

Sweetener Users Association Conference Call

November 11, 2022

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SUA November 2022: What's Happening in Sugar?

■ Domestic

- Western Sugar Coop. declares force majeure (-70,000 tons or so)
- Beet harvest is wrapping up with USDA forecasting higher sugar beet production (but lower beet sugar production).
- Cane harvest is going strong, esp. in Louisiana.
- Refined sugar prices have firmed since October.
- Very little uncommitted beet sugar available (distributors).
- Beet processors are out of the market for rest of 2022-23.
- Inquiries continue for 2022-23.
- SMD showed deliveries dropped in September.

■ Global

- Prices have been firming but analysts suggest limited upside.
- India announces subsidy-free export quota of 6 million tonnes.
- Brazil production uncertain; better prospects for 2023-24.
- France again lowers sugar beet forecast.
- China demand remains uncertain.

SUA November 2022: S/D Overview - Sugar

- **US Sugar supply/demand – November 2021-22**
 - USDA lowers cane sugar production, raises beet and total production.
 - Minor increase in high-tier imports from October.
 - Deliveries for food lowered 82,000 tons “attributable to very low direct consumption imports in September.”
 - Ending stocks raised 41,000 tons; S-T-U ratio to 14.3% from 14%.
- **US Sugar supply/demand – November 2022-23**
 - Beginning stocks raised 41,000 tons.
 - Beet sugar lowered about 111,000 tons, cane raised 43,000 tons.
 - TRQ, other program imports unchanged.
 - Mexico imports lowered 194,000 tons from October.
 - High-tier imports raised 25,000 tons (still low).
 - Deliveries lowered 25,000 tons.
 - Ending stocks lowered 171,000 tons from October.
 - S-T-U ratio lowered to 13.5% from 14.8% in October.
 - Market even tighter than 13.5%.

SUA November 2022: USDA 21-22 WASDE

<i>1000 short tons</i>	November	Change from Oct.		Change from 20-21	
<i>raw value</i>	<u>21-22</u>	<u>Tons</u>	<u>%</u>	<u>Tons</u>	<u>%</u>
Begin. Stocks	1,705	-	0.0%	87	5.4%
Production	9,135	18	0.2%	(98)	-1.1%
Beet	5,155	77	1.5%	63	1.2%
Cane	3,979	(60)	-1.5%	(162)	-3.9%
Imports	3,646	2	0.1%	425	13.2%
T.R.Q.	1,579	-	0.0%	(170)	-9.7%
Other Prog.	298	-	0.0%	6	2.1%
Mexico	1,379	-	0.0%	411	42.5%
High Tier	390	2	0.5%	178	84.0%
Ttl Supply	14,485	20	0.1%	413	2.9%
Exports	29	(6)	-17.1%	(20)	-40.8%
Deliveries	12,578	(79)	-0.6%	301	2.5%
Food	12,470	(80)	-0.6%	309	2.5%
Other	107	-	0.0%	(9)	-7.8%
Misc.	65	65	-	25	62.5%
Total Use	12,671	(21)	-0.2%	304	2.5%
Ending Stocks	1,814	41	2.3%	109	6.4%
Stocks-to-use	14.3%	+0.3	-	+0.5	-

No separate estimates from me since it's last year;
 14.3% S-T-U doesn't reflect tightness or 68c cane sugar at yearend.

SUA November 2022: USDA 22-23 WASDE

1000 short tons	November	November	Change from Oct.		Change from 21-22		RS-SPC
<i>raw value</i>	<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	1,814	41	2.3%	109	6.4%	1,815
Production	9,135	9,086	(68)	-0.7%	(49)	-0.5%	9,080
Beet	5,155	4,994	(112)	-2.2%	(161)	-3.1%	4,980
Cane	3,979	4,091	43	1.1%	112	2.8%	4,100
Imports	3,646	3,441	(169)	-4.7%	(205)	-5.6%	3,350
T.R.Q.	1,579	1,691	-	0.0%	112	7.1%	1,600
Other Prog.	298	250	-	0.0%	(48)	-16.1%	250
Mexico	1,379	1,425	(194)	-12.0%	46	3.3%	1,400
High Tier	390	75	25	50.0%	(315)	-80.8%	100
Ttl Supply	14,485	14,341	(196)	-1.3%	(144)	-1.0%	14,245
Exports	29	35	-	0.0%	6	20.7%	35
Deliveries	12,578	12,605	(25)	-0.2%	27	0.2%	12,630
Food	12,470	12,500	(25)	-0.2%	30	0.2%	12,525
Other	107	105	-	0.0%	(2)	-1.9%	105
Misc.	65	-	-	-	(65)	-	-
Total Use	12,671	12,640	(25)	-0.2%	(31)	-0.2%	12,665
Ending Stocks	1,814	1,701	(171)	-9.1%	(113)	-6.2%	1,580
Stocks-to-use	14.3%	13.5%	-1.3		-0.8		12.5%

Green column – I think beet sugar will be lowered more, cane raised slightly. High prices and lower supply may keep more sugar in Mexico. High-tier probably even higher. I have food deliveries a bit higher. S-T-U at 12.5%.

SUA November 2022: November SMD (Sept. data)

Source: USDA.

-- Monthly --

<i>Short tons,</i>	September	% change
<i>Raw value</i>	<u>2021-22</u>	<u>from 20-21</u>
Beginning stocks	2,014,267	+6.2%
Total production	485,823	-15.4%
Beet	431,619	-23.2%
Cane	54,204	-
Total imports	331,142	+37.8%
Total supply	2,831,232	+4.4%
Total exports	1,668	+9.7%
Total deliveries	983,450	-1.6%
Deliveries, human use	976,911	-1.3%
Misc. supply adj.	32,090	471.4%
Total use	1,017,207	+1.1%
Ending stocks	1,814,025	+6.4%

SUPPLY

Lower September beet sugar production reflected the late start to the harvest season.

Imports again were up sharply from a year earlier.

USE

Monthly deliveries finally dropped below same month a year ago in September; higher total use based in part on “misc. adjustment.”

SUA November 2022: Oct.-Sept. SMD Data

Source: USDA.

-- Full 2021-22 --

<i>Short tons,</i> <i>Raw value</i>	Oct.-Sept. 2021-22	% change from 20-21
Beginning stocks	1,704,830	+5.4%
Total production	9,134,791	-1.1%
Beet	5,155,389	+1.2%
Cane	3,979,402	-3.9%
Total imports	3,645,742	+13.2%
Total supply	14,485,363	+2.9%
Total exports	28,941	-41.5%
Total deliveries	12,577,555	+2.4%
Deliveries, human use	12,470,154	+2.5%
Misc. supply adj.	64,842	+61.5%
Total use	12,671,338	+2.5%
Ending stocks	1,814,025	+6.4%

SUPPLY

Oct.-Sept. total production down as lower cane outturn more than offset higher beet sugar.

