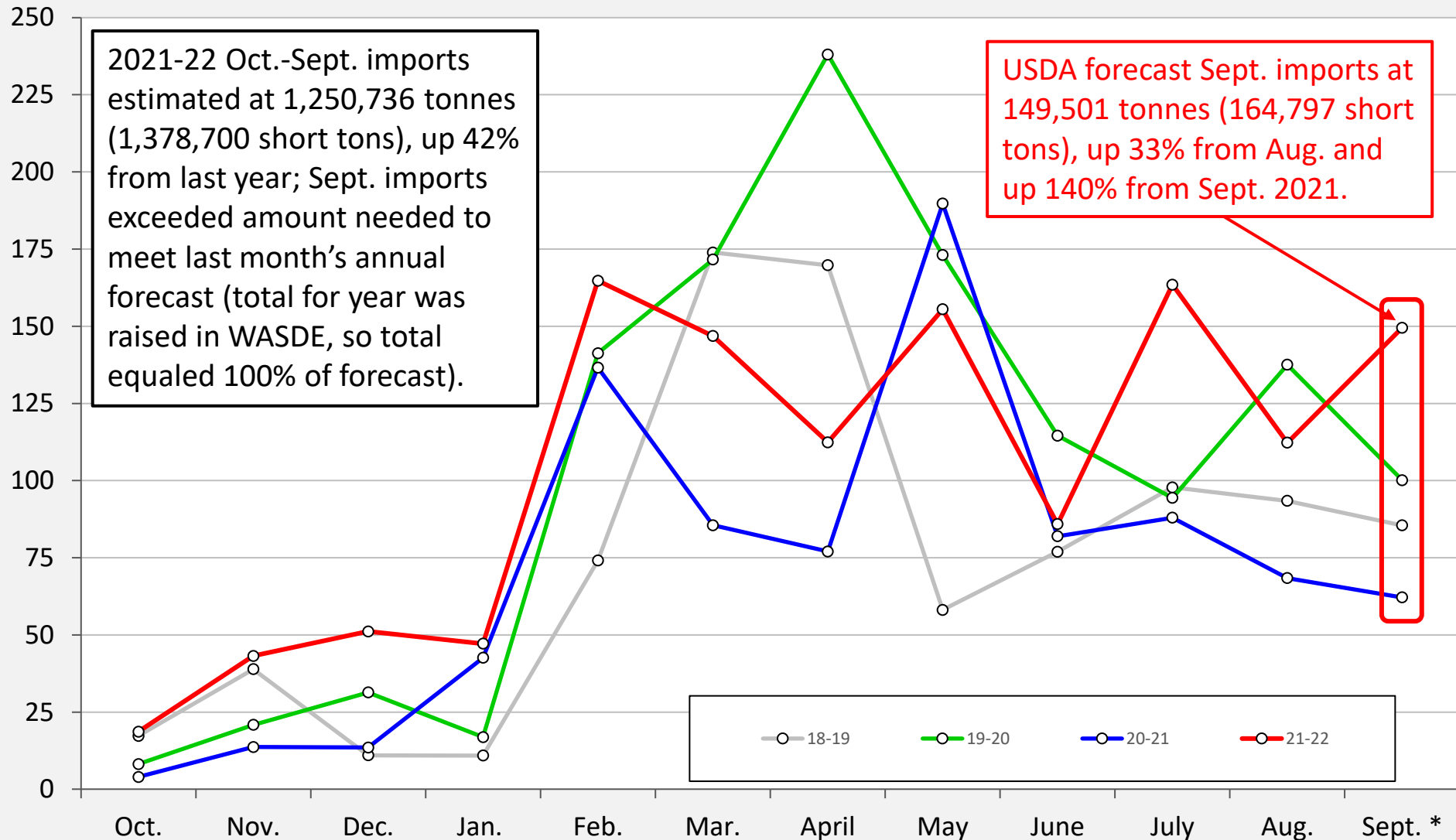
Annual S-T-U ratios, \*2023 S-T-U forecast by USDA; MW beet and NE refined cane sugar prices.



Source: USDA for S-T-U ratios and Sosland Publishing Co. for prices.

# SUA October 2022: Imports from Mexico

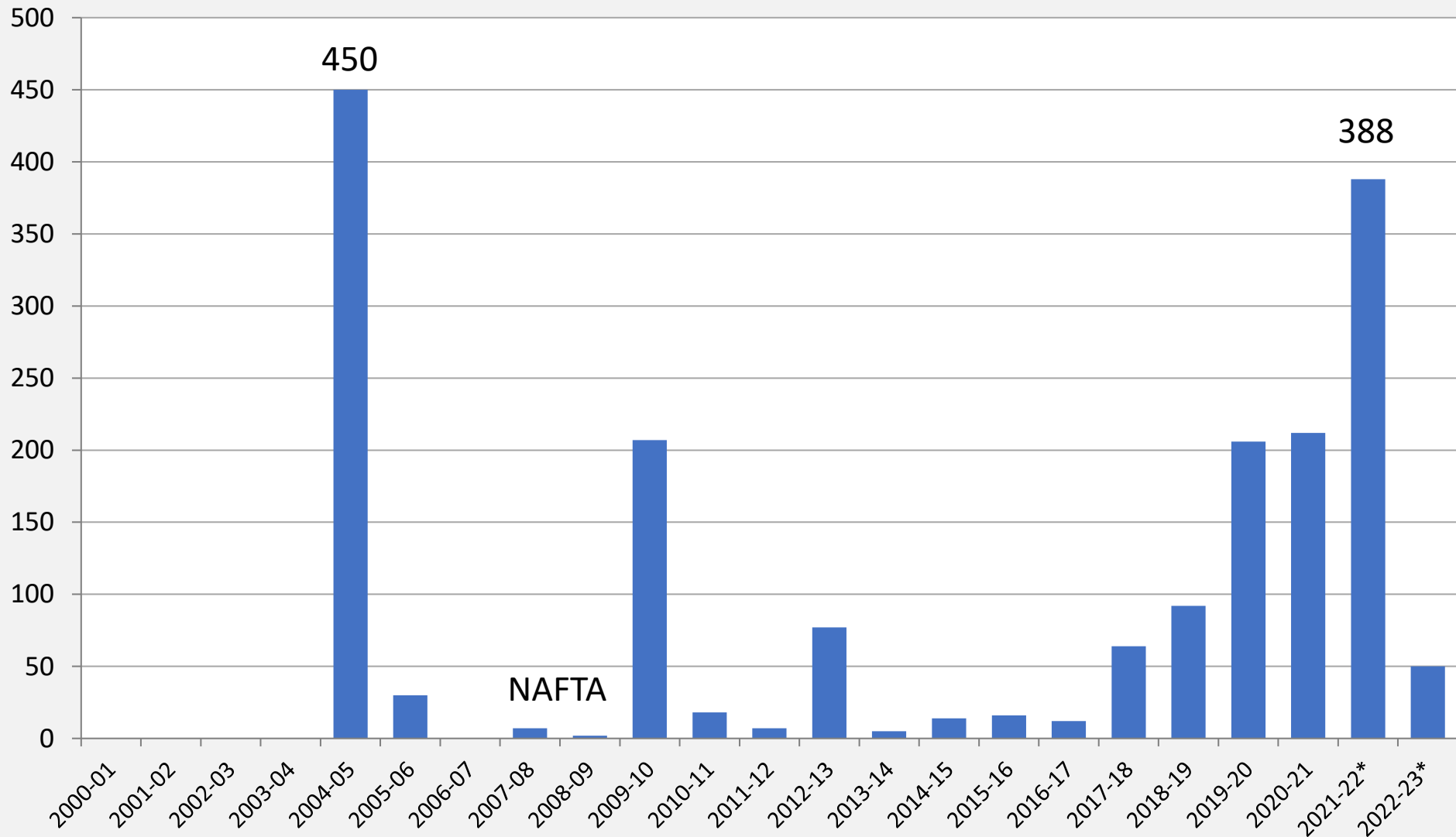
In 1,000 tonnes, raw value. \*2021-22 forecast by USDA. Sources: USDA and US Census Bureau.



