



United States
Department of Agriculture

2011 Agricultural Outlook Forum

Sugar Outlook

Friday, February 25

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2011/12 U.S. SUGAR SUPPLY AND USE¹
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Basis for projecting 2011/12 supply and demand:

- o Beginning stocks are taken from 2010/11 ending stocks in the February 2011 *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 2011/12:

- o Beginning stocks are 1.348 million short tons, raw value (STRV), a decrease of 155,000 STRV relative to 2010/11.
- o On February 4, 2011, USDA's Animal and Plant Health Inspection Service (APHIS) announced the partial deregulation of sugarbeets genetically modified (GM) to be resistant to the herbicide known as Roundup ®. Environmentalists added their objection to this USDA action to their earlier lawsuit seeking a ban on GM sugar beets cultivation being heard in the U.S. District Court of Northern California. Sugar beet growers have also sued USDA on its partial deregulation decision, claiming that the USDA's conditions for planting GM sugar beets are too rigorous. At this time, U.S. sugarbeet growers are uncertain about which type of seed they will plant in 2011, or if there is enough conventional seed available to completely plant the normal spring beet crop. The current USDA projection of beet sugar production is held at 4.845 million STRV.
- o Cane sugar production is projected at 3.377 million STRV. Freezing conditions in Florida in December 2010 affected the recently planted sugarcane crop, causing Florida cane sugar production to be projected 100,000 STRV less than otherwise.
- o Imports are projected to total 3.208 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. Sugar imports from Mexico are projected at 1.474 million STRV. This assumes normal weather in Mexico, continued high consumption of high fructose corn syrup, and a willingness to expand sugar supplies through imports. Other imports are projected based on trends.
- o Deliveries for human consumption/miscellaneous use are projected at 11.060 million STRV, a modest 0.5 percent increase over 2010/11.
- o Ending stocks total 1.383 million STRV, the difference between projected total supply (12.778 million STRV) and total use (11.395 million STRV). The implied ending fiscal year stocks-to-use ratio is 12.1 percent.

¹Approved by the Interagency Commodity Estimates Committee for Sugar.

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U.S. Sugar Supply and Use 1/

Item	2009/10	2010/11		2011/12
		January	February	Projection
1,000 short tons, raw value				
Beginning stocks	1,534	1,503	1,503	1,348
Production 2/	7,967	8,110	8,010	8,222
Beet sugar	4,575	4,800	4,800	4,845
Cane sugar	3,392	3,310	3,210	3,377
Florida	1,638	1,600	1,500	1,630
Hawaii	161	170	170	135
Louisiana	1,481	1,400	1,400	1,443
Texas	112	140	140	169
Imports	3,318	3,006	3,245	3,208
TRQ 3/	1,854	1,421	1,371	1,409
Other program 4/	450	300	375	315
Other 5/	1,014	1,285	1,499	1,484
Mexico	807	1,245	1,459	1,474
Total supply	12,819	12,619	12,758	12,778
Exports 2/	211	150	225	150
Deliveries 2/	11,105	11,060	11,185	11,245
Food/Miscellaneous	10,869	10,875	11,000	11,060
Other 6/	236	185	185	185
Miscellaneous 7/	NA	NA	NA	NA
Total use	11,316	11,210	11,410	11,395
Ending stocks	1,503	1,409	1,348	1,383
Stocks to use ratio	13.3	12.6	11.8	12.1

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 2011/12 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 2011/12 TRQ assumes minimum imports under current trade agreements with shortfall (57,000 STRV) and additional specialty sugar (85,000 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. 7/Miscellaneous items are included in the combined Food/Miscellaneous category.