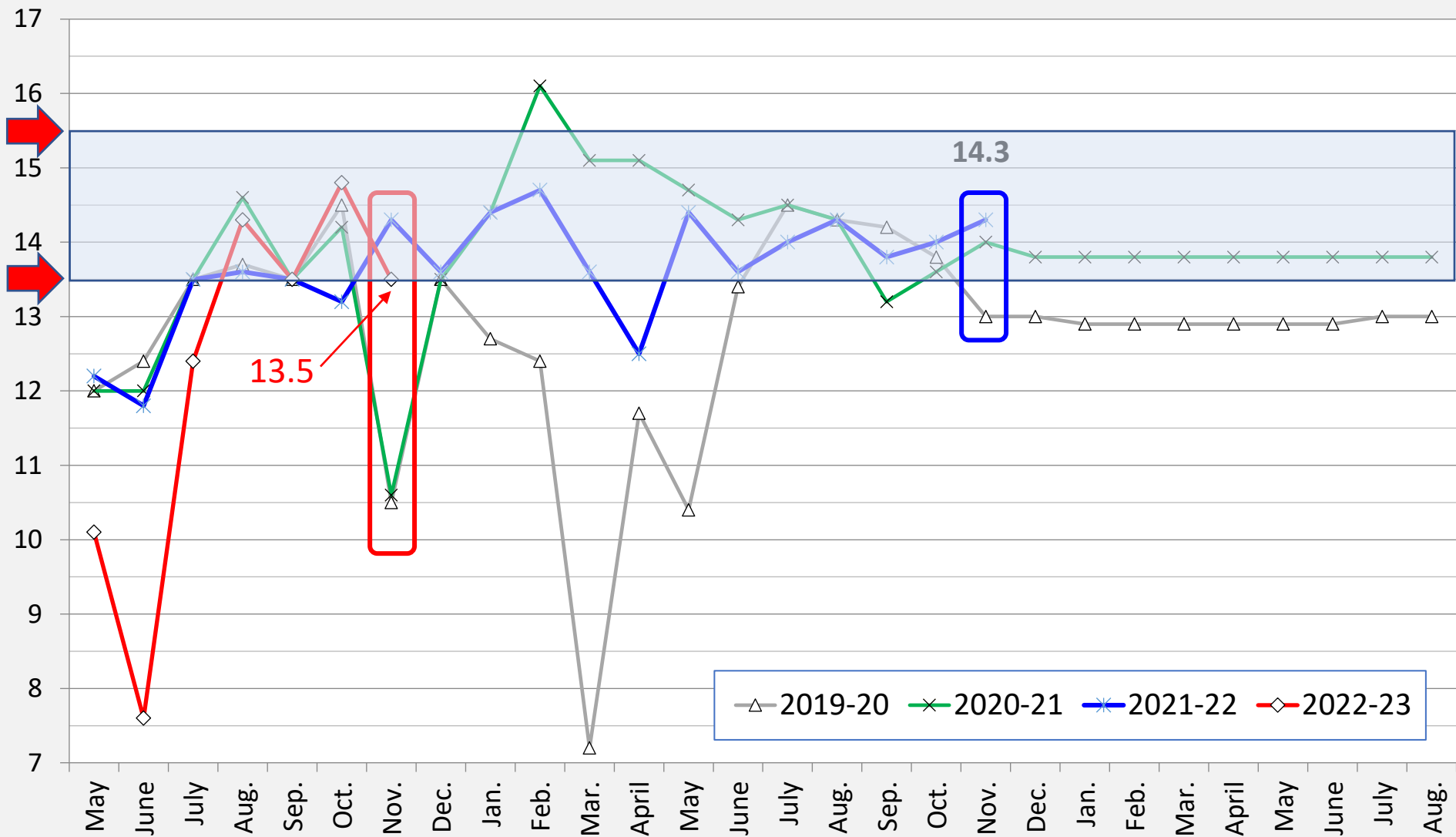
Imports up sharply.

USE

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

SUA November 2022: Monthly S-T-U Ratios

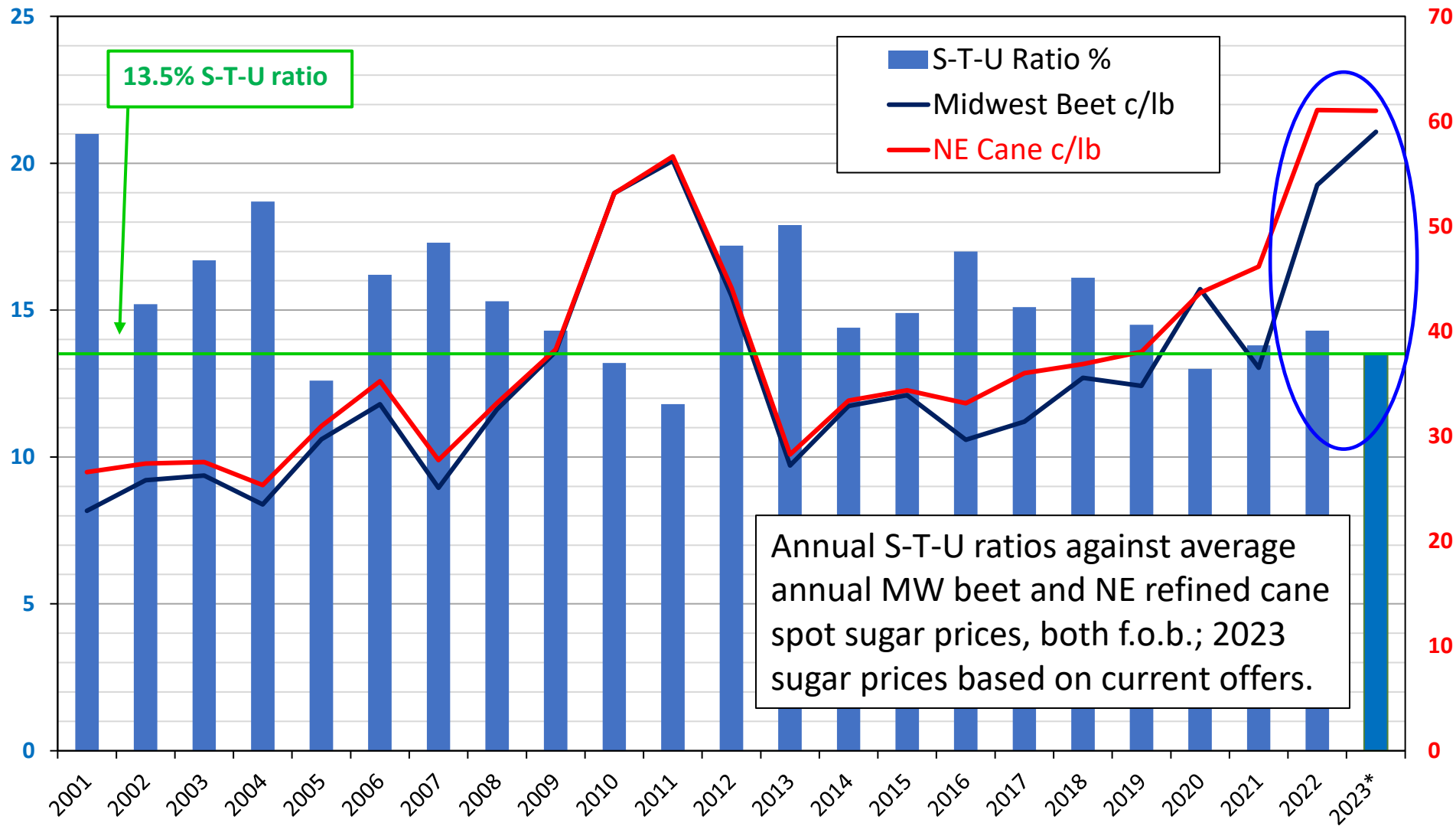
Monthly S-T-U ratios starting in May with initial USDA projection. In percent.



Source: USDA.

SUA November 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.