Mexico exceeded forecast with very strong shipments in September, boosting total for year to higher USDA October estimate.

# SUA August 2022: Annual High-Tier Imports

In 1,000 short tons, raw value. Source: USDA WASDE reports.



High-tier imports weren't broken out from "other" in WASDE footnote until 2004-05, but total "other" was usually quite small.

# SUA October 2022: Year-To-Date Sugar Imports

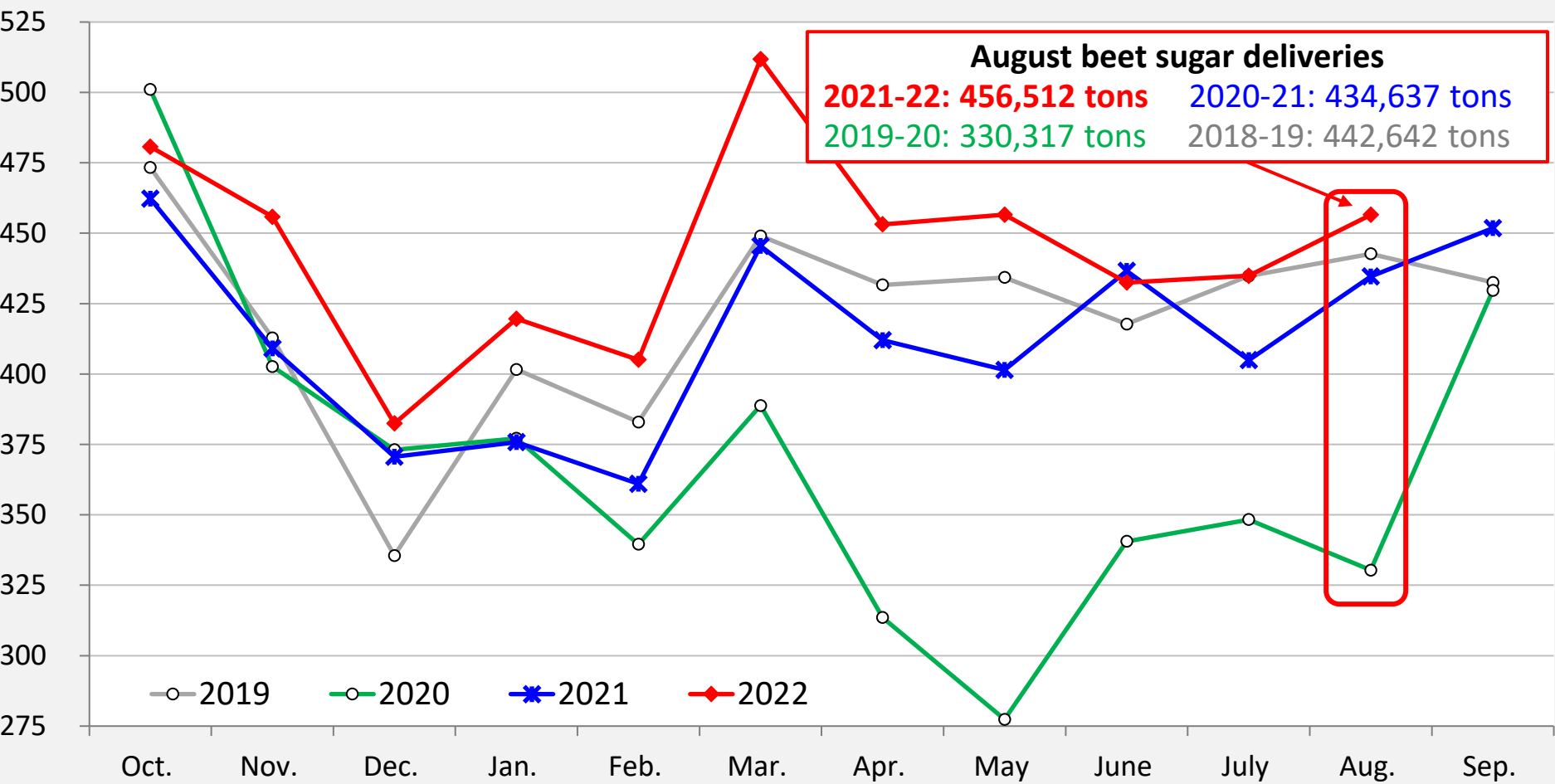
In short tons, raw value. Sources: USDA and US Census Bureau.

