



## WASDE – August 11, 2023

SUGAR: Mexico sugar supply for 2022/23 is increased by 125,000 metric tons (MT) to 6,388,512 on an increase in imports. Sugar stocks have decreased substantially in both May and June driving domestic prices to historically high levels and incentivizing high-tier tariff imports. Official trade data showing sugar exports to Mexico are currently at 112,531 MT through May with 4 months to go in 2022/23. Relatively low Mexico production of low polarity sugar at 730,207 MT limits total exports under license to 1,043,153 under Suspension Agreement provisions that requiring low polarity exports to be at least 70 percent of the total. Exports apart from those under license are at 21,860 MT. Ending stocks are unchanged providing enough sugar to supply domestic needs for 2.3 months. Deliveries into IMMEX are increased by 86,613 MT to 359,113.

U.S. sugar supply for 2022/23 is raised by 148,289 short tons, raw value (STRV) on increased imports only partially offset by lower beet sugar production while use is lowered 25,000. The resulting 173,289-STRV stock increase pushes the total to 2,013,900 for an ending stocks-to-use ratio of 15.84 percent. Re-export imports are increased by 75,000 STRV to 200,000 after a large inflow reported by Customs and Border Protection (CBP) in July. Greater sugar supply availability in Mexico results in an import increase of 43,175 STRV. Calendar year TRQ imports for FTA countries are up 36,381 STRV on imports expected in the fourth quarter (the first quarter of 2023/24) entering earlier than expected. High-tier tariff imports are increased by 40,000 STRV to 390,000 on a large raw sugar entry of about 15,000 MT recorded by CBP in early August and on a further increase in the expected pace of refined sugar imports for the remainder of the fiscal year. Some reliable sources indicate that more raw sugar high-tier tariff imports are possible, but these will only be incorporated into the sugar WASDE after reported by CBP. The raw sugar TRQ shortfall is increased due to analysis made subsequent to USTR's allocation of the TRQ after last month's WASDE. U.S. 2022/23 beet sugar production is estimated 10,929-STRV lower (5,135,692) on processors' revised estimates of their beet sugar from sliced beets in the SMD.

Use for 2022/23 is reduced by 25,000 STRV to 12,715,000 on an observed slowing of the pace of deliveries for human consumption. Deliveries for human consumption from domestic processors/refiners are running about 1-percent lower year over year. Beet deliveries continue to lag the previous year by about 6.5 to 7.0 percent while cane deliveries have been largely compensating, but at a declining rate since May. The extent of the decrease is limited to 25,000 STRV after consideration of two factors. First, some sources indicate that the cane deliveries could regain their momentum for the remainder of the fiscal year. Second, refined high-tier tariff imports that augment direct consumption are forecast higher and may be presenting a lower-price alternative to deliveries of the domestically processed product.

U.S. sugar supply for 2023/24 is increased by 222,848 STRV on increased beginning stocks, production, and imports. Sugar production is projected 4,197 STRV higher. Compared with last month's WASDE, NASS forecasts an unchanged sugarbeet area harvested but a larger sugarbeet yield of 30.93 tons/acre implying a beet sugar increase of 51,302 STRV to 5,073,061. Recent dryness in Louisiana has resulted in lower processors' forecasts of cane sugar production. It is now projected at 2,053,899 STRV, a reduction of 38,101. The Texas cane processor has lowered its forecast of sugar production by 9,004 STRV to a remarkably low total of 41,967. Access to water needed for irrigation is restricted and responsible for the poor production prospects. Imports are higher on a 75,000-STRV increase in re-export imports matching the increase in 2022/23 and a 10,000-STRV increase in high-tier tariff refined imports. Reallocation of expected FTA imports to 2022/23 reduces the total import increase to 45,362 STRV. There are no changes to use components this month. Ending stocks are projected at 1,942,108 STRV for stocks-to-use ratio of 15.24 percent.



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U.S. Sugar Supply and Use 1/

	2021/22	2022/23 Est.	2023/24 Proj.	2023/24 Proj.
			Jul	Aug
		<i>1,000 Short Tons, Raw Value</i>		
Beginning Stocks	1705	1820	1841	2014
Production 2/	9157	9231	9199	9203
Beet Sugar	5155	5136	5022	5073
Cane Sugar	4002	4095	4177	4130
Florida	1934	1983	2034	2034
Louisiana	1944	2034	2092	2054
Texas	124	78	51	42
Imports	3646	3678	3420	3465
TRQ 3/	1579	1869	1644	1604
Other Program 4/	298	200	125	200
Non-program	1769	1609	1651	1661
Mexico	1379	1219	1486	1486
High-tier tariff/other	390	390	165	175
Total Supply	14508	14729	14459	14682
Exports	29	35	35	35
Deliveries	12578	12680	12705	12705
Food	12470	12575	12600	12600
Other 5/	107	105	105	105
Miscellaneous	81	0	0	0
Total Use	12688	12715	12740	12740
Ending Stocks	1820	2014	1719	1942
Stocks to Use Ratio	14.3	15.8	13.5	15.2

1/ Fiscal years beginning Oct 1. Data and projections correspond to category components from "Sweetener Market Data" (SMD). 2/ Production projections for 2022/23 and 2023/24 are based on Crop Production and/or processor projections/industry data and/or sugar ICEC analysis where appropriate. 3/ For 2022/23, WTO raw sugar TRQ shortfall (168) and for 2023/24 (94). 4/ Composed of sugar under the re-export and polyhydric alcohol programs. 5/ 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: 2021/22 -- 303; estimated 2022/23 -- 299; projected 2023/24 -- 291



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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
<b>Sugar</b>				<i>1,000 Metric Tons,</i>	<i>Actual Weight</i>		
2022/23	Jul						
Est.		964	5224	75	4357	1027	880
	Aug	964	5224	200	4444	1065	880
2023/24	Jul						
Proj.		880	5900	45	4589	1348	888
	Aug	880	5900	45	4589	1348	888

1/ HFCS consumption by Mexico (1,000 metric tons, dry basis): 2021/22 = 1,320; Estimated 2022/23 = 1,407; Projected 2023/24 = 1,407; Estimated Oct.- June 2023 =1,025; Estimated Oct. - June 2022 = 966. Footnote source for estimate: Comité Nacional para el Desarrollo Sustentable de la Cana de Azúcar. 2/Includes deliveries for consumption, Mexico's products export program (IMMEX), and Other Deliveries/Ending Year Statistical Adjustments. IMMEX: 2022/23 (359 est =334 dom.+25 import); 2023/24 (450 proj = 425 dom.+25 import). Statistical Adjustments: 2022/23 (0), 2023/24 (0).