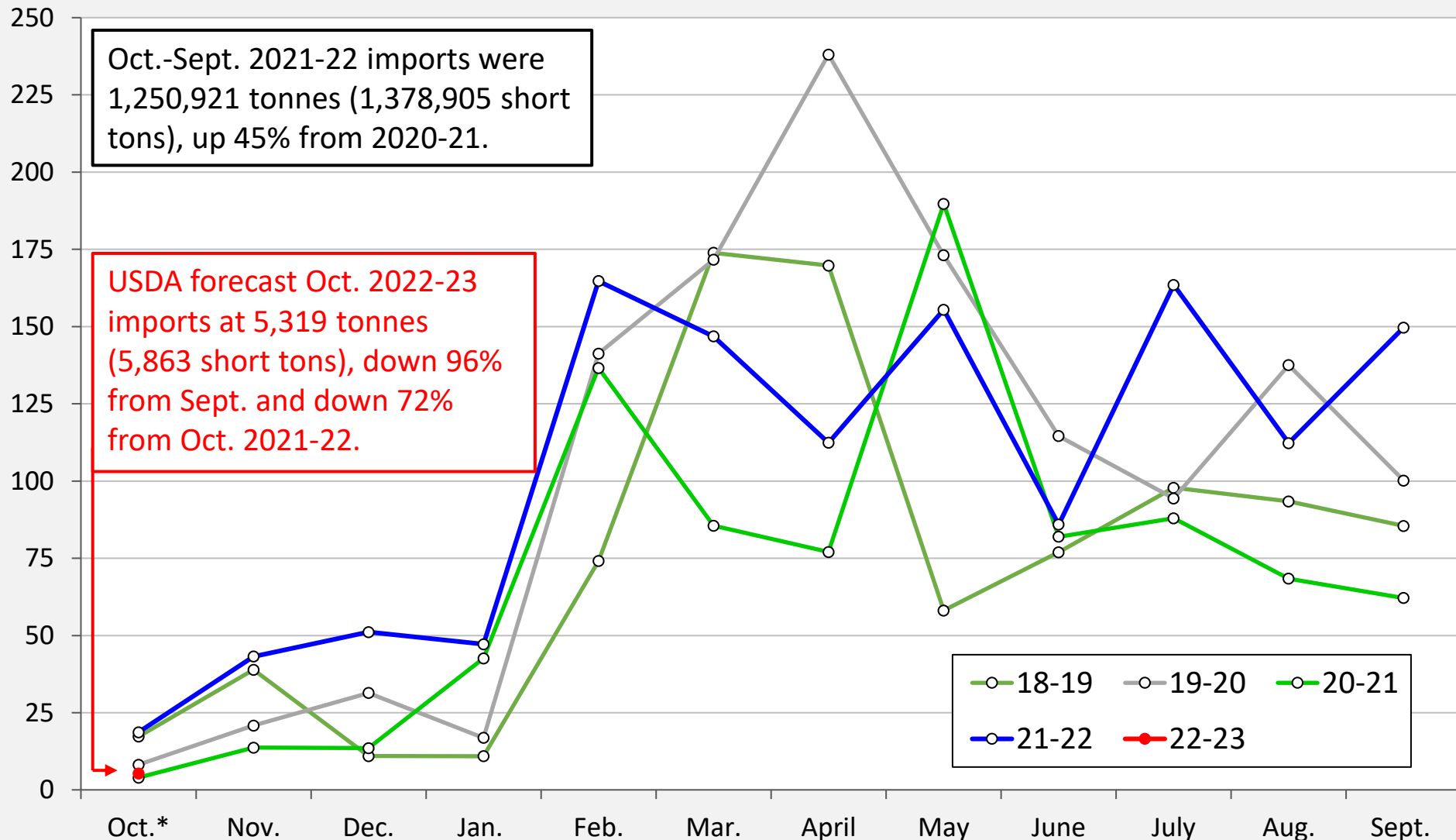


Annual S-T-U ratios against average annual MW beet and NE refined cane spot sugar prices, both f.o.b.; 2023 sugar prices based on current offers.

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

SUA November 2022: Imports from Mexico

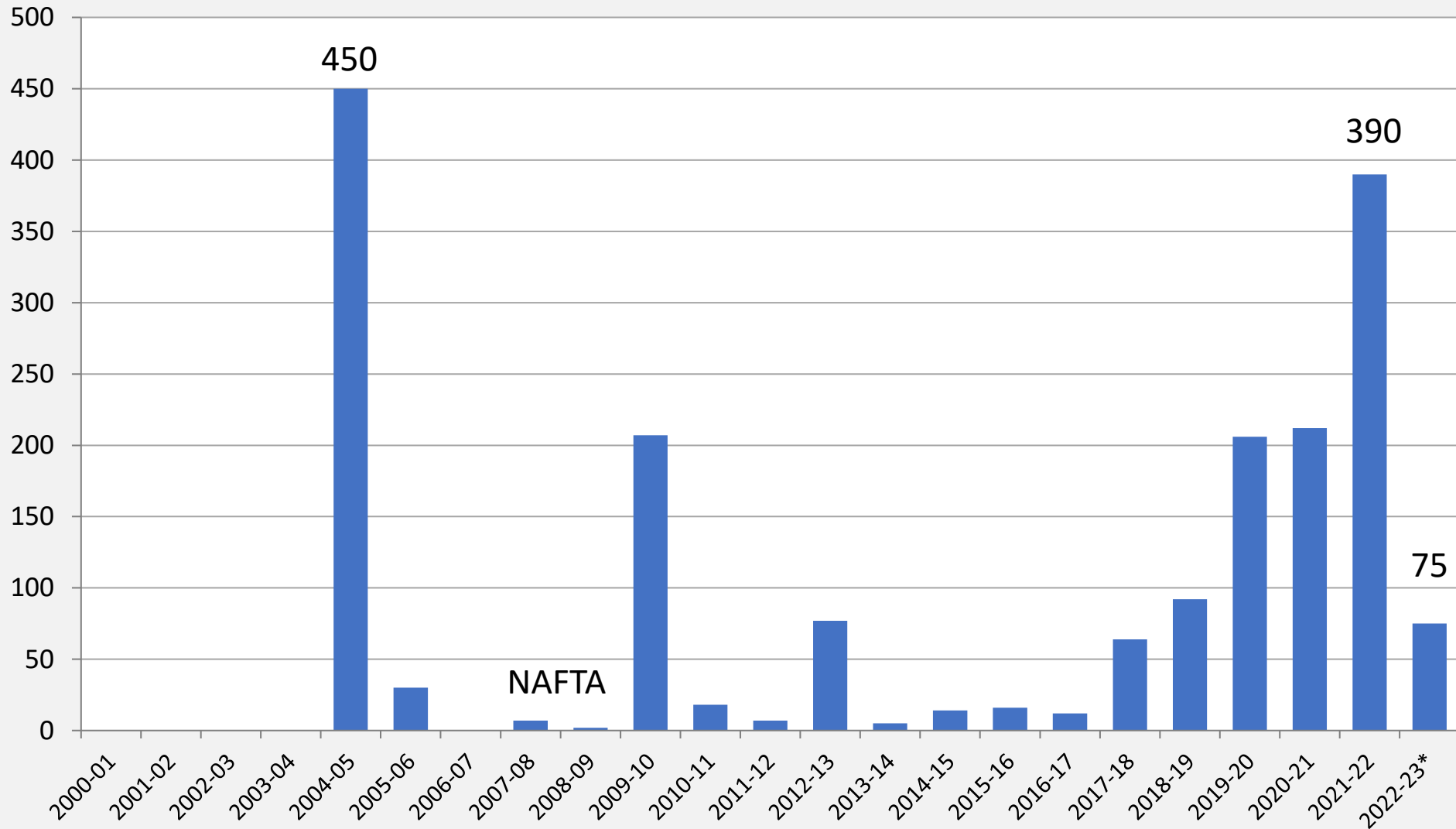
In 1,000 tonnes, raw value. *2022-23 forecast by USDA. Sources: USDA and US Census Bureau.



October imports from Mexico typically light for month.

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 November 2022: Year-To-Date Sugar Imports

