

Current State of the Cane Refining Industry

USDA Outlook Forum 2023

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CSC SUGAR





Business Snapshot:

- Founded in 2004
- 2022 Revenue 1.05 billion \$
- 2022 Total volume delivered 1.3 million metric tons
- Core business is supplying raw sugar to US refining industry.
- Sources sugar in 17 countries.
- Not a speculative trader.



Business Snapshot:

- Started in 2006 as Melter
- Began refining in 2009
- 6 U.S. Refineries, 1 in Mexico.
- 300 Full Time Employees
- Reexport License since 2009

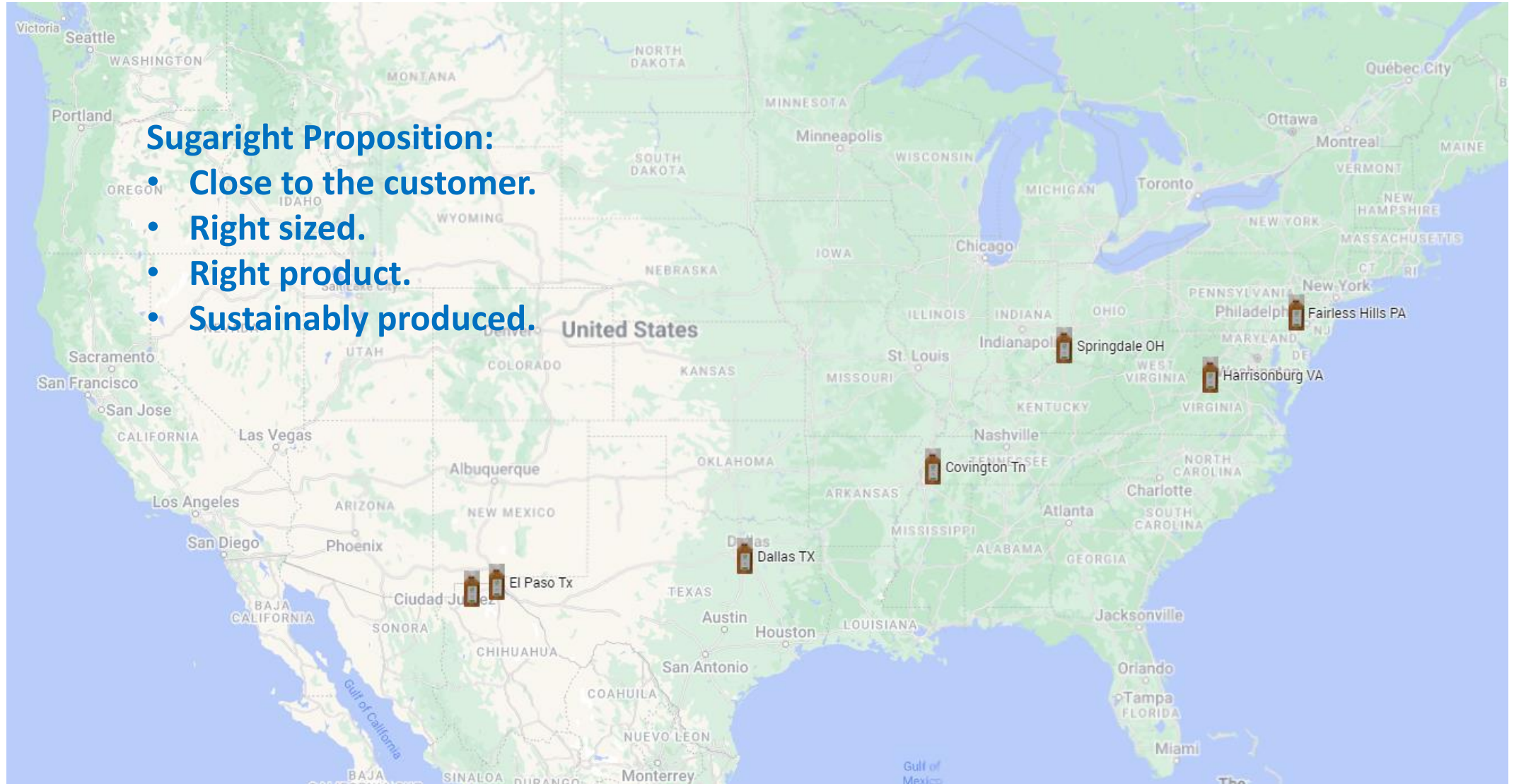
Volume Refined (STRV Dry Basis)

- 3.9 million MT to date.
- 2 million MT since July 2017 (Suspension Agreement Revision)
- Over 450,000 in 2022

Sugaright Refinery Locations

Sugaright Proposition:

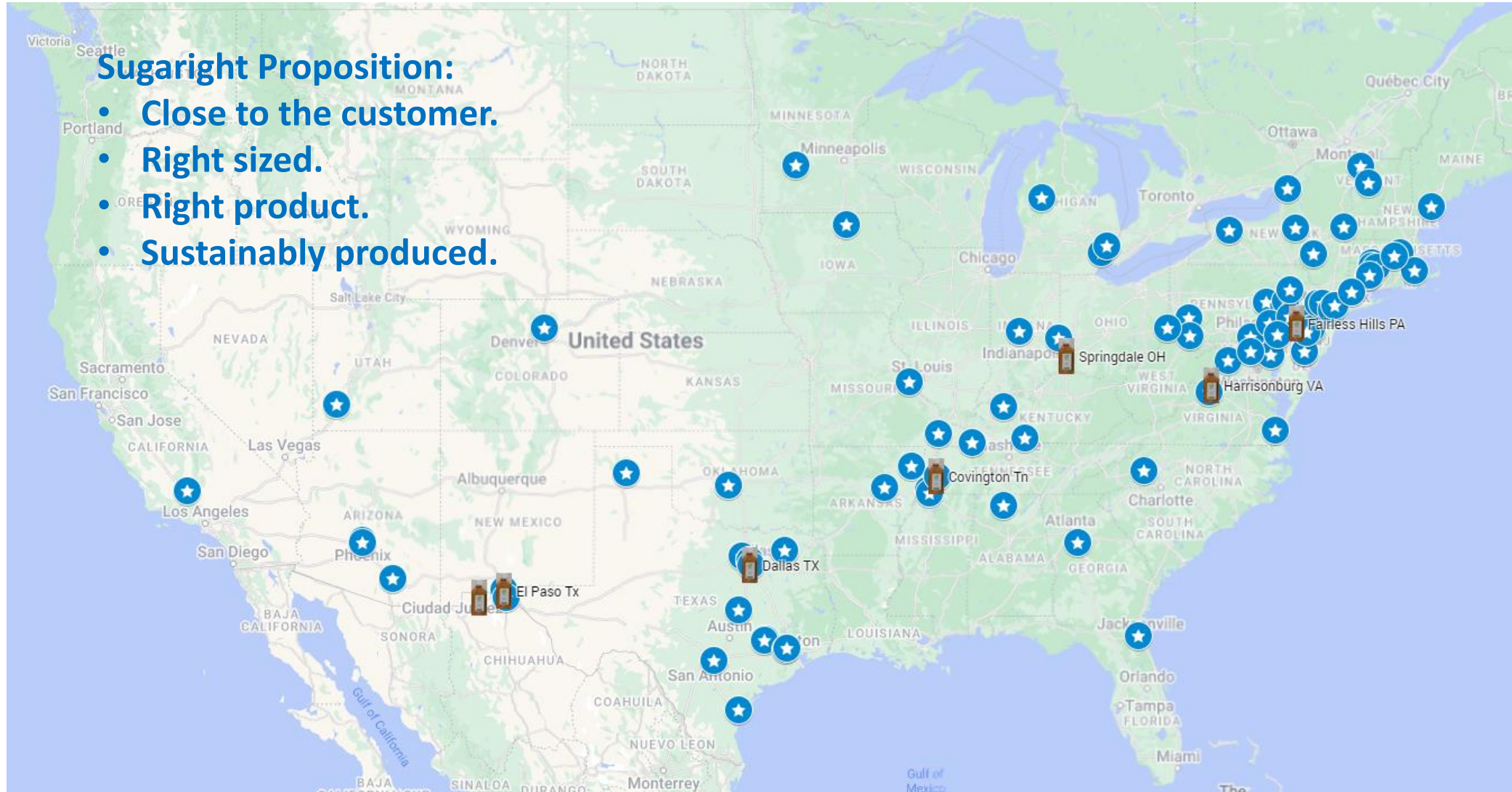
- Close to the customer.
- Right sized.
- Right product.
- Sustainably produced.



Sugaright: Right Sized Model Reaches Customers Across the Country

Sugaright Proposition:

- Close to the customer.
- Right sized.
- Right product.
- Sustainably produced.



Evolution of the Cane Refining Industry in the U.S.