	<b>Oct.-Sept. 2021-22</b>	<b>% of Projected</b>	<b>Full-year Forecast*</b>
100% of 2021-22 elapsed			
WTO Raw TRQ	1,096,005	100%	1,096,004
WTO Refined TRQ	237,298	100%	237,298
FTA Sugar in TRQs	245,617	100%	245,617
Total Quota	1,578,920	100%	1,578,919
Re-export Program	297,901	100%	297,901
<b>Mexico</b>	<b>1,378,700</b>	100%	<b>1,378,700</b>
High-duty Sugar	388,223	100%	388,223
<b>Total Imports</b>	<b>3,643,744</b>	100%	<b>3,643,743</b>

- \*USDA adjusts projections to match actual imports for year in October (within 1).
- Full-year amounts for raw TRQ, refined TRQ, total TRQ, re-exports and total imports were lowered from September.
- Full-year amounts for FTA sugar TRQs, Mexico and high-duty imports were raised from September.
- Total imports were lowered 29,577 tons from September.

# SUA October 2022: Beet Sugar Deliveries

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

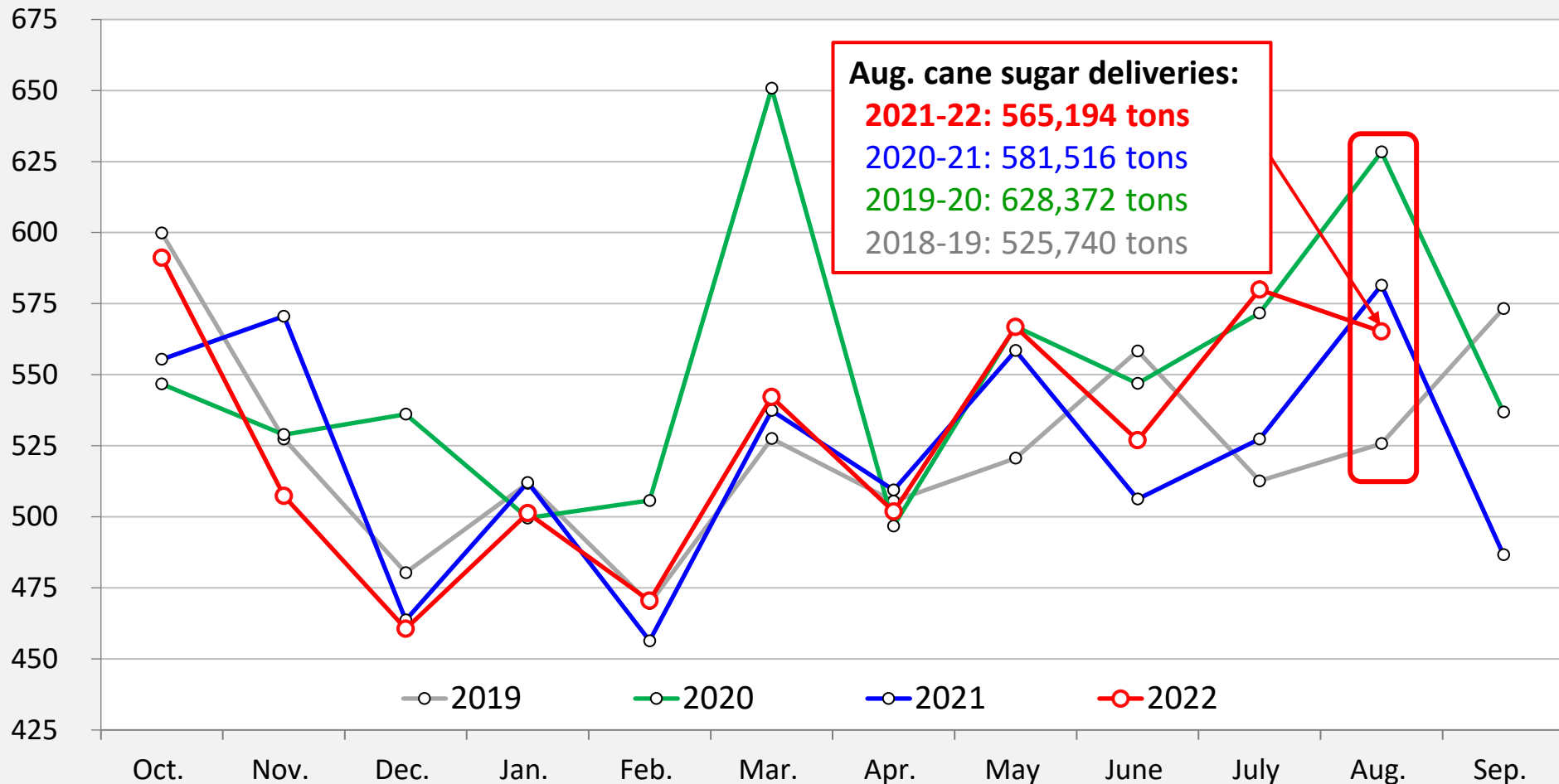


August beet sugar deliveries of 456,512 tons were up 0.7% from July and were up 7.4% from Aug. 2021. October-July deliveries of 4,432,307 tons were up 9% from the same period a year ago and were the highest on record for the period.



