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United States
Department of Agriculture

2013 Agricultural Outlook Forum

Sugar Outlook

Friday, February 22

www.usda.gov/oce/forum



2013/14 U.S. SUGAR SUPPLY AND USE¹
Stephen Haley, Economic Research Service, USDA

Basis for projecting 2013/14 supply and demand:

- o Beginning stocks are taken from 2012/13 ending stocks in the February 2013 *World Agricultural Supply and Demand Estimates* (WASDE) report.
- o Projections of supply and demand are based on analyses by the Interagency Commodity Estimates Committee (ICEC) for sugar.

Key results for 2013/14:

- o Beginning stocks are 2.267 million short tons, raw value (STRV), an increase of 283,000 STRV relative to 2012/13.
- o Beet sugar production is projected at 4.800 million STRV. Planted area is projected to decrease about 9 percent due to lower sugarbeet prices relative to prices for alternative crops. Trend sugarbeet yield of 26.35 tons per acre is assumed, along with good sucrose recovery of about 16.7 percent.
- o Cane sugar production is projected at 3.830 million STRV. Good growing and harvest conditions, similar to those in 2012/13, are assumed on about the same harvested area as in 2012/13.
- o Imports are projected to total 3.368 million STRV. Tariff rate quota (TRQ) imports are assumed to total the minimum under World Trade Organization (WTO) commitments, other current trade agreements, and additional specialty sugar. Shortfall is projected at 150,000 STRV. Sugar imports from Mexico are projected at 1.603 million STRV. Other imports are projected based on trends.
- o Deliveries for human consumption are projected at 11.500 million STRV, a 1 percent increase over 2013/14. Lower-price refined sugar relative to HFCS favors a modest consumption increase due to substitution in use.
- o Ending stocks total 2.280 million STRV, the difference between projected total supply (14.265 million STRV) and total use (11.985 million STRV). The implied ending fiscal year stocks-to-use ratio is 17.15 percent.
- Mexico sugar production is projected at 5.887 million metric tons (mt). Investments made in the last several years of high producer returns are expected to outweigh effects from recent declines in Mexican sugar prices. Sugar imports are mostly confined for use in Mexico's product re-export program (IMMEX). Sweetener consumption increases with projected population growth and sugar gains relative to high fructose corn syrup due to expected pricing advantages. Sugar IMMEX deliveries are projected the same as in 2012/13. The ratio of ending stocks to sugar for human consumption is projected at 24 percent, slightly higher than the optimum 22 percent due to the relative abundance of domestic sugar (similar to conditions in 2012/13). Exports are calculated residually at 1.382 million mt. All but 10,000 mt are expected to be exported into the U.S. market.

¹Approved by the Interagency Commodity Estimates Committee for sugar.

2013 USDA Agricultural Outlook Forum, Sweeteners Session
February 22, 2013

U.S. Sugar Supply and Use 1/

Item	2011/12	2012/13		2013/14
		January	February	Projection
1,000 short tons, raw value				
Beginning stocks	1,378	1,985	1,985	2,267
Production 2/	8,488	9,070	9,220	8,630
Beet sugar	4,900	5,200	5,300	4,800
Cane sugar	3,588	3,870	3,920	3,830
Florida	1,828	1,890	1,890	1,900
Hawaii	172	180	180	180
Louisiana	1,438	1,650	1,700	1,600
Texas	150	150	150	150
Imports	3,631	2,912	2,827	3,368
TRQ 3/	1,883	1,289	1,204	1,405
Other program 4/	664	225	225	350
Other 5/	1,084	1,398	1,398	1,613
Mexico	1,071	1,388	1,388	1,603
Total supply	13,497	13,967	14,032	14,265
Exports 2/	269	175	175	275
Deliveries 2/	11,313	11,590	11,590	11,710
Food/Miscellaneous	11,141	11,380	11,380	11,500
Other 6/	173	210	210	210
Miscellaneous	- 69	NA	NA	NA
Total use	11,513	11,765	11,765	11,985
Ending stocks	1,985	2,202	2,267	2,280
Stocks to use ratio	17.2	18.7	19.3	19.0

1/ Fiscal years beginning Oct 1. Historical data are from FSA, "Sweetener Market Data" except imports (U.S. Customs Service, Census Bureau). 2/ Projections for 2013/14 are from the Interagency Commodity Estimates Committee for sugar. 3/ Actual arrivals under the tariff rate quota (TRQ) with late entries, early entries, and TRQ overfills assigned to the fiscal year in which they actually arrived. The 2013/14 TRQ assumes minimum imports under current trade agreements with shortfall (150,000 STRV) and additional specialty sugar (105,000 STRV). 4/ Includes sugar under the re-export and polyhydric alcohol programs. 5/ Includes high-tier, Mexico, and other. 6/ Transfers to sugar-containing products for reexport, and for nonedible alcohol and feed.