



Sugar and Sweeteners Outlook: March 2024

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Mexico Sugar Production Lowered; U.S. Stocks-to-Use Ratio Falls Below 13.5 Percent

In the March 2024 *World Agricultural Supply and Demand Estimates (WASDE)*, the forecast for Mexico's 2023/24 sugar production is reduced from last month by 128,000 metric tons (MT), actual weight, to a 24-year low of 4.747 million MT as the pace of production continues to lag historically. Consequently, exports to the United States are reduced by 114,000 MT to 570,000, the lowest in 17 years.

The U.S. 2023/24 stocks-to-use ratio is forecast at 13.4 percent, down from last month's 14.2 percent, on reduced supply. Supply is lowered from last month by 105,000 short tons, raw value (STRV) to 14.416 million as the increases in raw sugar tariff-rate quota (TRQ) imports that USDA announced on March 7 and cane sugar production were offset by reduced imports from Mexico and lower beet sugar production. High-tier tariff sugar imports are maintained at a record 715,000 STRV, overtaking Mexico for the first time as the second largest import source. With use unchanged at 12.715 million STRV, ending stocks are down 105,000 STRV, the same amount as the supply reduction, to 1.701 million.

U.S. Outlook Summary

U.S. Supply Down on Lower Domestic Production and Imports from Mexico

In the March 2024 *WASDE*, the U.S. 2023/24 sugar supply is lowered from last month by 105,000 short tons, raw value (STRV) to 14.416 million. This reflects increases in raw sugar tariff-rate quota (TRQ) imports and cane sugar production that were offset by lower imports from Mexico and reduced beet sugar production (table 1). Exports from Mexico are reduced from last month by 133,000 STRV to 666,000, a 14-year low. Domestically sourced supply is down as increased production of cane sugar is countered by a decrease in beet sugar.

On March 7, USDA increased the raw sugar TRQ by about 138,000 STRV (125,000 metric tons, raw value in the *Federal Register*) using the authority given to the Secretary of Agriculture under the Additional U.S. Note 5 of the Harmonized Tariff Schedule (HTS) Chapter 17. Since the U.S. Trade Representative (USTR) has not published the country allocation, the projected TRQ shortfall is maintained at 92,000 STRV. High-tier tariff sugar imports are unchanged and remain at a record-high 715,000 STRV, overtaking Mexico for the first time as the second largest source of U.S. imports. U.S. sugar use components are carried over this month—exports (160,000 STRV), deliveries for food and beverage use (12.450 million), and other deliveries (105,000). With use unchanged at 12.715 million STRV, ending stocks are reduced by the same amount as that of supply (105,000 STRV) to 1.701 million. The corresponding stocks-to-use ratio is 13.4 percent, down from last month's 14.2 percent.

U.S. Beet Sugar Production Reduced

U.S. beet sugar production in fiscal year 2023/24 is lowered from last month by 156,000 STRV to 5.172 million STRV, relatively close to last year's 5.187 million (table 2). The reduced outlook is largely based on a higher sugarbeet shrink forecast, up from last month's 7.88 percent to 9 percent. Unseasonably warm temperatures in December and January, mainly in Michigan and the Red River Valley (RRV)¹, led a portion of the sugarbeet piles to be discarded. The warm

¹ The Red River Valley region refers to sugarbeet growing areas in Minnesota and North Dakota.

weather, particularly in RRV, prevented beet piles in some areas from being completely frozen² for longer-term storage, making pile management more challenging amid above average temperatures in recent weeks.

Projections for other parameters are also adjusted downwards. The sucrose recovery extraction rate is lowered from last month's 15.26 percent to 15.02 percent based on the beet processors' data through January published in the USDA, Farm Service Agency *Sweetener Market Data (SMD)*. Sugar production from molasses is reduced 18,000 STRV from last month to 342,000 STRV, likewise following the processors' forecast in the *SMD*.