Pre 1980

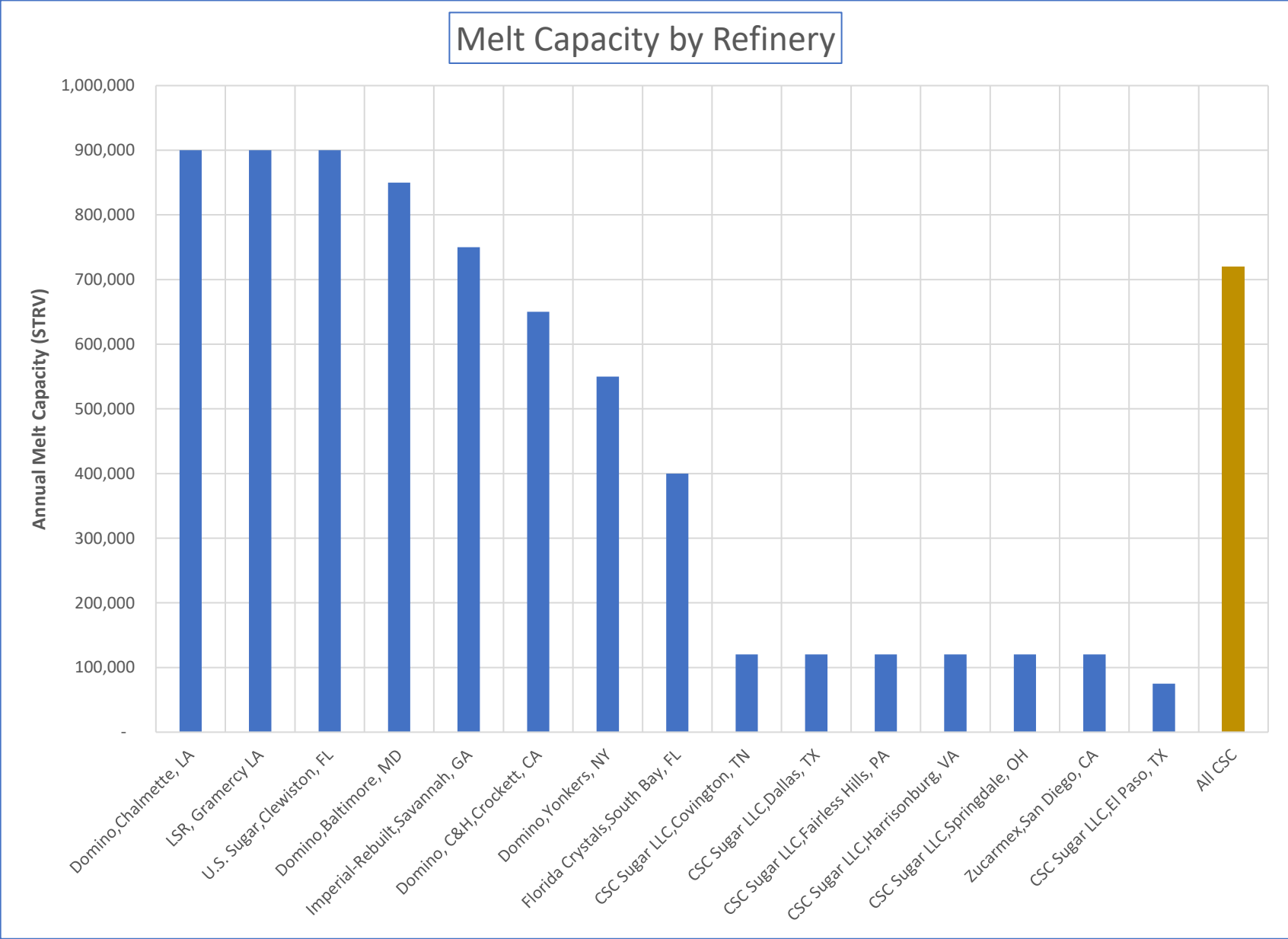
- 1 C&H,Aeia, HI
- 2 C&H,Crockett, CA
- 3 Colonial,St. Louis, MO
- 4 Domino,Baltimore, MD
- 5 Domino,Boston, MA
- 6 Domino,Brooklyn, NY
- 7 Domino,Chalmette, LA
- 8 Domino,Philadelphia, PA
- 9 Domino,Yonkers, NY
- 10 Gochaux,Reserve, LA
- 11 Imperial,Gramercy, LA
- 12 Imperial,Sugar Land, TX
- 13 Savannah Foods, Savannah GA
- 14 LA Cane Sugar,Mathews, LA
- 15 National,Long Island City, NY
- 16 National,Philadelphia, PA
- 17 Pepsi,Long Island City, NY
- 18 Revere,Boston, MA
- 19 Revere,Brooklyn, NY
- 20 Revere,Chicago, IL
- 21 Sucrest,Brooklyn, NY
- 22 Supreme,Supreme, LA