# SUA October 2022: Refined Cane Deliveries

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

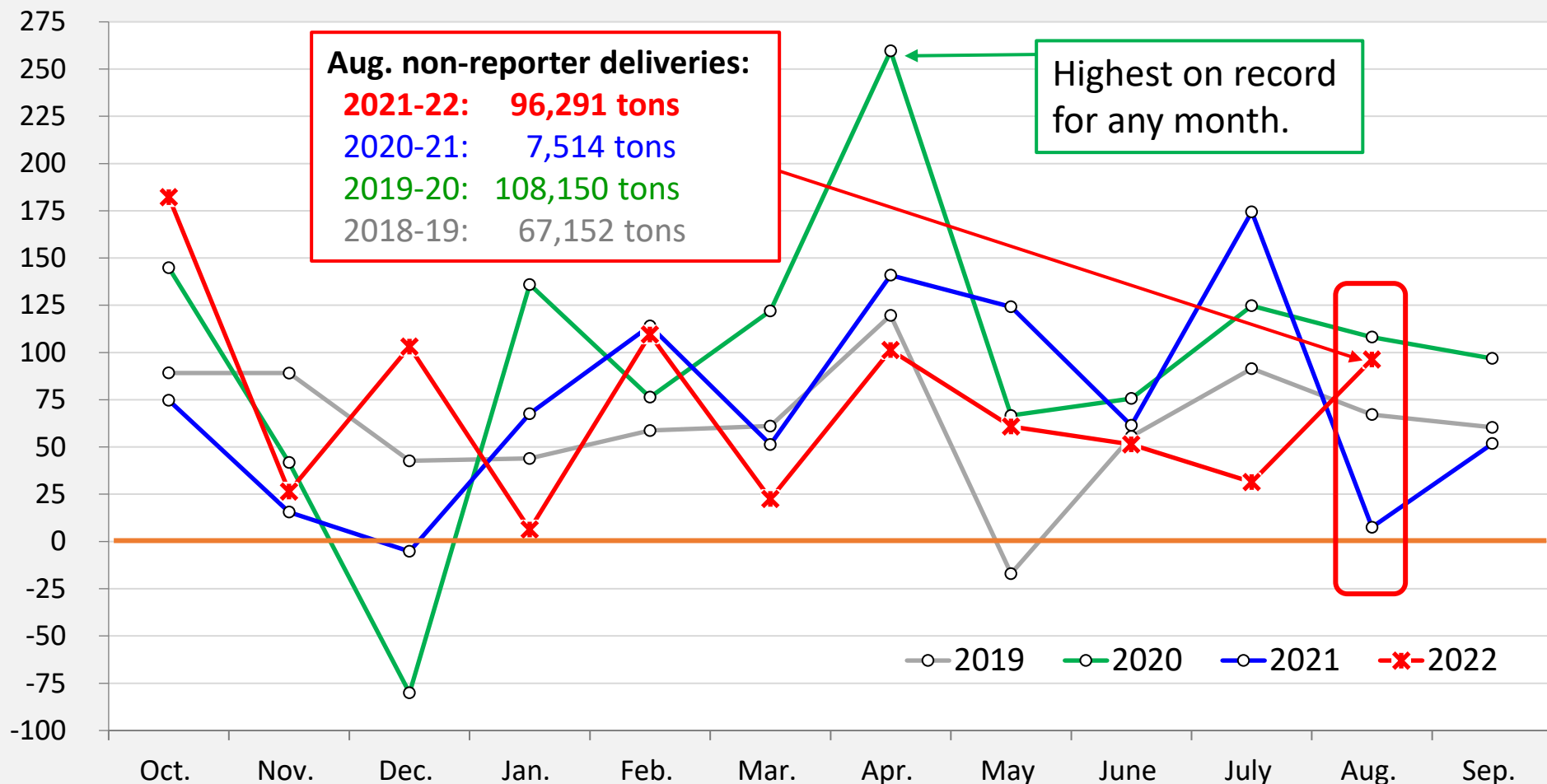


**Aug. cane sugar deliveries:**  
2021-22: 565,194 tons  
2020-21: 581,516 tons  
2019-20: 628,372 tons  
2018-19: 525,740 tons

August refined cane sugar deliveries of 565,194 tons were down 2.5% from July and down 2.8% from August 2021. Oct.-Aug. cane sugar deliveries of 5,813,475 tonnes were up 0.6% from same period last year and were the third highest on record for the period (2019-20 and 2015-16 were higher).

# SUA October 2022: Non-Reporter Deliveries

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



August N-R deliveries of 96,291 tons were three times the July amount, 12 times the August 2021 amount and second highest on record for month after 2020. Oct.-Aug. total of 790,950 tons was down 4% from the same period last year.

# SUA October 2022: Deliveries for Human Use

<u>PRODUCT OR BUSINESS OF BUYER</u>	<u>Oct.-Aug. Deliveries</u>	<u>Oct.-Aug. % change</u>	<u>Oct.-July % change</u>
<b>Total Deliveries/1</b> (short tons, <u>actual weight</u> )	10,072,577	<b>3.9</b>	<b>4.4</b>
<b>1-Bakery, cereal, and related products</b>	2,376,810	<b>6.1</b>	<b>6.0</b>
<b>5-Confectionery and related products</b>	1,087,872	<b>9.1</b>	<b>10.5</b>
<b>6-Ice cream and dairy products</b>	757,136	<b>1.4</b>	<b>1.3</b>
<b>7-Beverages</b>	733,376	<b>9.4</b>	<b>8.5</b>
8-Canned, bottled and frozen foods	360,663	1.5	3.3
<b>4-Multiple and all other food uses</b>	922,401	<b>-5.8</b>	<b>-7.0</b>
10-Non-food uses	109,339	-4.4	-4.2
11-Hotels, restaurants, institutions	86,121	3.5	5.5
<b>2-Wholesale grocers, jobbers, dealers</b>	2,240,291	<b>7.0</b>	<b>8.3</b>
<b>3-Retail grocers, chain stores</b>	1,148,058	<b>2.6</b>	3.6
12-Government agencies	14,609	-1.2	1.6
9-All other deliveries	235,901	-16.9	-12.7
<b>Total Deliveries/1</b> (short tons, <u>raw value</u> )	10,777,657	3.9	4.4
Crystalline:	9,136,946	3.1	3.7
<b>Consumer-size packages (retail)</b>	1,862,935	<b>-4.8</b>	<b>-3.8</b>
<b>Packages 50 lbs and greater</b>	2,949,427	<b>8.3</b>	<b>9.8</b>
<b>Unpackaged (bulk)</b>	4,324,584	<b>3.4</b>	<b>3.2</b>
<b>Non-crystalline/2</b>	1,640,711	<b>8.3</b>	<b>8.5</b>

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

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

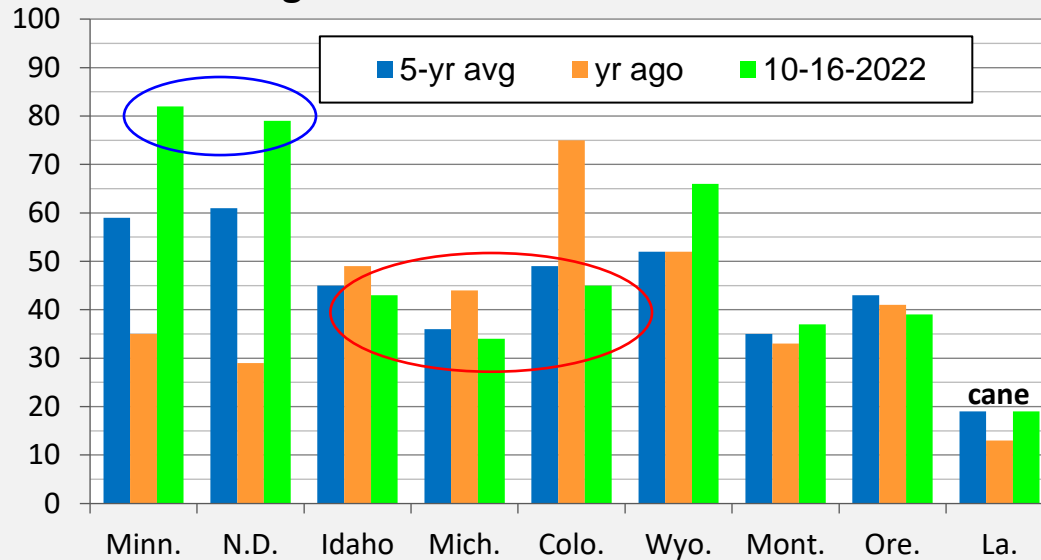
Source: USDA



# SUA October 2022: Sugar Beet/Cane Crops

As of Oct. 16, 2022. Source: USDA Crop Progress and individual state crop updates.