Table 1: U.S. sugar supply and use by fiscal year (October–September), March 2024

	2021/22	2022/23			2023/24		
	Final	February (estimate)	March (estimate)	Monthly change	February (forecast)	March (forecast)	Monthly change
	1,000 short tons, raw value						
Beginning stocks	1,705	1,820	1,820	0	1,843	1,843	0
Total production	9,157	9,250	9,250	0	9,352	9,243	-109
Beet sugar	5,155	5,187	5,187	0	5,327	5,172	-156
Cane sugar	4,002	4,063	4,063	0	4,024	4,071	47
Florida	1,934	1,985	1,985	0	2,045	2,095	50
Louisiana	1,944	2,001	2,001	0	1,935	1,936	1
Texas	124	76	76	0	44	40	-4
Total imports	3,646	3,614	3,614	0	3,326	3,331	5
Tariff-rate quota imports	1,579	1,862	1,862	0	1,612	1,750	138
Other program imports	298	141	141	0	200	200	0
Non-program imports	1,769	1,611	1,611	0	1,514	1,381	-133
Mexico	1,379	1,156	1,156	0	799	666	-133
High-duty	390	455	455	0	715	715	0
Total supply	14,508	14,685	14,685	0	14,520	14,416	-105
Total exports	29	82	82	0	160	160	0
Miscellaneous	81	171	171	0	0	0	0
Total deliveries	12,578	12,589	12,589	0	12,555	12,555	0
Domestic food and beverage use	12,470	12,473	12,473	0	12,450	12,450	0
To sugar-containing products re-export program	80	94	94	0	80	80	0
For polyhydric alcohol, feed, other alcohol	27	22	22	0	25	25	0
Commodity Credit Corporation (CCC) for ethanol	0	0	0	0	0	0	0
Total use	12,688	12,843	12,843	0	12,715	12,715	0
Ending stocks	1,820	1,843	1,843	0	1,805	1,701	-105
Private	1,820	1,843	1,843	0	1,805	1,701	-105
Commodity Credit Corporation	0	0	0	0	0	0	0
Stocks-to-use ratio (percent)	14.3	14.3	14.3	0.0	14.2	13.4	-0.8

Note: Totals and monthly changes may not add due to rounding.

Source: USDA, World Agricultural Outlook Board, *World Agricultural Supply and Demand Estimates (WASDE)*.

² The process of deep-freezing stops the respiration within the sugarbeets that are stored outside or in sheds—thereby minimizing the loss of sugar from deterioration—by using the frigid winter air to pass through the storage piles by ventilation.

Table 2: U.S. beet sugar production, 2022/23–2023/24

	2021/22 Final	2022/23 Final	2023/24 February	2023/24 March	Monthly change
Sugarbeet production (1,000 short tons) 1/	36,772	32,644	35,226	35,226	0
Sugarbeet shrink (percent)	7.95	6.39	7.88	9.00	1.12
Sugarbeet sliced (1,000 short tons)	33,850	30,558	32,450	32,056	-394
Sugar extraction rate from slice (percent)	14.63	15.35	15.26	15.02	-0.24
Sugar from beets sliced (1,000 STRV) 2/	4,954	4,690	4,951	4,813	-138
Sugar from molasses (1,000 STRV) 2/	341	372	360	342	-18
Crop year sugar production (1,000 STRV) 2/	5,294	5,061	5,311	5,155	-156
Aug.–Sep. sugar production (1,000 STRV)	676	537	663	663	0
Aug.–Sep. sugar production of subsequent crop (1,000 STRV)	537	663	644	644	0
Sugar from imported beets (1,000 STRV) 3/	N/A	N/A	35	35	0
Fiscal year sugar production (1,000 STRV)	5,155	5,187	5,327	5,172	-156

STRV = short tons, raw value; N/A = not applicable.

Note: Totals and monthly changes may not add due to rounding.

1/ USDA, National Agricultural Statistics Service.

2/ August–July.

3/ Sugar from imported beets are already included in the final crop year production. Typically, this component is separated for projection purposes and included in the total once the full crop year slice is available.

Source: USDA, Economic Research Service; USDA, World Agricultural Outlook Board; USDA, Farm Service Agency.

Gains In Florida Lift U.S. Cane Sugar Production Forecast

The U.S. cane sugar production forecast for fiscal year 2023/24 is raised from last month by 47,000 STRV to 4.071 million after an increase for Florida offset a decrease for Texas (figure 1). If realized, the 2023/24 sugar cane production will be above last year (4.063 million STRV) and will be the second largest in recent years behind 2020/21 (4.142 million STRV). With the Louisiana crop year campaign finished last month, fiscal year sugar production in the State is marginally increased to 1.936 million STRV.

