WASDE – November 8, 2019

SUGAR: Estimates of U.S. sugar supply and use for 2018/19 are revised on complete fiscal year Sweetener Market Data (SMD) and trade data through September from U.S. Census and FAS. Beet sugar production is increased 29,680 short tons, raw value (STRV) and Louisiana cane sugar production is increased 29,015 STRV, both on higher-than-expected production in September 2019. Deliveries for human consumption are estimated at 12.106 million STRV, a reduction of 19,347 from last month. Delivery growth of 0.5 percent over the previous year results from a relatively large increase in direct consumption imports. Combined domestic beet and cane sugar processors' deliveries have remained flat since 2016/17. Ending stocks are estimated at 1.779 million STRV implying an ending stocks-touse ratio of 14.5 percent and adding 54,105 STRV to 2019/20 beginning stocks over last month.

Beet sugar production for 2019/20 is projected at 4.588 million STRV, a reduction of 466,485 due to poor harvest conditions resulting in lower sugarbeet production. Beet processors reduced their sliced sugarbeets projection in SMD by 10.3 percent to 28.442 million tons. The largest reductions are centered in the Red River Valley. Louisiana cane sugar production is reduced by 105,803 STRV to 1.794 million based on a lower NASS sugarcane yield forecast and processors' lower recovery rate. Deliveries for human consumption are reduced by 25,000 STRV to 12.125 million in line with the reduction for 2018/19. Ending stocks are residually projected at 1.285 million STRV for an ending stocks-to-use ratio of 10.5 percent.

Estimates of Mexico sugar supply and use for 2018/19 are revised on complete fiscal year data published by CONADESUCA and U.S. Census. Sugar production for 2019/20 is projected at 5.772 million metric tons (MT), a reduction of 293,320 MT from last month. The projection matches the first published CONADESUCA survey of most, if not all, sugar mills in Mexico. Although area harvested is up 0.64 percent, sugarcane yield is down 10.95 percent from last year to 63.17 MT/hectare. Drought has severely reduced yields in the Northeast and Gulf of Mexico production regions. Deliveries for human consumption for 2019/20 are projected down 142,587 MT from last month to 4.057 million. This is 35,316 MT lower than the estimate for 2018/19 and reportedly attributable to a continuing trend of food manufacturers reformulating the sugar content in products. The FAS Mexico Post also notes the effects of negative health campaigns, increased use of high fructose corn syrup in food and beverage products, and government taxes on sugar-containing products. Ending stocks are forecast at 935,751 MT, a sufficient amount to cover delivery needs before the start of the 2020/21 campaign. Exports to non-U.S. destinations are residually forecast at 641,329 MT. Exports to the United States are unchanged from last month.

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U.S. Sugar Supply and Use 1/

	2017/18	2018/19 Est.	2019/20 Proj. Oct	2019/20 Proj. Nov
		1,000 Short Tons,	*Raw Value*	
Beginning Stocks	1876	2008	1725	1779
Production 2/	9293	8994	9184	8612
Beet Sugar	5279	4937	5055	4588
Cane Sugar	4014	4057	4129	4024
Florida	1983	2005	2096	2096
Hawaii	0	0	0	0
Louisiana	1862	1904	1900	1794
Texas	169	147	134	134
Imports	3277	3070	3165	3159
TRQ 3/	1663	1541	1627	1621
Other Program 4/	326	438	350	350
Other 5/	1287	1092	1188	1188
Mexico	1223	1000	1118	1118
Total Supply	14445	14072	14074	13550
Exports	170	35	35	35
Deliveries	12185	12231	12255	12230
Food	12048	12106	12150	12125
Other 6/	137	126	105	105
Miscellaneous	82	27	0	0
Total Use	12438	12292	12290	12265
Ending Stocks	2008	1779	1784	1285
Stocks to Use Ratio	16.1	14.5	14.5	10.5

1/ Fiscal years beginning Oct 1. Data and projections correspond to category components from "Sweetener Market Data" (SMD). 2/ Production projections for 2018/19 and 2019/20 are based on Crop Production and/or processor projections where appropriate. 3/ For 2018/19, WTO raw sugar TRQ shortfall (56) and for 2019/20 (99). 4/ Composed of sugar under the re-export and polyhydric alcohol programs. 5/ Imports from Mexico; and high-tier tariff sugar and syrups not otherwise specified -- for 2018/19 (91) and 2019/20 (70). 6/ Transfers accompanying deliveries for sugar-containing products to be exported (SCP) and polyhydric alcohol manufacture (POLY), and deliveries for livestock feed and ethanol. Total refiner license transfers for SCP and POLY inclusive of WASDE-reported deliveries: 2017/18 -- 278; estimated 2018/19 -- 324; projected 2019/20 -- 340.

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Mexico Sugar Supply and Use and High Fructose Corn Syrup Consumption 1/

		Beginning Stocks	Production	Imports	Domestic 2/	Exports	Ending Stocks
				1,000 Metric Tons,	*Actual Weight*		
Sugar							
2018/19 Est.	Oct	1395	6426	86	4565	2194	1148
	Nov	1395	6426	85	4532	2204	1169
2019/20 Proj.	Oct	1148	6065	70	4624	1695	963
	Nov	1169	5772	85	4492	1598	936

1/ HFCS consumption by Mexico (1,000 metric tons, dry basis): 2017/18 = 1,593; Estimated 2018/19 = 1,528; Projected 2019/20 = 1,520. Footnote source for estimate: Comite Nacional para el Desarollo Sustentable de la Cana de Azucar.
2/Includes deliveries for consumption, Mexico's products export program (IMMEX), and Other Deliveries/Ending Year Statistical Adjustments. IMMEX: 2018/19 (460 est); 2019/20 (435 proj). Other Deliveries/Ending Year Statistical Adjustments: 2018/19 (-20), 2019/20 (0).