2000

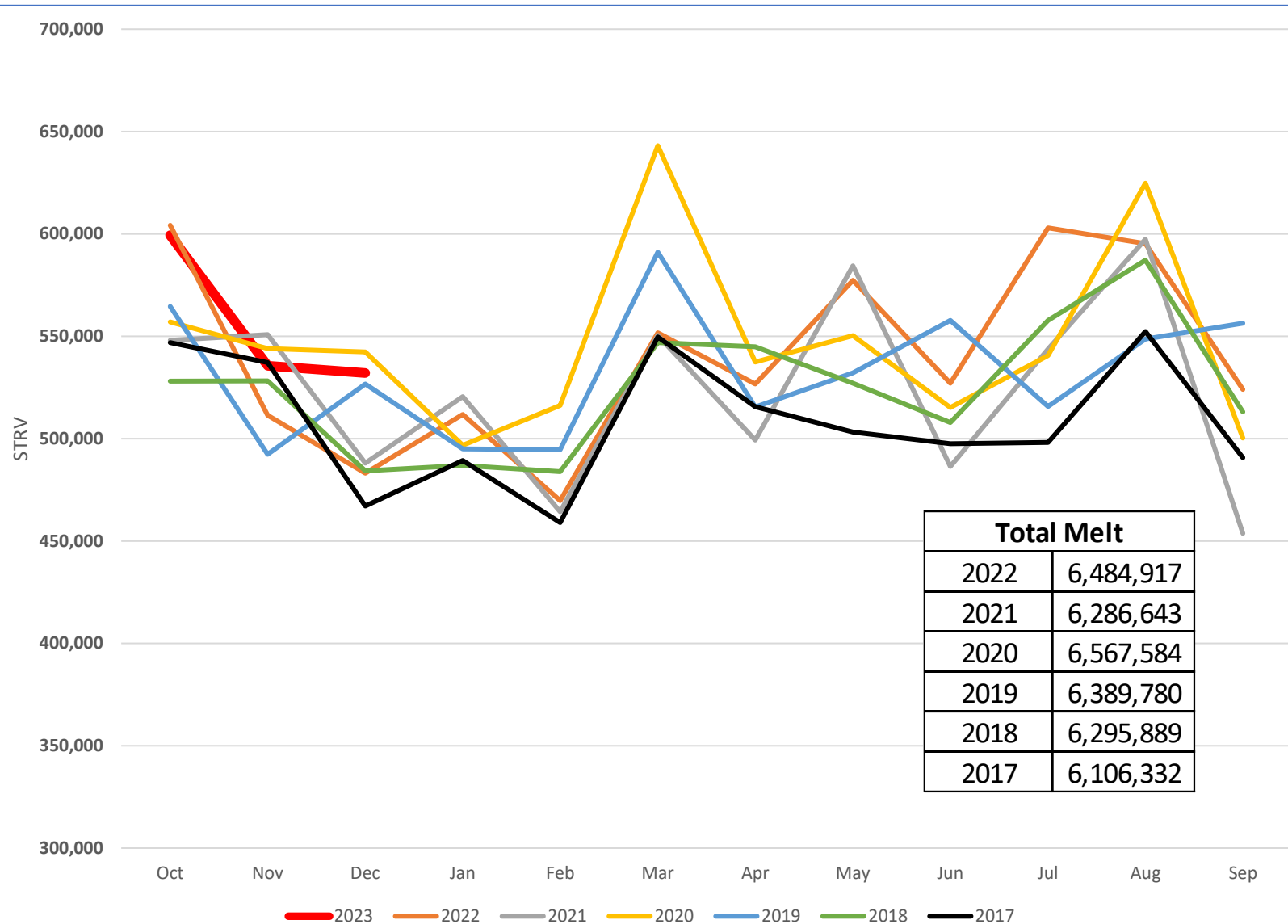
- 1 AM CANE, Taylor MI
- 2 C&H,Crockett, CA
- 3 Domino,Baltimore, MD
- 4 Domino,Brooklyn, NY
- 5 Domino,Chalmette, LA
- 6 Domino,Yonkers, NY
- 7 Florida Crystals,South Bay, FL
- 8 Imperial Sugar, Sugarland TX
- 9 Savannah Foods. Savannah GA
- 10 Savannah FoodsI,Gramercy, LA
- 11 U.S. Sugar,Clewiston, FL

Current

- 1 CSC Sugar LLC,Covington, TN
- 2 CSC Sugar LLC,Dallas, TX
- 3 CSC Sugar LLC,El Paso, TX
- 4 CSC Sugar LLC,Fairless Hills, PA
- 5 CSC Sugar LLC,Harrisonburg, VA
- 6 CSC Sugar LLC,Springdale, OH
- 7 Domino, C&H,Crockett, CA
- 8 Domino,Baltimore, MD
- 9 Domino,Chalmette, LA
- 10 Domino,Yonkers, NY
- 11 Florida Crystals,South Bay, FL
- 12 Imperial-Rebuilt,Savannah, GA
- 13 LSR, Gramercy LA
- 14 U.S. Sugar,Clewiston, FL
- 15 Zucarmex,San Diego, CA