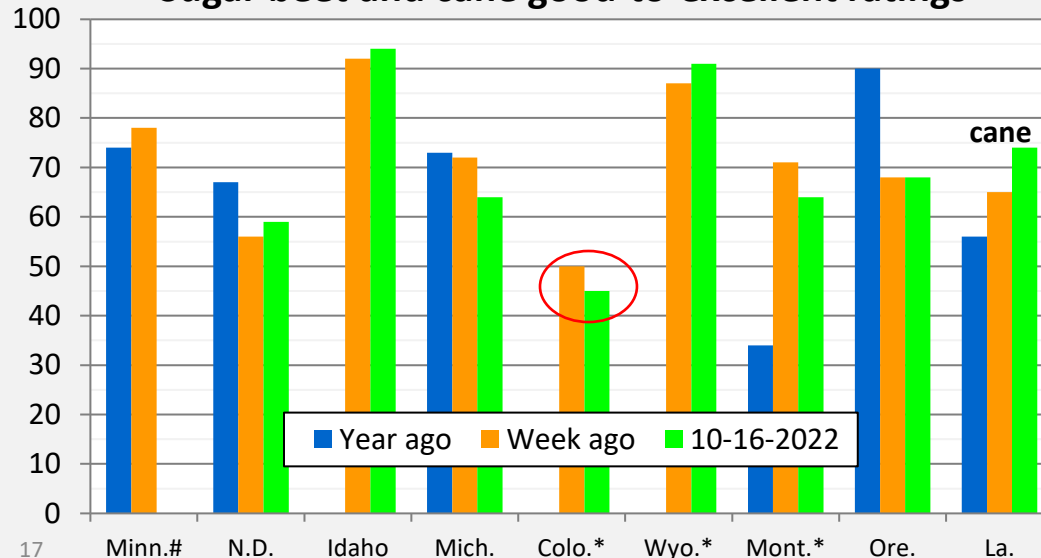
## Sugar beets and cane harvested



## HARVEST

Most RRV beet fields will dodge this week's hard freeze with harvest 82% completed in Minn. and 79% in ND, by far the furthest along of any state. Mich. is lagging due to warm weather. Colo. and Mont. continue to struggle. Also, some issues noted in Idaho. Louisiana cane harvest on 5-year pace.

## Sugar beet and cane good-to-excellent ratings



## CONDITION RATINGS

Rating aren't as significant once harvest is well along. Minnesota ended at 78% G-T-E; ND at 59%; Michigan and Montana dropped late in the season. Louisiana bouncing around but still one of the highest ratings for the date.

\*ratings all good.

#rating not issued for 10/16.

# SUA October 2022: Sugar Beet/Cane Production

As of Aug. 14, 2022. Source: USDA state crop updates.

Sugar beets <i>1,000 tons</i>	Oct.	Chg. from 2021		Chg. from Sept.	
	2022	Tons	%	Tons	%
Minnesota	11,081	(1,195)	-9.7%	(219)	-1.9%
N. Dakota	6,399	(83)	-1.3%	74	1.2%
Idaho	6,630	(85)	-1.3%	-	0.0%
Michigan	4,096	(1,215)	-22.9%	(124)	-2.9%
Nebraska	1,006	(391)	-28.0%	4	0.4%
Montana	988	(308)	-23.8%	(17)	-1.7%
California	1,116	21	1.9%	-	0.0%
Colorado	589	(206)	-25.9%	(14)	-2.3%
Wyoming	770	(133)	-14.7%	17	2.3%
Oregon	303	(91)	-23.1%	(3)	-1.0%
Washington	91	4	4.6%	-	0.0%
<b>US Total</b>	<b>33,069</b>	<b>(3,682)</b>	<b>-10.0%</b>	<b>(282)</b>	<b>-0.8%</b>

Total 2022 sugar beet production down 282,000 tons, or 0.8%, from Sept. and down 3,682,000 tons, or 10%, from 2021. Minn., Mich., Mont., Colo., Ore. all down from Sept. All but Calif. and Wash. down from 2021. WASDE has 2022-23 beet sugar production up 0.6% from 2021-22 (must be from forecast early 2023 beet harvest).

Sugar cane <i>1,000 tons</i>	Oct.	Chg. from 2021		Chg. from Sept.	
	2022	Tons	%	Tons	%
Florida	17,367	180	1.0%	(79)	-0.5%
Louisiana	15,990	1,465	10.1%	440	2.8%
Texas	800	(326)	-29.0%	(72)	-8.3%
<b>US Total</b>	<b>34,157</b>	<b>1,319</b>	<b>4.0%</b>	<b>289</b>	<b>0.9%</b>

Total sugar cane production raised 289,000 tons, or 0.9%, from Sept. and raised 1,319,000 tons, or 4%, from 2021. October production lowered from Sept. in Florida and Texas but raised in Louisiana. Both Florida and Louisiana up from 2021.

# SUA October 2022: Cash Sugar Prices

## Pricing for 2022-23

Beet is not offered by most processors who likely will not re-enter the market based on beet crop harvest. Current offers from Michigan Sugar Co. around 57c a lb f.o.b. on a very limited basis.

Refined cane offered at 59c a lb NE/West Coast and 58c a lb f.o.b. Southeast/Gulf for calendar 2023; one refiner at 56c a lb f.o.b. Southeast; one refiner offering cane at 68c a lb f.o.b spot through Dec. 31, 2022.