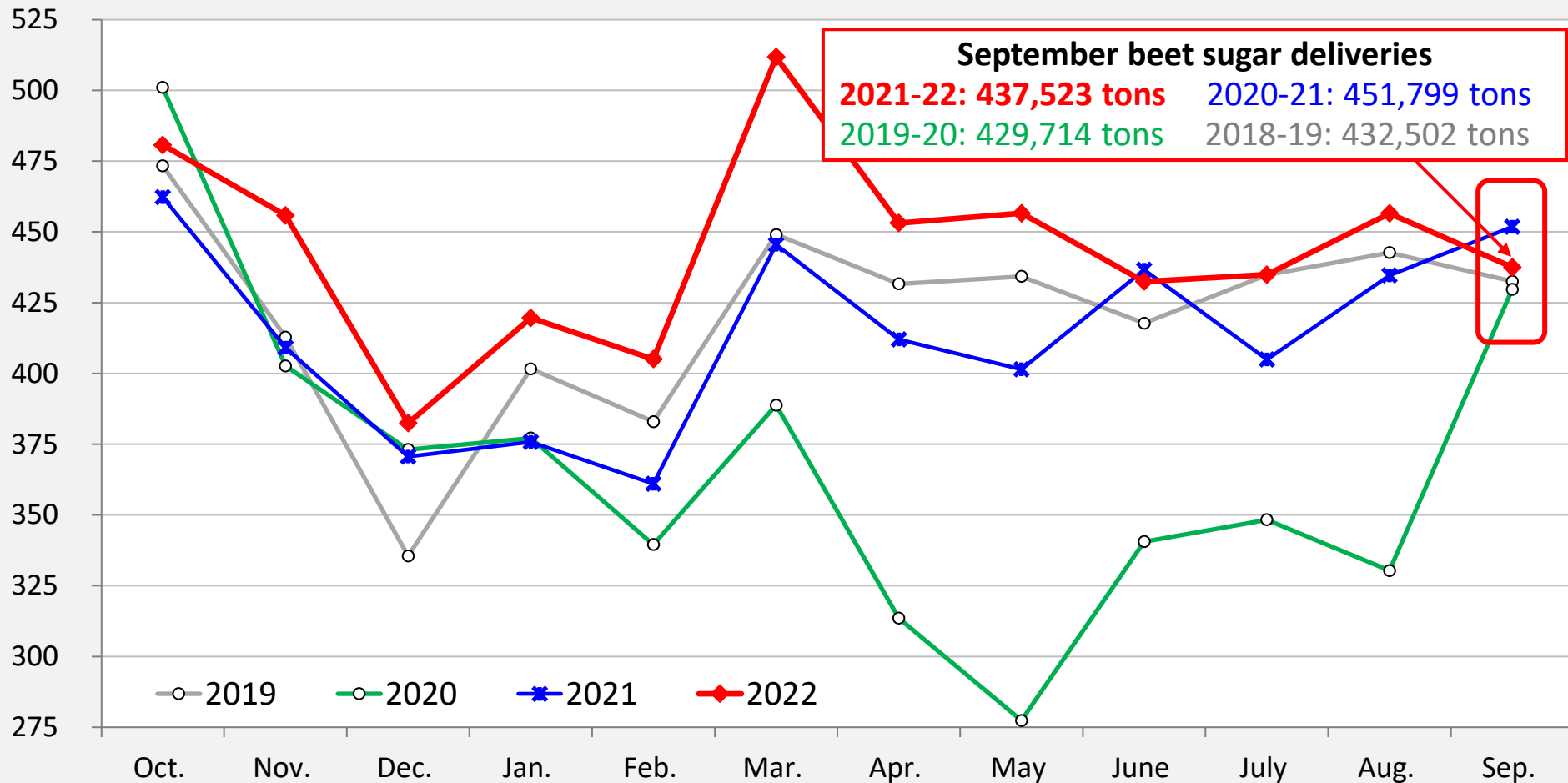
In short tons, raw value. Sources: USDA and US Census Bureau.

	October 2022-23	% of Projected	Full-year Forecast
8.3% of 2022-23 elapsed			
WTO Raw TRQ	238,658	19%	1,227,032
WTO Refined TRQ	75,684	31%	241,457
FTA Sugar in TRQs	14,644	7%	222,989
Total Quota	328,986	19%	1,691,478
Re-export Program	3,834	2%	250,000
Mexico	5,863	0.4%	1,424,789
High-duty Sugar	13,163	18%	75,000
Total Imports	351,846	10%	3,441,267

- High-duty already at 18% of higher projected total for year.
- WTO refined sugar imports were strong.
- Otherwise, nothing unusual in first month of new marketing year.

SUA November 2022: Beet Sugar Deliveries

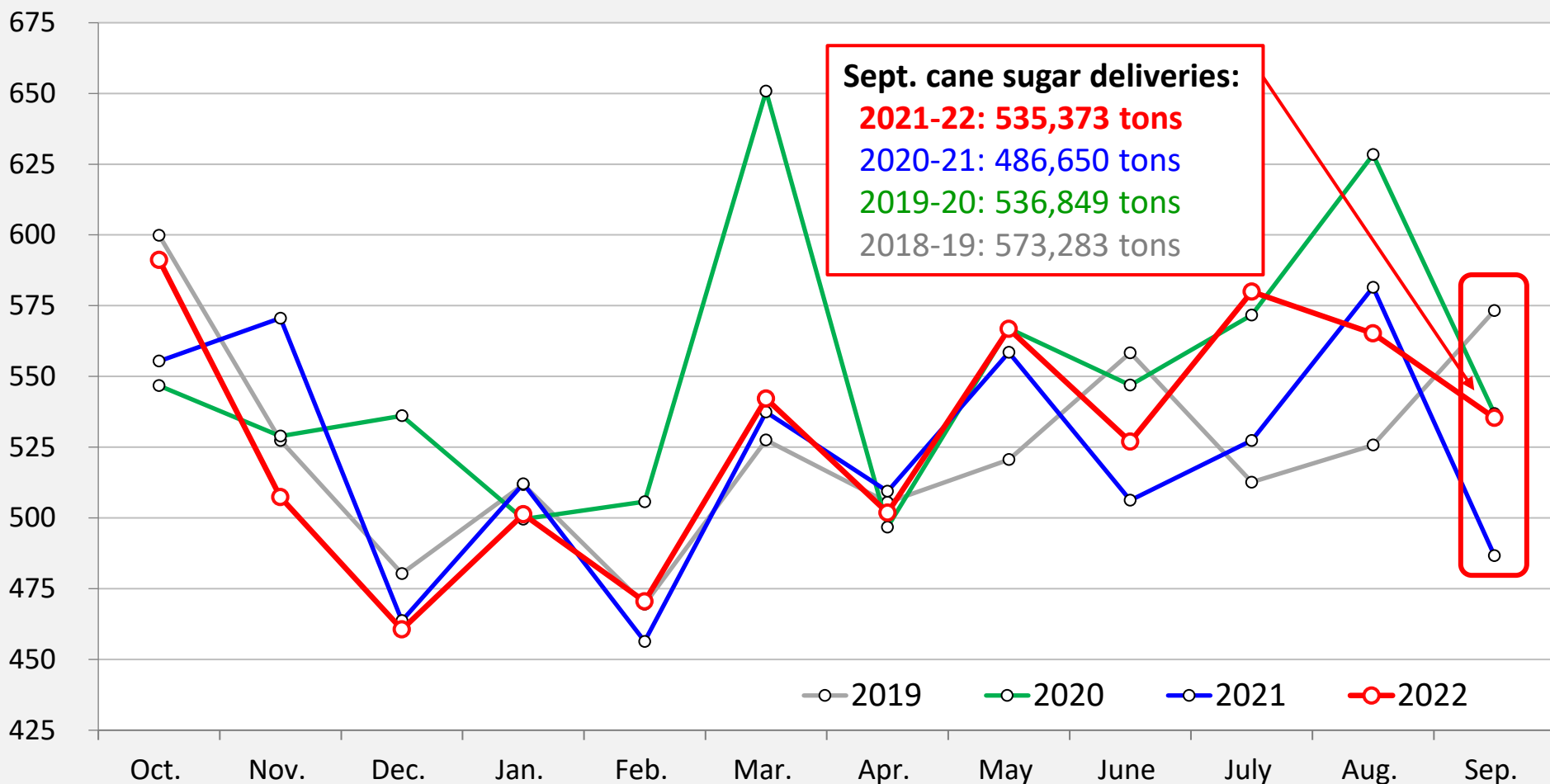
Monthly beet sugar deliveries, in 1,000 tons, raw value, fiscal year. Source: USDA



September beet sugar deliveries of 437,523 tons were down 4.2% from August and were down 3.1% from September 2021. Oct.-Sept. deliveries of 5,326,341 tons were up 7% from the same period a year ago and were the second highest on record for the period after 2016-17.