Historical Cane Refiner Melt



Raw Cane Availability

WASDE - 633 - 16 U.S. Sugar Supply and Use 1/

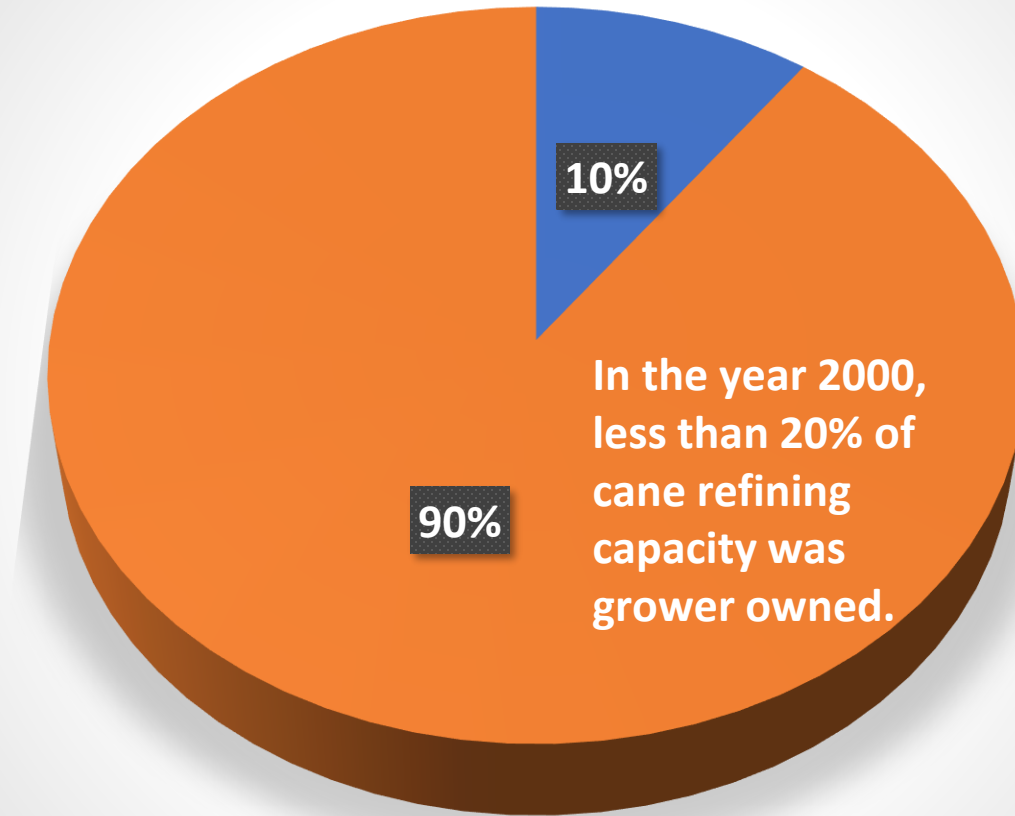
	2020/21	2021/22	2022/23	CSC EST
			Feb	
	<i>Short Tons,</i>			
Beginning Stocks	1618	1705	1820	1820
Production 2/	9233	9157	9231	9231
Beet Sugar	5092	5155	5100	5100
Cane Sugar	4141	4002	4131	4131
Florida	2090	1934	2014	2014
Louisiana	1918	1944	2030	2030
Texas	134	124	87	87
Imports	3221	3646	3463	3461
TRQ 3/	1749	1579	1611	1611
Other Program 4/	292	298	250	250
Non-program	1180	1769	1602	1600
Mexico	968	1379	1477	1000
High-tier tariff/other				
	212	390	125	600
Crop is Failing				
Market will not wait				
for USDA Action				
Total Supply	14072	14508	14514	14512
Exports	49	29	35	35
Deliveries	12277	12578	12605	12605
Food	12161	12470	12500	12500
Other 5/	116	107	105	105
Miscellaneous	40	81	0	0
Total Use	12367	12688	12640	12640
Ending Stocks	1705	1820	1874	1872
Stocks to Use Ratio	13.8	14.3	14.8	14.8%

Calculated Raw Availability for Cane Refiners

	2020/21	2021/22	2022/23	CSC EST
1,000 STRV		Est.	Proj.	
Total Dom Raw Prod Plus				
Total Imports	7,362	7,648	7,594	7,592
Less:				
Mexico Refined	290	414	443	300
Less CAFTA Refined	80	80	80	80
Less Specialty & Organic	245	245	245	245
High Tier Refined	106	195	63	200
Raw Imports to non-Reporters	100	101	102	103
Total	821	1,035	933	928
Total Raw Availability for Cane refiners	6,541	6,613	6,661	6,664

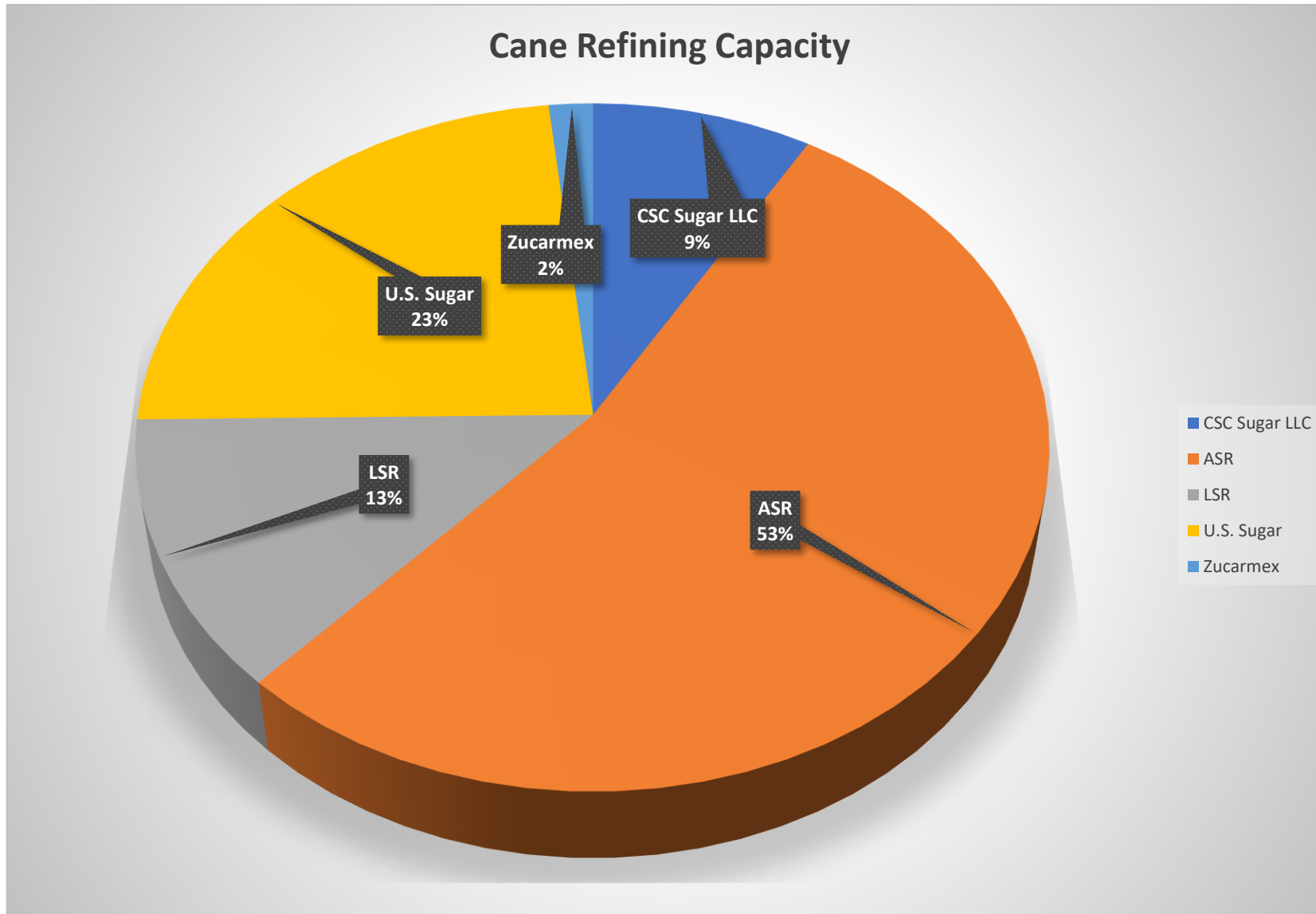
Shift in Cane Refiner Ownership has Shifted USDA Policy US Dept of Refineries?