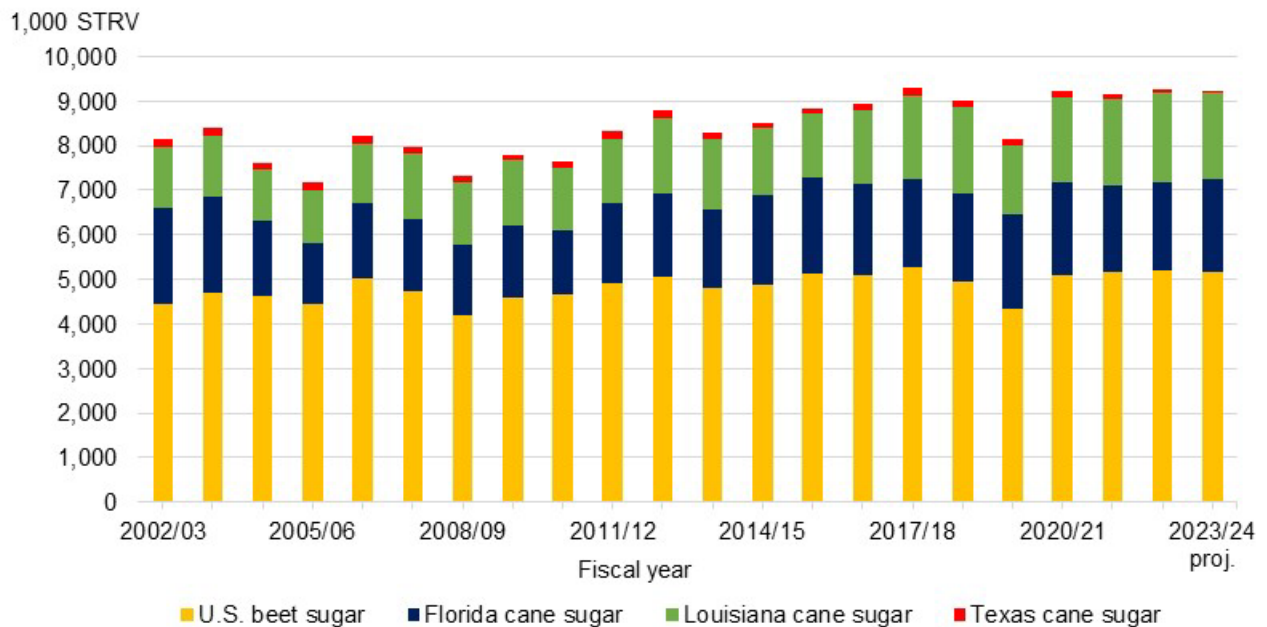
Florida sugar production is raised by 50,000 STRV to 2.095 million STRV—a 110,00-STRV increase (6 percent) from last year—following the processors’ forecast in the *SMD* that reflect higher expected acreage. While January sugar production in the State was lower than average due to unseasonal rains delaying the harvest, processors indicated to USDA that the campaign would be extended 2–4 weeks to make up for lost time.

With harvest completed, Texas cane sugar production is adjusted downward by 4,000 STRV to 40,000, a historic low. The State’s lone sugar factory—Rio Grande Valley Sugar Growers, Incorporated—announced on February 22 that it is closing after 51 years. The closing is the subject of a feature article in this month’s Outlook. Due to this closure, domestic sugarcane

production in the coming crop year will only be in Florida and Louisiana.

Given that the 47,000-STRV increase in cane sugar production did not offset the 156,000-STRV decrease in beet sugar production, on net, domestically sourced sugar is lowered from last month's forecast by 109,000 STRV to 9.243 million. If realized, this year's domestic sugar production would be the third largest behind 2017/18 (9.293 million STRV) and last year (9.250 million STRV).