SUA November 2022: Refined Cane Deliveries

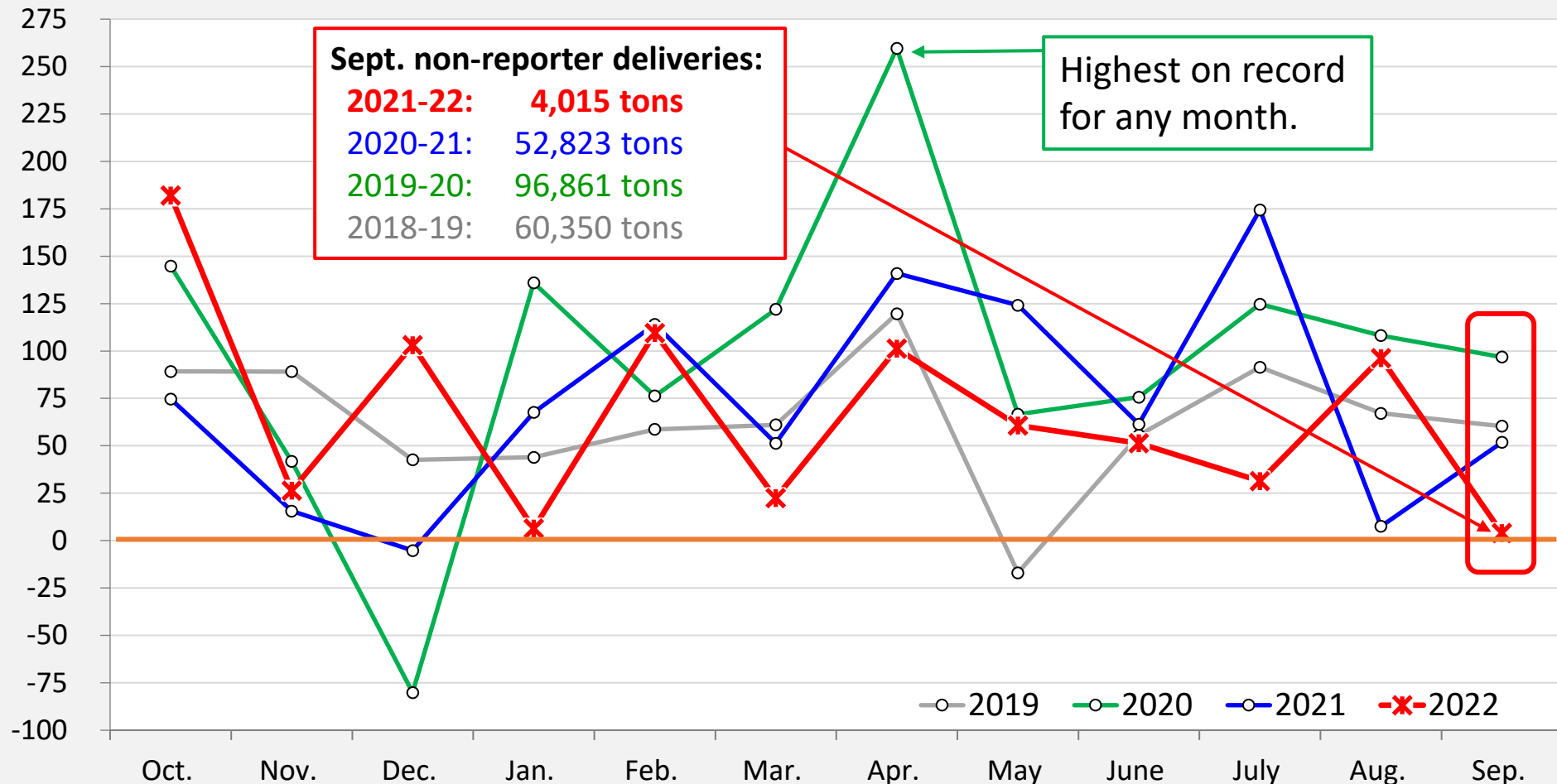
Monthly refined cane sugar deliveries, in 1,000 tons, raw value. Source: USDA



September refined cane sugar deliveries of 535,373 tons were down 5.3% from August but up 10% from September 2021. Oct.-Sept. cane sugar deliveries of 6,348,848 tonnes were up 1.3% from same period last year and were the third highest on record for the period (2019-20 and 2015-16 were higher).

SUA November 2022: Non-Reporter Deliveries

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



September N-R deliveries of 4,015 tons were down 96% from August, down 92% from September 2021 and the lowest for the month since 2004. Oct.-Sept. total of 794,966 tons was down 9% from the same period last year and was the lowest since 2018-19.

SUA November 2022: Deliveries for Human Use

<u>PRODUCT OR BUSINESS OF BUYER</u>	<u>Oct.-Sept. Deliveries</u>	<u>Oct.-Sept. % change</u>	<u>Oct.-Aug. % change</u>
Total Deliveries/1 (short tons, <u>actual weight</u>)	10,986,352	3.8	3.9
1-Bakery, cereal, and related products	2,592,382	6.2	6.1
5-Confectionery and related products	1,180,958	7.6	9.1
6-Ice cream and dairy products	825,230	1.6	1.4
7-Beverages	803,341	9.9	9.4
8-Canned, bottled and frozen foods	392,644	0.8	1.5
4-Multiple and all other food uses	1,002,777	-6.5	-5.8
10-Non-food uses	119,411	-4.1	-4.4
11-Hotels, restaurants, institutions	93,548	3.1	3.5
2-Wholesale grocers, jobbers, dealers	2,438,329	7.4	7.0
3-Retail grocers, chain stores	1,264,035	2.6	2.6
12-Government agencies	15,907	-0.8	-1.2
9-All other deliveries	257,790	-15.1	-16.9
Total Deliveries/1 (short tons, <u>raw value</u>)	11,755,397	3.8	3.9
Crystalline:	9,964,534	3.1	3.1
Consumer-size packages (retail)	2,051,455	-4.4	-4.8
Packages 50 lbs and greater	3,210,168	8.0	8.3
Unpackaged (bulk)	4,702,911	3.4	3.4
Non-crystalline/2	1,790,863	8.3	8.3

2021-22 ended with 8 of 12 sectors up from a year earlier, with beverages, confectionery, wholesale and bakery posting strongest gains.

50-lb package sales possibly up as some food manufacturers bought due to lack of bulk.

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

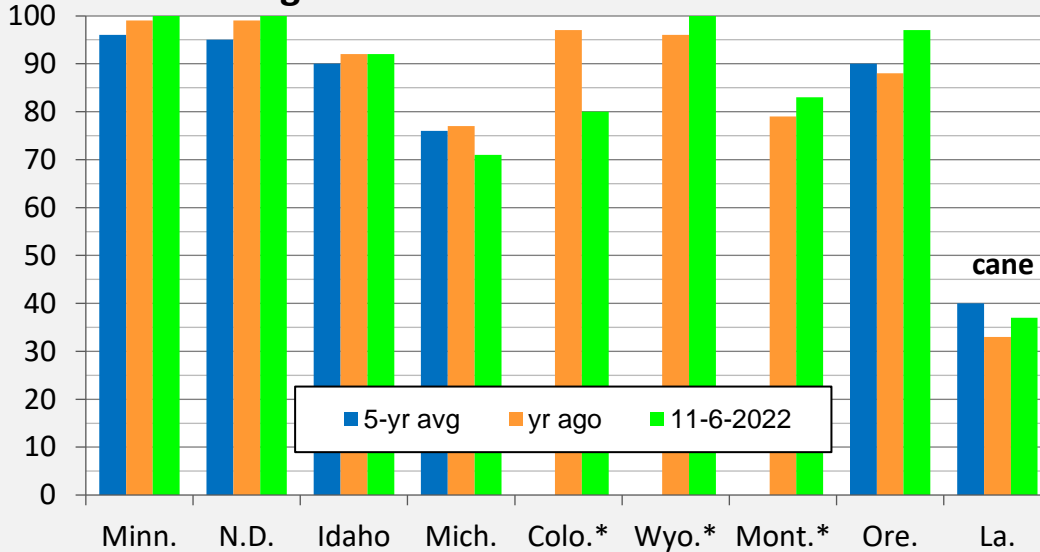
2/Includes all liquid, edible molasses, sugar syrups and cane juice.

Source: USDA

SUA October 2022: Sugar Beet/Cane Crops

As of Nov. 6, 2022. Source: USDA Crop Progress and individual state crop updates.