Current Ownership of Cane Refining Capacity



■ Independent (Sugaright) ■ Grower Owned

Cane Refining Capacity by Group



What Could Possibly Go Wrong?

Weather

2005

- **Six months after Hurricane Katrina,** Domino Sugar reopened its facilities after setting up temporary trailer parks to house its workers and their families.



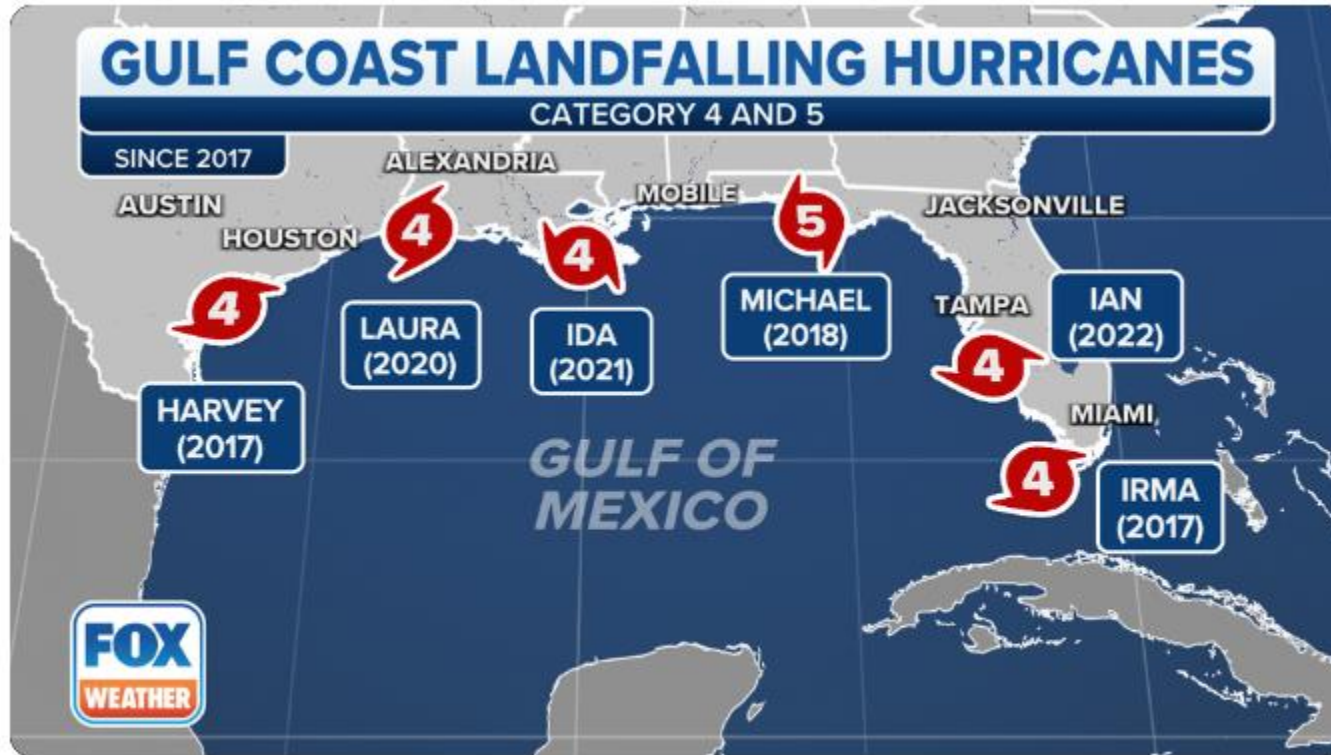
2021

New Orleans sugar refineries down from Ida



Source: The ASR Group, Louisiana Sugar Refining

More Frequent Hurricanes



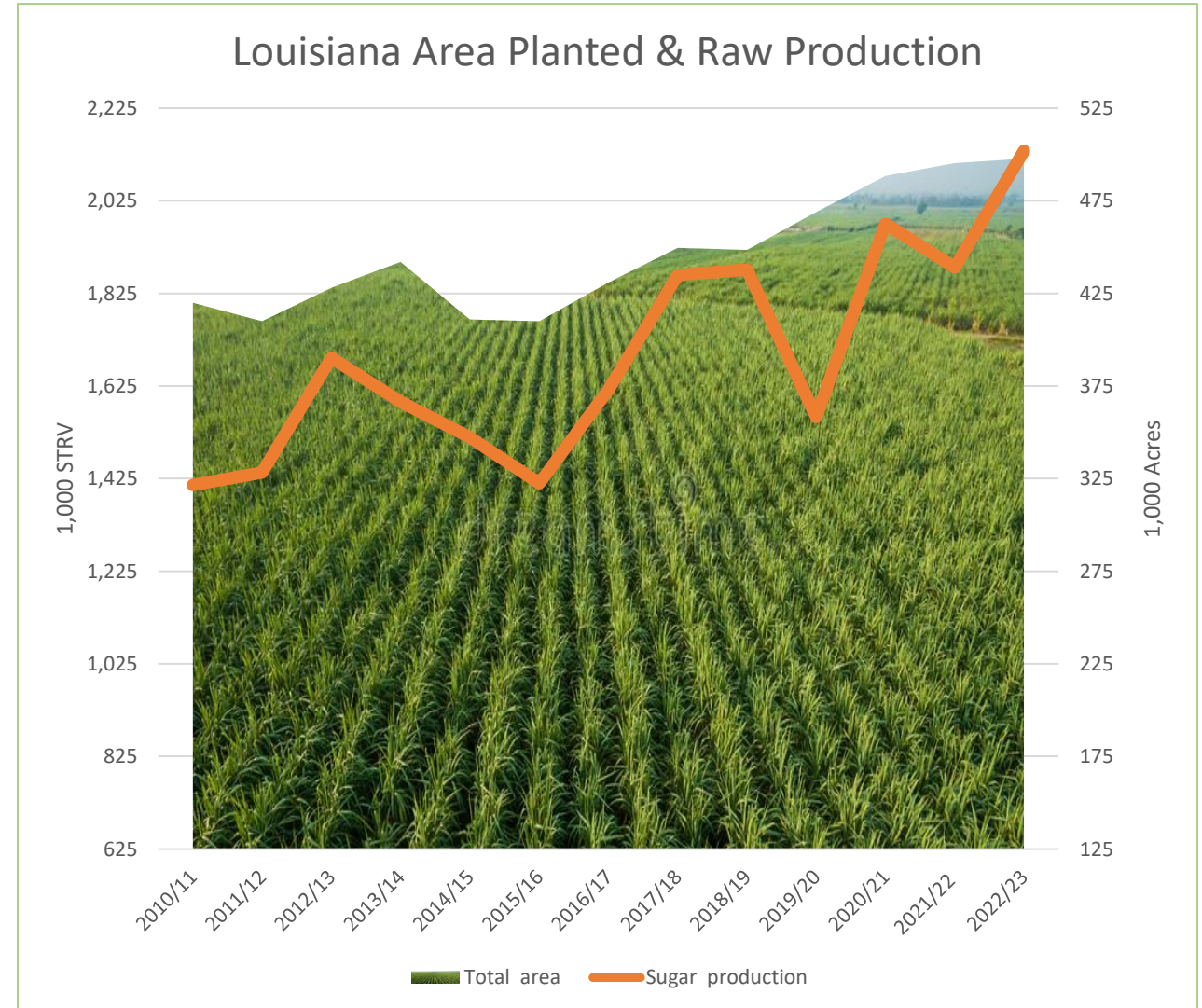
- 2022 Hurricane Ian
- 2021 Hurricane Ida
- 2020 Hurricane Laura
- 2018 Hurricane Michael
- 2017 Hurricane Irma
- 2017 Hurricane Harvey

Category 4 and 5 strikes on the US Gulf Coast

Hurricane Ian became the sixth significant hurricane to strike the US Gulf Coast since 2017

Larger & Longer Crop = Higher Risk of Freeze

Monthly Lowest Min Temperature for NEW IBERIA AIRPORT - ACADIANA REGIONAL, LA				
column heading to sort ascending, click again to sort descending				
Year	Oct	Nov	Dec	Jan
2000-01	53	29	25	23
2001-02	40	39	25	23
2002-03	47	31	31	23
2003-04	45	32	29	26
2004-05	48	41	26	27
2005-06	40	33	30	30
2006-07	44	31	24	32
2007-08	40	34	32	26
2008-09	35	34	30	29
2009-10	44	33	29	20
2010-11	41	33	26	24
2011-12	37	34	29	29
2012-13	39	37	32	33
2013-14	48	29	31	20
2014-15	48	29	33	24
2015-16	48	37	36	30
2016-17	44	33	30	23
2017-18	36	32	28	17
2018-19	50	30	30	31
2019-20	43	27	30	35
2020-21	47	35	29	29
2021-22	47	36	34	24
2022-23	35	33	20	33



100-Year-Old Refineries Require a Lot of Maintenance

PORT WENTWORTH, Ga. (AP) -- After 16 months of demolition and reconstruction, Imperial Sugar restarted its Georgia refinery Tuesday to resume making crystal sugar for the first time since a deadly explosion devastated the plant near Savannah.