Figure 1
U.S. production of beet and cane sugar, fiscal year 2002/03–2023/24



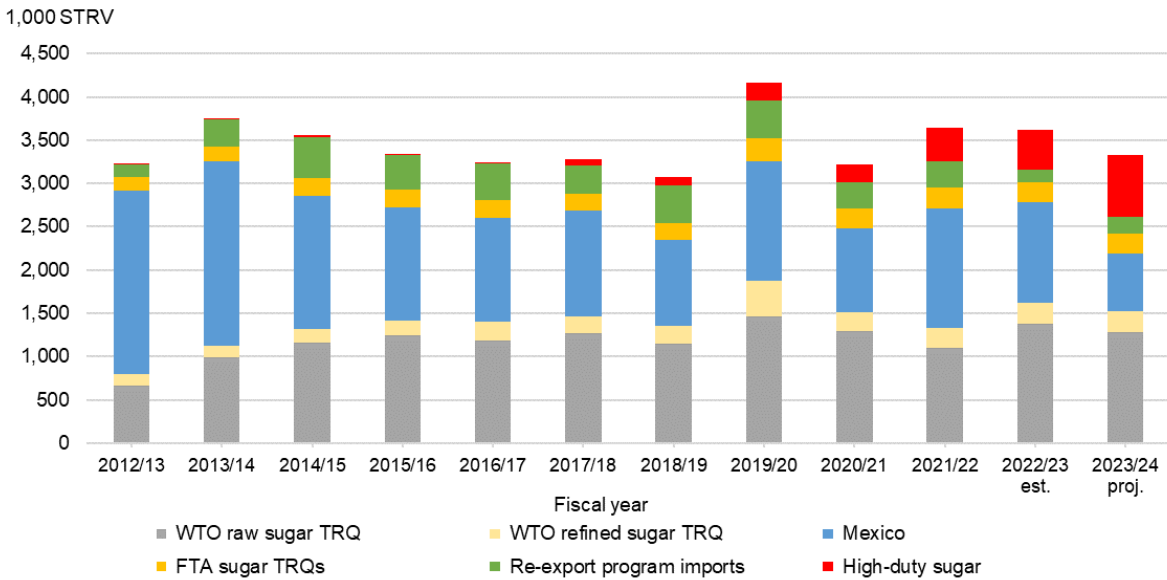
STRV = short tons, raw value; proj. = projected.

Source: USDA, World Agricultural Outlook Board, *World Agricultural Supply and Demand Estimates (WASDE)*.

Total U.S. Sugar Imports Raised Slightly

U.S. 2023/24 sugar imports are marginally raised from last month by 5,000 STRV to 3.331 million as a 138,000-STRV increase in raw sugar TRQ announced by USDA on March 7 was mostly countered by a 133,000-STRV decrease in imports from Mexico. Since there are no changes to the other categories, total imports in 2023/24 are expected to be 283,000-STRV less (8 percent) than last year (figure 2).

Figure 2
U.S. sugar imports by type, fiscal year 2012/13–2023/24



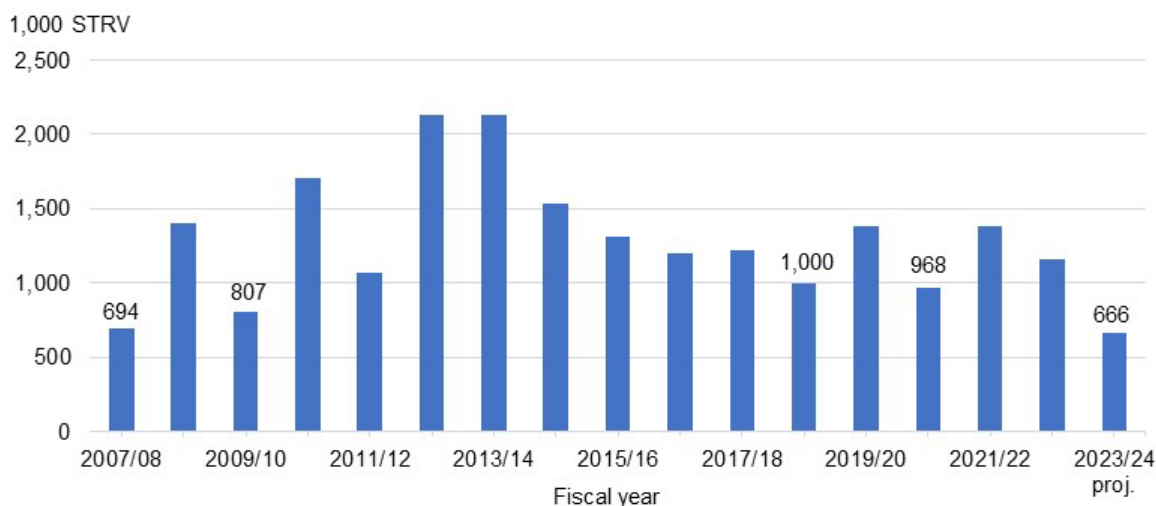
STRV = short tons, raw value; FTA = free trade agreement; WTO = World Trade Organization; TRQ = tariff-rate quota; est. = estimated; proj. = projected.

Source: USDA, Foreign Agricultural Service.

USDA’s raw sugar TRQ increase was authorized under the Additional U.S. Note 5 to Chapter 17 of the U.S. Harmonized Tariff Schedule. Since the U.S. Trade Representative (USTR) has not yet published the allocation of this increase among supplying countries and customs, the projected TRQ shortfall is unchanged at 92,000 STRV.