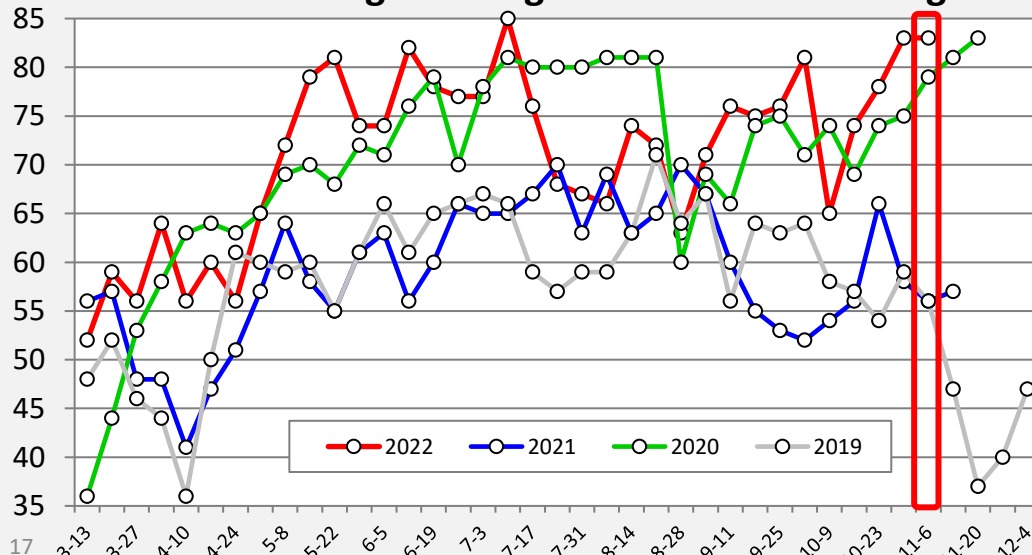
Sugar beets and cane harvested



HARVEST

Weather has been favorable for harvest in most states. RRV and Wyoming are done. Michigan slower as weather was too warm to pile beets outside. Some worry about warm weather for piles in RRV but freeze later this week should help. Louisiana cane harvest on pace.

Louisiana sugar cane good-to-excellent ratings



CONDITION RATINGS

Louisiana sugar cane crop rating at 83% G-T-E on Nov. 6 was up from 56% at the same time last year and was highest in 10 years except for 87% in 2017 (which dropped to 76% at end of season).

*five-year harvest average not available

SUA November 2022: Sugar Beet/Cane Production

In 1,000 tons. As of Nov. 9, 2022. Source: USDA Crop Production report.

Sugar beets	Nov. 2022	Chg. from 2021		Chg. from Oct.	
		Tons	%	Tons	%
Minnesota	11,257	(1,019)	-8.3%	176	1.6%
N. Dakota	6,499	17	0.3%	100	1.6%
Idaho	6,630	(85)	-1.3%	-	0.0%
Michigan	4,179	(1,132)	-21.3%	83	2.0%
Nebraska	975	(422)	-30.2%	(31)	-3.1%
Montana	1,039	(257)	-19.8%	51	5.2%
California	1,116	21	1.9%	-	0.0%
Colorado	555	(240)	-30.2%	(34)	-5.8%
Wyoming	817	(86)	-9.5%	47	6.1%
Oregon	304	(90)	-22.8%	1	0.3%
Washington	91	4	4.6%	-	0.0%
US Total	33,462	(3,289)	-8.9%	393	1.2%

Total 2022 sugar beet production up 393,000 tons, or 1.2%, from Oct. but down 3,289,000 tons, or 9%, from 2021. Declines in Nebraska and Colorado from Oct. help explain force majeure by Western. **Higher beet tonnage from Oct. is in contrast to lower 2022-23 beet sugar forecast in WASDE (sugar content, pile shrinkage).**

Sugar cane	Nov. 2022	Chg. from 2021		Chg. from Oct.	
		Tons	%	Tons	%
Florida	17,446	259	1.5%	79	0.5%
Louisiana	16,038	1,513	10.4%	48	0.3%
Texas	800	(326)	-29.0%	-	0.0%
US Total	34,284	1,446	4.4%	127	0.4%

Total sugar cane production raised 127,000 tons, or 0.4%, from Oct. and raised 1,446,000 tons, or 4.4%, from 2021. November production raised in both Florida and Louisiana from Oct. Reflects second highest production on record in Louisiana.

SUA November 2022: Cash Sugar Prices

Pricing for 2022-23

There is no relief for 2022-23 sugar prices.

Beet sugar is not offered by processors; Michigan withdrew after Western's force majeure. Distributors only option for spot beet sugar; some users switching to cane.

One cane refiner continues to offer Nov.-Dec. 2022 at 68c a lb f.o.b. That refiner raised calendar 2023 prices to 61c a lb f.o.b. at all locations, up 2c-3c from October.

Pricing for 2023-24

Sales continue mainly for Oct.-Dec. 2023 but some longer; beet sugar offered at 51c a lb f.o.b. Midwest and cane at 52.50c f.o.b. Southeast, both up 3c or more from Oct.

Recent developments and factors to watch, tight supplies continue

- Processors' beet sugar supplies are highly committed for 2022-23.
- Beet tonnage good but need to watch shrinkage and sugar content.
- One beet processor still harvesting may scale back tonnage from forecast.
- Cane refiners are better sold than usual for the date; one sold out.
- There will be excess raw cane in Louisiana again; worsened by barge limits on MR.
- Sellers still report active inquiries for 2022-23.

SUA November 2022: New York #16 Raw Futures

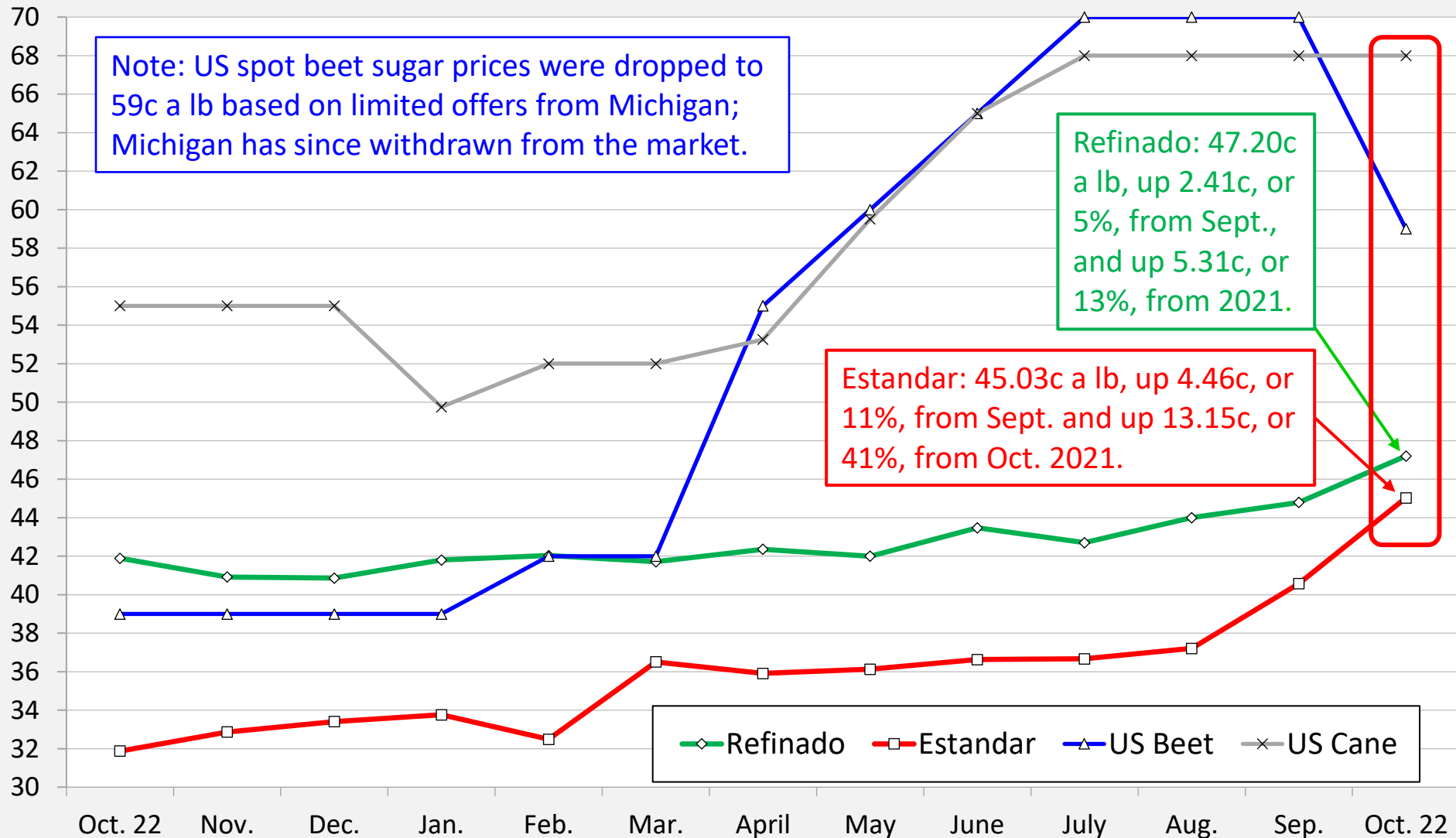
ICE domestic raw sugar futures as of Nov. 9, 2022, in cents per lb. Source: Tech Nova