3 Fires in one year at major U.S. refineries.

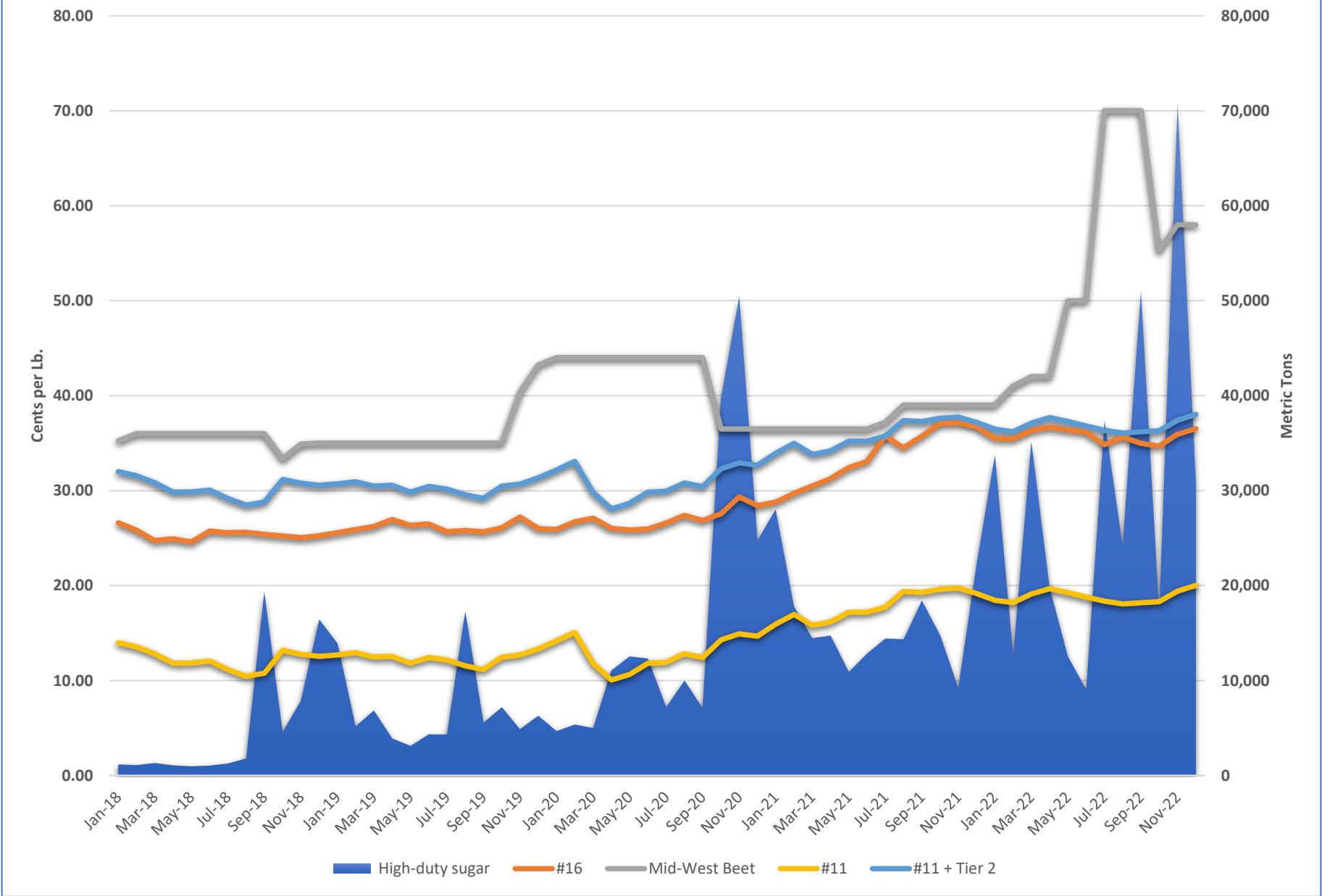


Note to the Industrial Sugar Buyer:

The current quota system is structured to keep prices at the maximum level. The following factors all add up to high prices, but not necessarily tight supplies:

- Mexico Suspension Agreement- delays sales of 200-400k until 6 months into the quota year.
- Threat of Freeze in Louisiana keeps 200-300 K off the market until the crop is finished (in January).
- Late reallocation of TRQ shortfall by the USDA keeps over 200 K in limbo, and when reallocated sometimes rolls into the next year.

Current USDA Policy Encourages Tier 2 Imports



Conclusion:

- The USDA should:
 - Remember that the consumer is also a stakeholder.
 - Support a diversified cane refining industry.
 - Support more, right sized cane refineries.
 - Support cane refiners that embrace sustainable processes.

Thank you

