United States Department of Agriculture

Sugar Outlook

Friday, February 24, 2017

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2017/18 U.S. SUGAR SUPPLY AND USE[1]

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Basis for projecting 2017/18 supply and demand:

- Projections of supply and demand are based on analyses by the Interagency Commodity Estimates Committee (ICEC) for sugar.

Key results for 2017/18:

- Beginning stocks are 1.808 million short tons, raw value (STRV), a decrease of 246,000 STRV relative to 2016/17.

- Beet sugar production is projected at 5.448 million STRV. Sugarbeet planted area is projected to increase by about 48,000 acres in 2017/18 due to lower production cost compared with 2016/17 and relatively better returns than alternative crops. Sugarbeet yields and sugar content are projected to follow trends over the past 10 years.

- Cane sugar production is projected at 3.960 million STRV. The slight increase compared with 2016/17 is due to Florida and Louisiana continuing to increase harvested area, which makes up for the Hawaii ceasing sugarcane production for 2017/18. Sugarcane yield and recovery rates in Florida and Louisiana are in line with recent averages. Texas production is projected to continue to improve upon the recovery experienced in 2016/17 with more harvested acres and yields and recovery rates in line with historical averages that occurred prior to the poor crops that occurred in 2014/15 and 2015/16.

- Total imports are projected to total 3.004 million STRV. Imports under tariff-rate quota programs are projected to total 1.522 million STRV—including a 99,208 STRV shortfall in the WTO raw sugar TRQ. Sugar imports from Mexico are projected at 1.282 million STRV, a 310,000 STRV increase from 2016/17 due to the terms of the suspension agreements. Imports from Mexico are limited by the calculation of the Target Quantity of U.S. Needs defined in the Agreement Suspending the Countervailing Duty Investigations on Sugar from Mexico, dated December 19, 2014. The amount of Mexican sugar imported results in U.S. supplies reaching an ending stocks-to-use ratio of 13.5 percent. It is expected that Mexico will have enough exportable sugar surplus to ship at least this amount.

- Deliveries for human consumption are projected at 12.324 million STRV, a 2.6 percent

[1]Approved by the Interagency Commodity Estimates Committee for sugar.

increase over 2016/17 in line with population growth and longer-term trends in sweetener consumption.

o Ending stocks total 1.692 million STRV. The ending 2017/18 year stocks-to-use ratio is 13.5 percent.

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U.S. Sugar Supply and Use 1/

Item	2015/16	2016/17		2017/18
		January	February	Projection
	1,000 short tons, raw value			
Beginning stocks	1,815	2,054	2,054	1,808
Production 2/	8,989	9,313	9,313	9,408
Beet sugar	5,119	5,371	5,371	5,448
Cane sugar	3,870	3,942	3,869	3,960
Florida	2,173	2,173	2,072	2,175
Hawaii	152	46	43	0
Louisiana	1,423	1,612	1,612	1,630
Texas	116	142	142	155
Imports	3,341	2,694	2,744	3,004
TRQ 3/	1,620	1,532	1,532	1,522
Other program 4/	396	175	225	185
Other 5/	1,325	987	987	1,297
Mexico	1,309	972	972	1,282
Total supply	14,145	14,145	14,061	14,221
Exports 2/	74	25	75	50
Deliveries 2/	12,051	12,155	12,155	12,479
Food	11,881	12,000	12,000	12,324
Other 6/	170	155	155	155
Miscellaneous	-33	0	0	0
Total use	12,091	12,180	12,230	12,529
Ending stocks	2,054	1,881	1,808	1,692
Stocks to use ratio	17.0	15.4	14.8	13.5

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 2015/16 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. 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/ethanol and feed.