Contract	Last	Net Change	High	Low	Volume	Open Interest	Time	Settlement
ESFF23 (D10)	35.75 S	1.00	35.75	34.90	181	1990	1:12:57 PM EST - 11/09/22	35.75 S
ESFH23 (D10)	36.10 S	1.05	35.45	35.25	100	3218	1:12:57 PM EST - 11/09/22	36.10 S
ESFK23 (D10)	35.98 S	0.48	36.10	35.90	150	2726	1:12:57 PM EST - 11/09/22	35.98 S
ESFN23 (D10)	36.00 S	0.55	36.00	36.00	100	2293	1:12:57 PM EST - 11/09/22	36.00 S
ESFU23 (D10)	35.93 S	0.63	36.10	35.85	150	2160	1:12:57 PM EST - 11/09/22	35.93 S
ESFX23 (D10)	35.50 S	0.20	35.50	35.50	200	1024	1:12:57 PM EST - 11/09/22	35.50 S
ESFF24 (D10)	35.25 S	0.70			0	169	1:12:57 PM EST - 11/09/22	35.25 S
ESFH24 (D10)	35.00 S	0.95	35.00	35.00	58	182	1:12:57 PM EST - 11/09/22	35.00 S
ESFK24 (D10)	35.00 S	0.95			0	70	1:12:57 PM EST - 11/09/22	35.00 S
ESFN24 (D10)	35.00 S	0.95			0	50	1:12:57 PM EST - 11/09/22	35.00 S
ESFU24 (D10)	35.00 S	0.95			0		1:12:57 PM EST - 11/09/22	35.00 S

- Domestic raw sugar futures are up about 1.00c a lb from a month ago after surging Nov. 9 in wake of Western Sugar's force majeure; also following world raws higher.
- Domestic raws are down from a year ago spot through Sept. 2023 but are higher Nov. 2023 forward, with 2024 months up nearly 3c a lb.
- Deferred prices reflect expectations of continued supply tightness.
- Active trading volume on Nov. 9 and huge volume (for the #16s) in the two nearby months on Nov. 10 (force majeure related).

SUA November 2022: US & Mexico Sugar Prices

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



Average refinado and estandar prices in Mexico were record high in October 2011. October 2022 prices highest for the month since then.

SUA November 2022: Mexico WASDE

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

	November			November		
	<u>21-22</u>	<u>Change from Oct.</u>	<u>20-21</u>	<u>22-23</u>	<u>Change from Oct.</u>	<u>21-22</u>
Begin. Stocks	1,053	-	195	964	17	(89)
Production	6,185	-	470	5,900	-	(285)
Imports	31	(19)	(34)	35	(15)	4
Total Supply	7,269	(19)	631	6,899	2	(370)
Exports	1,676	(118)	511	1,219	(184)	(457)
Domestic Use	4,629	82	209	4,701	154	72
Total Use	6,305	(36)	720	5,920	(30)	(385)
Ending Stocks	964	17	(89)	979	32	15
S-T-U (total)	15.3%	-	-3.6	16.5%	-	+1.2
S-T-U (dom.)	20.8%	-	-3.0	20.8%	-	-

2021-22: Imports and exports lower; domestic use higher; ending stocks higher.

2022-23: Beginning stocks and domestic use higher from October; Imports and exports lower; ending stocks higher.

Production unchanged for both years.

SUA November 2022: Global Sugar Overview

■ Global supply/demand fundamentals

- Still somewhat tight nearby supplies of whites and raws.
- India set export quota a 6 million tonnes (through May); second export tranche expected, but not certain; full-year exports seen near 9 million vs 11.2 million tonnes in 2021-22; record sugar production expected.
- Brazil sugar production remains uncertain due to weather and politics; higher production forecast in 2023-24.
- Unica reported higher crush, sugar, ethanol output in LH October.
- Philippines not to ship US TRQ in 2022-23 (3rd year); will import.
- France again lowered sugar beet production forecast; EU pushing beet processing early due to fear of energy shortages this winter.
- COVID restrictions continue to limit Chinese demand.
- Indonesia wants to be sugar self-sufficient in five years.

■ Pricing

- World raw prices have been trending higher despite India quota.
- Strong dollar encourages exports.
- Upside price potential seen limited.

SUA November 2022: New York #11 Raw Futures

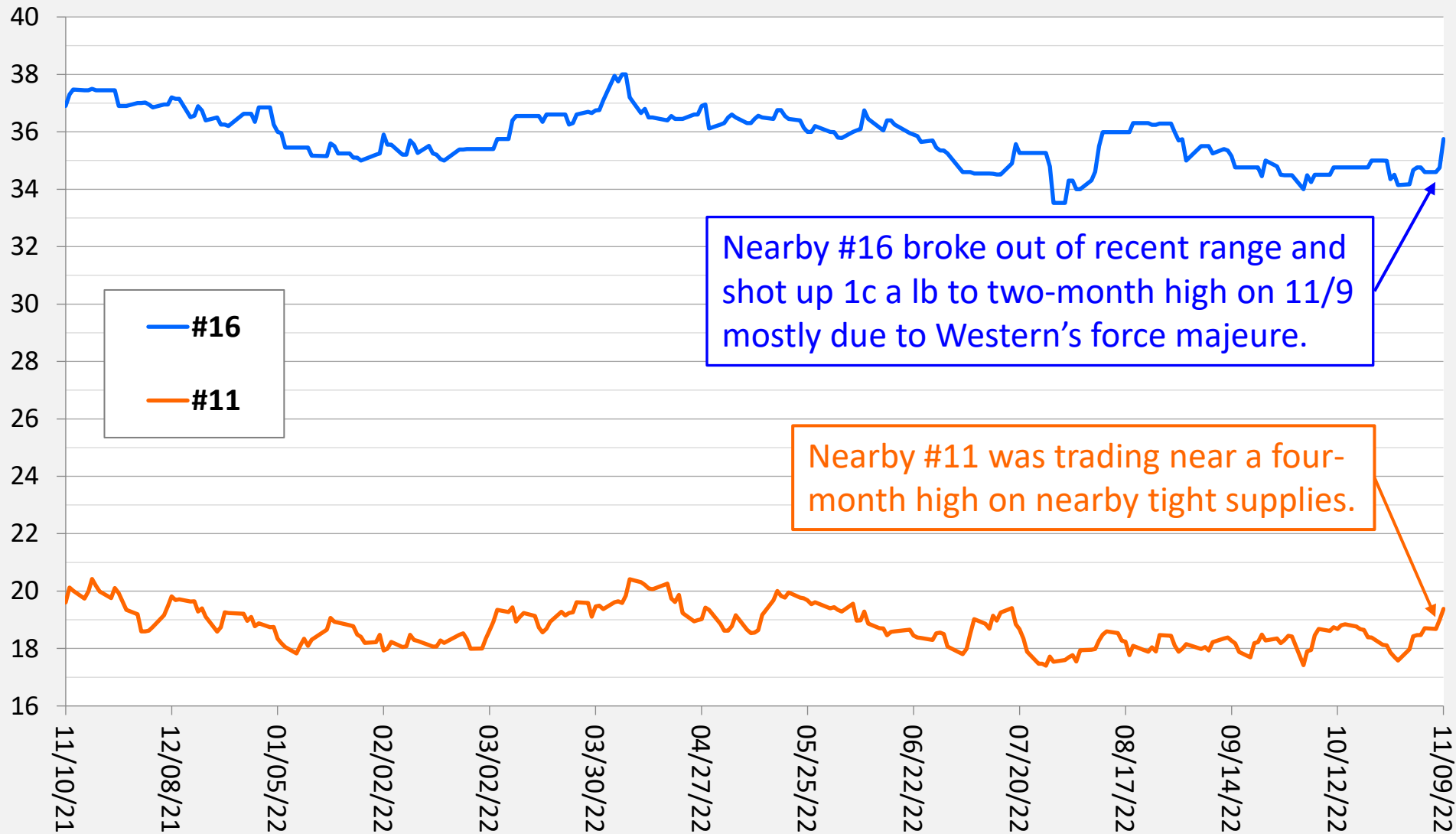
ICE world raw sugar futures as of Nov. 9, 2022, in cents per lb. Source: Tech Nova

