

2005/06 U.S. SUGAR SUPPLY AND USE¹

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The 2005/06 projections use the baseline, published in *USDA Agricultural Baseline Projections to 2014*, updated with carry-in stocks from the February 2005 *World Agricultural Supply And Demand Estimates*.

Key assumptions behind the sugar baseline:

- Continuation of current U.S. sugar policy.
 - Loan program includes loan rates and non-recourse loans.
 - Tariff-rate quota imports stay under current system.
 - U.S. honors commitments under trade agreements.
 - Commodity Credit Corporation disposes of any forfeited sugar.
- Continued trends in factors of production.
 - Technology increases crop yields and sugar recovery rates.
 - Alternative-crop prices decline in fiscal year 2005/06; rise to 2013/14.
 - Planted area is reduced by a partial adjustment to blocked stocks.
- Consumption grows in line with population growth. Growth in imported sugar-containing products slows until 2010 and levels off at about 38,000 tons annually.
- In Mexico, the tax on soft drinks that use high fructose corn syrup remains in place.

Key results from the baseline, for the period 2005/06 to 2014/15:

- U.S. sugar-crop prices remain relatively flat, as marketing allotments govern supplies. Despite imports rising to 1.7 million tons by 2014/15, the Overall Allotment Quantity is not reduced and thus allotments are not suspended. Consumption grows at an annual rate of about 80,000 tons. Production increases about 0.5 percent annually, on average.

Key results from the 2005/06 projections:

- Beginning inventories for 2005/06 are reduced from what is in the published baseline (*USDA Agricultural Baseline Projections to 2014*) to account mainly for reduced 2004/05 production due to poor growing and harvesting conditions in Louisiana and hurricane damage in Florida.
- Total production for fiscal year 2005/06, at 8.8 million short tons (raw value), is 671,000 tons above 2004/05, as cane sugar production recovers from weather-reduced output of a year earlier.
- Ending inventories for 2005/06, at 1.8 million tons, are reduced from the published baseline by 391,000 tons.

¹Approved by the World Agricultural Outlook Board.

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Item	2003/04	2004/05		2005/06
		January	February	Projection
1,000 short tons, raw value				
Beginning stocks	1,670	1,897	1,897	1,548
Production 2/	8,649	8,143	8,117	8,788
Beet sugar	4,692	4,705	4,699	4,667
Cane sugar 3/	3,957	3,438	3,418	4,121
Imports	1,750	1,639	1,639	1,603
TRQ 4/	1,226	1,229	1,229	1,224
Other program 5/	464	350	350	300
Other 6/	60	60	60	50
Total supply	12,069	11,679	11,653	11,939
Exports	288	200	200	150
Deliveries	9,862	9,905	9,905	9,946
Food	9,678	9,715	9,715	9,756
Other 7/	184	190	190	190
Miscellaneous 8/	23	0	0	0
Use, total	10,172	10,105	10,105	10,096
Ending stocks	1,897	1,574	1,548	1,843
Stocks to use ratio	18.6	15.6	15.3	18.3

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 2005/06 are based on the *USDA Agricultural Baseline Projections to 2014*, updated with beginning stocks from the February 2005 *WASDE*. 3/ Production by state for 2004/05 (projected 2005/06): FL 1,689 (2,047); HI 259 (261); LA 1,290 (1,643); TX 182 (170). 4/ 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 2005/06 available TRQs assume shortfall of 50,000 tons. 5/ Includes sugar under the re-export and polyhydric alcohol programs. 6/ Includes high-tier and other. 7/ Transfers to sugar-containing products for reexport, and for nonedible alcohol and feed. 8/ Residual statistical discrepancies.