## Pricing for 2023-24

Sales continue for Oct.-Dec. 2023; beet sugar offered at 45c a lb f.o.b. Midwest and cane at 49.50c f.o.b. Southeast, both unchanged from Sept.

## Recent developments and factors to watch, tight supplies continue

- Processors' beet sugar supplies are highly committed for 2022-23.
- Cane refiners are better sold than usual for date; one sold out.
- Watch late season beet harvest weather.
- Processors and distributors still report active inquiries for 2022-23.
- West Coast (other?) beet sugar users switching to cane sugar.
- Imports still are a challenge esp. on West Coast.

# SUA October 2022: New York #16 Raw Futures

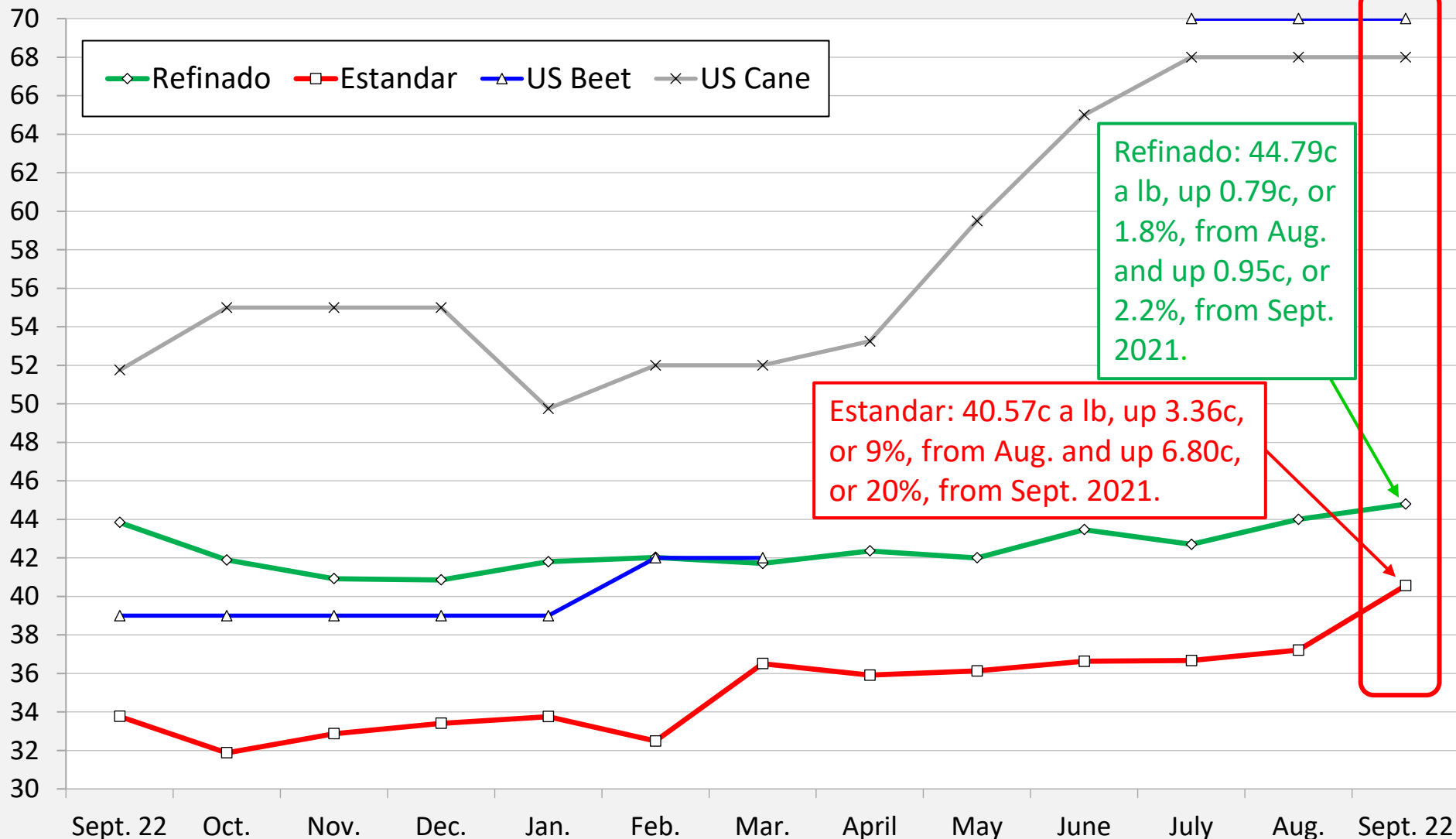
ICE domestic raw sugar futures as of Oct. 12, 2022, in cents per lb. Source: Tech Nova

Contract	Last	Net Change	High	Low	Volume	Open Interest	Time	Settlement
ESFF23 (D10)	34.76 S	0.00			0	2125	1:05:39 PM EDT - 10/12/22	34.76 S
ESFH23 (D10)	34.76 S	0.00			0	2755	1:05:39 PM EDT - 10/12/22	34.76 S
ESFK23 (D10)	35.00 S	0.00			0	2542	1:05:39 PM EDT - 10/12/22	35.00 S
ESFN23 (D10)	35.00 S	0.00			0	2109	1:05:39 PM EDT - 10/12/22	35.00 S
ESFU23 (D10)	35.00 S	0.00			0	1960	1:05:39 PM EDT - 10/12/22	35.00 S
ESFX23 (D10)	35.00 S	0.00			0	624	1:05:39 PM EDT - 10/12/22	35.00 S
ESFF24 (D10)	35.00 S	0.00			0	169	1:05:39 PM EDT - 10/12/22	35.00 S
ESFH24 (D10)	34.00 S	0.00			0	182	1:05:39 PM EDT - 10/12/22	34.00 S
ESFK24 (D10)	34.00 S	0.00			0	70	1:05:39 PM EDT - 10/12/22	34.00 S
ESFN24 (D10)	34.00 S	0.00			0	50	1:05:39 PM EDT - 10/12/22	34.00 S
ESFU24 (D10)	34.00 S	0.00			0		1:05:39 PM EDT - 10/12/22	34.00 S

- Domestic raw sugar futures are down about 0.50c a lb from a month ago in nearby months and are down about 1.5c a lb in later months.
- Domestic raws are down about 2c a lb nearby from a year ago and are down about 0.25c to 1c a lb March-September 2023 but are about 2c a lb higher thereafter.
- Deferred prices reflect expectations of continued supply tightness; 34c to 35c raws equate to about 50c refined prices (refined cane currently offered at 59c).
- Deliveries against November were light.