Contract	Last	Net Change	High	Low	Volume	Open Interest	Time	Settlement
ESBH23 (D10)	19.38 S	0.38	19.43	18.85	100832	342115	1:03:13 PM EST - 11/09/22	19.38 S
ESBK23 (D10)	18.40 S	0.34	18.44	17.91	32290	166379	1:03:13 PM EST - 11/09/22	18.40 S
ESBN23 (D10)	17.74 S	0.25	17.78	17.36	24370	103056	1:03:13 PM EST - 11/09/22	17.74 S
ESBV23 (D10)	17.67 S	0.20	17.70	17.36	13419	68242	1:03:13 PM EST - 11/09/22	17.67 S
ESBH24 (D10)	17.79 S	0.16	17.82	17.52	5232	38579	1:03:13 PM EST - 11/09/22	17.79 S
ESBK24 (D10)	17.18 S	0.13	17.20	16.96	1141	10058	1:03:13 PM EST - 11/09/22	17.18 S
ESBN24 (D10)	16.75 S	0.11	16.78	16.58	362	12140	1:03:13 PM EST - 11/09/22	16.75 S
ESBV24 (D10)	16.66 S	0.08	16.68	16.52	181	11201	1:03:13 PM EST - 11/09/22	16.66 S
ESBH25 (D10)	16.81 S	0.08	16.83	16.70	123	6913	1:03:13 PM EST - 11/09/22	16.81 S
ESBK25 (D10)	16.44 S	0.07	16.34	16.34	18	5479	1:03:13 PM EST - 11/09/22	16.44 S
ESBN25 (D10)	16.25 S	0.07			15	2167	1:03:13 PM EST - 11/09/22	16.25 S
ESBV25 (D10)	16.20 S	0.07			0	11	1:03:13 PM EST - 11/09/22	16.20 S

- World raw futures are up from a month ago across the board.
- Spot March through July 2024 contracts are below year-ago levels, but October 2024 forward are higher.
- Spec funds have been switching between net long and net short.
- Ideas are upside price potential is limited due to strong exports from India.
- Support from lower production in EU, US, Mexico, others.
- Uncertainty in Brazil, both political and weather/crop.

SUA November 2022: World/Domestic Futures

Nearby ICE New York raw sugar futures, in cents per lb, as of Nov. 9, 2022.



Nearby #16 broke out of recent range and shot up 1c a lb to two-month high on 11/9 mostly due to Western's force majeure.

Nearby #11 was trading near a four-month high on nearby tight supplies.

SUA November 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

Annual contracting of corn sweetener products is advancing unevenly with at least one refiner booked for the year while some buyers still are waiting for quotes. Prices are up sharply, from \$5 to \$7 a cwt for HFCS, \$10 to \$11 for glucose and \$20 or more for dextrose. Spot supplies will be limited if not short in 2023 with any disruptions having an outsized impact.

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 Nov. 9 WASDE estimated HFCS consumption in Mexico at 1,291,000 tonnes, dry basis, in 2021-22, down 19,000 tons from October and down 29,000 tonnes from 2020-21. Use in 2022-23 was forecast at 1,291,000 tonnes, down 26,000 tonnes from the October forecast and unchanged from 2021-22.

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

The USDA in its November WASDE report left unchanged from October its forecast of corn used for food, seed and industrial, which includes ethanol and corn sweeteners.

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 November crop report raised estimated 2022 corn production by 0.3% from October; the forecast price of corn paid to farmers was unchanged from October, up 12% from 2021-22.

SUA November 2022: Long-term Projections

USDA preliminary baseline projections through 2032-33; will be revised in February 2023.

	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33
Sugar beets		(Oct.)										
Planted area (1,000 acres)	1,160	1,173	1,117	1,098	1,095	1,096	1,092	1,087	1,082	1,078	1,073	1,069
Harvstd area (1,000 acres)	1,108	1,149	1,065	1,047	1,044	1,045	1,041	1,036	1,032	1,028	1,023	1,020
Yield (tons/acre)	33.2	29.0	32.4	32.7	33.0	33.3	33.6	33.9	34.1	34.4	34.6	34.9
Production (million tons)	36.8	33.4	34.5	34.3	34.5	34.8	35.0	35.1	35.2	35.3	35.5	35.6
Sugar cane												
Harvstd area (1,000 acres)	888	875	867	866	869	871	874	877	879	882	885	888
Yield (tons/acre)	34.9	37.2	37.0	37.2	37.4	37.6	37.8	38.0	38.2	38.4	38.6	38.8
Production (million tons)	31.0	32.5	32.0	32.2	32.5	32.7	33.0	33.3	33.6	33.9	34.2	34.4
Sugar supply: (1,000 tons)												
Beginning stocks	1,704	1,773	1,872	1,730	1,735	1,740	1,744	1,748	1,752	1,755	1,759	1,763
Production	9,117	9,154	9,338	9,330	9,406	9,502	9,571	9,636	9,702	9,767	9,832	9,897
Beet sugar	5,078	5,106	5,249	5,212	5,244	5,295	5,318	5,338	5,358	5,377	5,394	5,412
Cane sugar	4,039	4,048	4,089	4,118	4,162	4,207	4,252	4,298	4,344	4,390	4,438	4,485
Total Imports	3,644	3,610	3,336	3,527	3,491	3,422	3,381	3,343	3,306	3,268	3,231	3,194
TRQ Imports 1/	1,579	1,691	1,628	1,632	1,636	1,640	1,643	1,647	1,651	1,652	1,652	1,653
Imports from Mexico	1,379	1,619	1,407	1,558	1,543	1,470	1,427	1,386	1,345	1,308	1,271	1,234
Other imports	686	300	300	337	313	312	311	310	309	309	308	307
Total supply	14,463	14,537	14,546	14,587	14,632	14,664	14,696	14,727	14,759	14,791	14,823	14,854
Sugar use: (1,000 tons)												
Exports	35	35	35	35	35	35	35	35	35	35	35	35
Domestic deliveries	12,655	12,630	12,781	12,817	12,857	12,885	12,913	12,941	12,969	12,997	13,025	13,053
Total use	12,690	12,665	12,816	12,852	12,892	12,920	12,948	12,976	13,004	13,032	13,060	13,088
Ending stocks	1,773	1,872	1,730	1,735	1,740	1,744	1,748	1,752	1,755	1,759	1,763	1,767

First 2023-24 projections; production and deliveries are main focus as imports from Mexico are adjusted for 13.5% s-t-u after 2022-23.

■ In the Domestic Sweetener Market

- Various regulatory issues still circulating.
- Midterm elections (almost) past and Farm Bill.
- US Sugar/Imperial deal still not done.
- Beet processors out of market for 2022-23.
- Higher sugar beet estimate in USDA Crop Production report somewhat deceiving vs sugar production/supplies.
- Rail strike keeps getting delayed (now Dec. 4).
- West Coast port workers still without contract.
- Watch Mississippi River levels for barge movement issues.
- Soaring corn sweetener prices; limited supplies.

■ In the Global Sugar Market

- Brazil production improving in second-half of season.
- India sets (initial) export quota of 6 million tonnes.
- Production issues in EU, Ukraine, Philippines, others.
- Global surplus limits upside prices in 2022-23.

SUA November 2022: Conclusions

- **Domestic Sweetener Market**
 - No relief in sight for tight spot supplies in 2022-23, esp. after force majeure by Western Sugar Coop.
 - No relief in sight for high sugar prices in 2022-23.
 - Large Louisiana crop “trapped” by lacking refinery capacity and restrictions to barge movement on Mississippi River.
 - S-T-U at 13.5% in November troublesome?
 - Best to have sugar fully contracted for 2023, early 2023-24.
 - Another year of strong high-tier imports?
 - Soaring corn sweetener prices causing demand destruction.
- **Global Sugar Market**
 - Nearby No. 11 raws have strengthened but upside limited; continue to influence No. 16s more than usual.
 - Strong India sugar production and exports.
 - Brazil production, exports limited in 2022-23 (but good late-season push); forecast up sharply in 2023-24.