# SUA October 2022: US & Mexico Sugar Prices

Average monthly cash prices, cents/lb. Sources: USDA and Sosland Publishing Co.



Refinado: 44.79c a lb, up 0.79c, or 1.8%, from Aug. and up 0.95c, or 2.2%, from Sept. 2021.

Estandar: 40.57c a lb, up 3.36c, or 9%, from Aug. and up 6.80c, or 20%, from Sept. 2021.

US spot refined cane averaged 68c a lb in September; spot beet sugar was nominally 70c a lb with limited supplies.

# SUA October 2022: Mexico WASDE

In 1,000 tonnes, actual weight. Source: USDA October 2022 WASDE.

	October	Change from		October	Change from	
	<u>21-22</u>	<u>Sept.</u>	<u>20-21</u>	<u>22-23</u>	<u>Sept.</u>	<u>21-22</u>
<b>Begin. Stocks</b>	1,053	-	195	947	-	(106)
<b>Production</b>	6,185	-	470	5,900	(100)	(285)
<b>Imports</b>	50	-	(15)	50	-	-
<b>Total Supply</b>	7,288	-	650	6,897	(100)	(391)
<b>Exports</b>	1,794	-	629	1,403	(100)	(391)
<b>Domestic Use</b>	4,547	-	127	4,547	-	-
<b>Total Use</b>	6,341	-	756	5,950	(100)	(391)
<b>Ending Stocks</b>	947	-	(106)	947	-	-
<b>S-T-U (total)</b>	14.9%	-	-4.0	15.9%	-	+1.0
<b>S-T-U (dom.)</b>	20.8%	-	-3.0	20.8%	-	-

**2021-22:** No changes from September.

**2022-23:** Production lowered 100,000 tonnes from September due to dryness, lower fertilizer and other inputs due to high costs, some field labor shortages.

Concern about drought persists in parts of Mexico.

# SUA October 2022: Global Sugar Overview

## ■ Global supply/demand fundamentals

- Tight nearby supplies of whites and raws.
- India seen exporting 7-9 million tonnes of sugar in 22-23, down from record 11.2 million tonnes in 21-22 (all without export subsidies); first export tranche of 5 million tonnes to be announced shortly.
- Brazil's sugar production forecast lowered due to heavy rainfall in last half of 2022-23 season; energy prices/taxes & politics also factors.
- Philippines not to ship US TRQ in 2022-23 (3<sup>rd</sup> year); will import.
- European, Ukraine sugar production lower in 2022-23; EU imports up.
- EU beet processors struggle with fuel, NG supply shortages.
- Modest global sugar surplus expected in 2022-23.
- COVID shutdowns, possible recession remain concerns for demand.

## ■ Pricing

- Lower energy (crude globally and gasoline in Brazil) have pressured world raw sugar prices; impact of OPEC crude oil production cut.
- Strong dollar encourages exports; India exports may limit price gains.
- EU refined sugar prices up sharply from year ago.

# SUA October 2022: New York #11 Raw Futures

ICE world raw sugar futures as of Oct. 12, 2022, in cents per lb. Source: Tech Nova

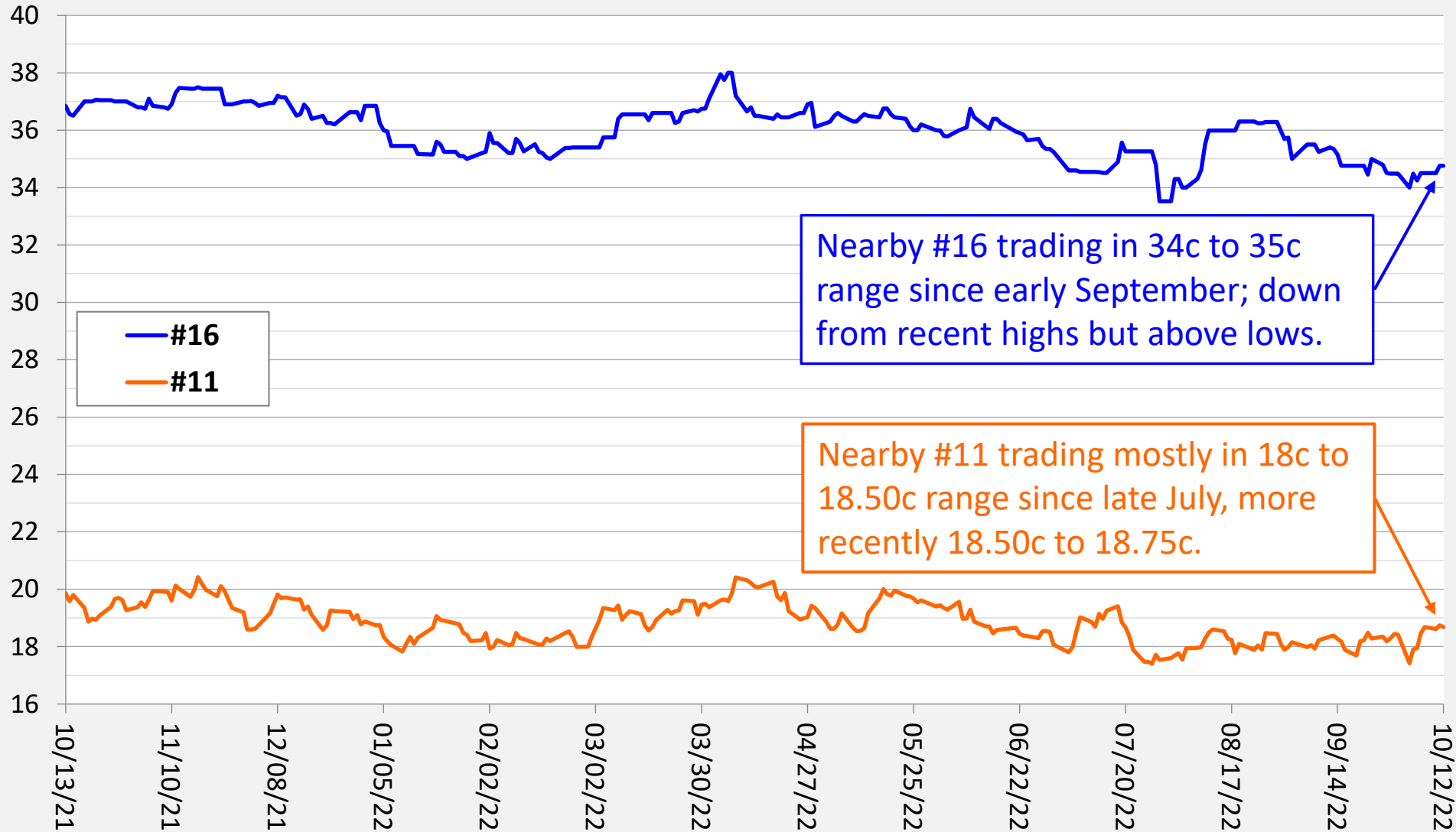
Contract	Last	Net Change	High	Low	Volume	Open Interest	Time	Settlement
ESBH23 (D10)	18.68 S	-0.06	18.94	18.57	64102	325219	1:01:10 PM EDT - 10/12/22	18.68 S
ESBK23 (D10)	17.80 S	-0.01	17.96	17.70	16551	133919	1:01:10 PM EDT - 10/12/22	17.80 S
ESBN23 (D10)	17.29 S	0.04	17.40	17.19	10571	89369	1:01:10 PM EDT - 10/12/22	17.29 S
ESBV23 (D10)	17.28 S	0.05	17.36	17.19	6231	61205	1:01:10 PM EDT - 10/12/22	17.28 S
ESBH24 (D10)	17.45 S	0.06	17.51	17.37	2869	34378	1:01:10 PM EDT - 10/12/22	17.45 S
ESBK24 (D10)	16.84 S	0.05	16.88	16.76	1236	9296	1:01:10 PM EDT - 10/12/22	16.84 S
ESBN24 (D10)	16.41 S	0.04	16.41	16.33	643	10829	1:01:10 PM EDT - 10/12/22	16.41 S
ESBV24 (D10)	16.25 S	0.04	16.25	16.13	465	10195	1:01:10 PM EDT - 10/12/22	16.25 S
ESBH25 (D10)	16.29 S	0.04	16.25	16.17	140	6204	1:01:10 PM EDT - 10/12/22	16.29 S
ESBK25 (D10)	15.90 S	0.01	15.85	15.82	55	5119	1:01:10 PM EDT - 10/12/22	15.90 S
ESBN25 (D10)	15.71 S	0.01	15.63	15.63	102	1476	1:01:10 PM EDT - 10/12/22	15.71 S

- Nearby world raw futures up modestly from month ago on tight global supplies, but down 1.5c to 2c from year ago (nearby hit 4½-year high in October 2021).
- Deferred contracts mostly down from month ago, but up slightly from year ago.
- Spec funds switched from net short to net long last week, but not necessarily bullish with global surplus expected.
- Strong exports from India will limit gains in world raw prices.
- Deliveries against October were relatively light.



# SUA October 2022: World/Domestic Futures

Nearby ICE New York raw sugar futures, in cents per lb, as of Oct. 12, 2022.



# SUA October 2022: Corn Sweeteners

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

## 42% HFCS Spot

	<u>2023</u>	<u>2022</u>
Midwest	29-33A	25½-29
Northeast	30-34A	27-30½
Southeast	31-35A	27¼-30¾
South	30-34A	26¾-30¼
West	32-36A	27½-31¾

Dextrose is leading CS market higher with offers up \$20 a cwt from 2022 at \$70 a cwt in some cases; distributors even higher. Regular corn syrup (glucose) offers up about \$10-\$11 a cwt. 55% HFCS offers up about \$6-\$7 a cwt. 42% HFCS offers up about \$5-\$6 a cwt. One refiner may import corn sweeteners from offshore plants. Some refiners only offering to existing customers. Likely a more critical supply situation than sugar.

## 55% HFCS Spot

	<u>2023</u>	<u>2022</u>
Midwest	38-42A	32¾-38¾
Northeast	40-44A	34¼-40¼
Southeast	40-44A	34¼-40¼
South	40-44A	34-40
West	41-45A	34¾-40¾

The USDA in its October Feed Outlook forecast corn used for HFCS in 2021-22 up slightly from September estimate, down slightly for glucose/dextrose and starch; 2022-23 forecasts were unchanged from September.

## Corn Syrup Spot

	<u>2023</u>	<u>2022</u>
Midwest	43-47A	37-43
Northeast	45-49A	39-45
Southeast	45-49A	39-45
South	46-50A	40-46
West	47-51A	41-47

## Dextrose Spot

	<u>2023</u>	<u>2022</u>
East	70A	50-55
Midwest	70A	49-54
South	70A	51-56
West	70A	52-57

The USDA in its October crop report forecast 2022 corn production at 13,895 million bus, down 0.35% from Sept. and down 8% from 2021. Average price paid to farmers was forecast at \$6.80, up 5c from Sept., up 80c (13%) from 2021-22 and up \$2.27 (50%) from 2020-21.

## ■ In the Domestic Sweetener Market

- Definition of “healthy” as related to added sugars.
- Push for front-of-label “warnings”.
- Mid-term elections and Farm Bill.
- US Sugar/Imperial deal not final but appears likely.
- Beet processors mostly out of market for 2022-23.
- Possible demand deterioration due to high prices (recession).
- The rail strike is back on the table.
- West Coast port workers still without contract.
- Soaring corn sweetener prices; limited supplies.

## ■ In the Global Sugar Market

- Brazil production lowered due to rain; price influences mixed.
- Outcome of Brazil presidential run-off vote.
- Strong India sugar exports amid strong 2022-23 production.
- Production in EU, Ukraine, Russia; Philippine and EU imports.
- Adjustments to forecast 2022-23 global surplus.

# SUA October 2022: Conclusions

- **Domestic Sweetener Market**
  - No relief in sight for tight spot supplies in 2022-23.
  - Cane sugar prices near 60c a lb for calendar 2023; spot beet sugar mainly available from distributors.
  - Soaring corn sweetener prices causing demand destruction.
  - Imports may be tight as Mexico battles dryness, Brazil wetness.
  - Best to have sugar fully contracted for 2023, early 2023-24.
- **Global Sugar Market**
  - Nearby No. 11 raws at premium due to tight supplies, but longer-term still somewhat bearish due to global surplus.
  - Strong production/exports from India.
  - Brazil sugar production below early expectations.
  - EU and Philippines are importing.
  - Demand appears to be stabilizing post-Covid at 1.5% annual increase (population growth), but recession, logistics, other factors may cause short-term disruptions.