U.S. imports from Mexico, the largest source from a single country, have averaged about 33 percent of total imports over the last 5 years. However, due to the drought-reduced crop, the 2023/24 U.S. sugar imports from Mexico is lowered from last month by 133,000 STRV to 666,000, the lowest in 17 years (figure 3), and would be overtaken for the first time by high-tier imports (715,000 STRV) as the second largest sugar import category.

Figure 3
U.S. imports from Mexico, 2007/08–2023/24



STRV = short tons, raw value; proj. = projected.

Source: USDA, World Agricultural Outlook Board, World Agricultural Supply and Demand Estimates (WASDE).

At 666,000-STRV, U.S. sugar imports from Mexico in the *WASDE* are about 17,000 STRV below the U.S. Department of Commerce’s (DOC) March calculation of the 2023/24 U.S. Needs (680,525 STRV) to achieve the target 13.5-percent stocks-to-use ratio (table 3). While DOC’s March calculation represents 100 percent of the 2023/24 Export Limit for Mexico, per the suspension agreements, this calculation cannot be less than the Export Limit calculated in prior months. Thus, DOC upheld the cap set in December 2023 (898,905 STRV) and the Government of Mexico must consult with USDA and DOC monthly after each *WASDE* starting in March on its ability to meet this volume.

The *WASDE*’s 666,000-STRV estimate of imports from Mexico is separate from DOC’s calculation and is based solely on the analysis of Mexico’s capacity to produce low polarity sugar for export to the U.S. market. This analysis is described in the Mexico Outlook section of this report. Thus, in a situation where Mexico has a poor crop, as is the case for the 2023/24 crop year, the *WASDE*’s estimate of imports from Mexico is below the DOC U.S. Needs calculation.

Table 3: Comparison of forecast of imports from Mexico in the WASDE and U.S. Needs calculation by the U.S. Department of Commerce, 2022/23 and 2023/24

	Imports from Mexico in the WASDE	Target quantity of U.S. Needs	Percent to derive Export Limit	(U.S. Needs) x (percent)	Less than or equal to previous calculation	Export Limit
Unit is STRV except where percent is noted						
Fiscal year 2022/23						
July 2022	1,756,180	1,900,775	50	950,388	N/A	950,388
September 2022	1,618,775	1,618,775	70	1,133,143	No	1,133,143
December 2022	1,477,400	1,477,400	80	1,181,920	No	1,181,920
March 2023	1,305,900	1,305,900	100	1,305,900	No	1,305,900
Fiscal year 2023/24						
July 2023	1,485,900	1,485,900	50	742,950	N/A	742,950
September 2023	1,284,150	1,284,150	70	898,905	No	898,905
December 2023	971,079	1,065,550	80	852,440	Yes	898,905
March 2024	665,663	680,525	100	680,525	Yes	898,905

STRV = short tons, raw value; N/A = not applicable; WASDE = *World Agriculture Supply and Demand Estimates*.

Source: U.S. Department of Commerce ACCESS repository.

Mexico Outlook

Mexico's Sugar Production Trimmed

In the March *World Agricultural Supply and Demand Estimates (WASDE)*, Mexico's 2023/24 sugar production is reduced by 128,000 metric tons (MT), actual weight from last month to 4.747 million MT (table 4). The forecast is based on interim analysis of production data as of week 22 (through March 2)—just past the halfway mark of the campaign—published by Mexico's National Committee for the Sustainable Development of Sugarcane (CONADESUCA). If realized, this production level would be lower than last year (5.224 million MT) by 477,000 (9 percent). It would be the lowest in 24 years and the first time that production would fall below 5 million MT in 14 years (figure 4).

Table 4: Mexico's sugar supply and use by fiscal year (October–September), March 2024

	2022/23			2023/24		
	February (estimate)	March (estimate)	Monthly change	February (forecast)	March (forecast)	Monthly change
	1,000 metric tons, actual weight					
Beginning stocks	964	964	0	835	835	0
Production	5,224	5,224	0	4,875	4,747	-128
Imports	285	285	0	547	494	-52
Imports for consumption	267	267	0	522	469	-52
Imports for sugar-containing product exports (IMMEX) 1/	18	18	0	25	25	0
Total supply	6,473	6,473	0	6,257	6,077	-180
Disappearance						
Human consumption	4,193	4,193	0	4,248	4,193	-55
For sugar-containing product exports (IMMEX)	405	405	0	400	400	0
Other deliveries and end-of-year statistical adjustment	29	29	0	0	0	0
Total	4,627	4,627	0	4,648	4,593	-55
Exports	1,011	1,011	0	709	595	-114
Exports to the United States and Puerto Rico	989	989	0	684	570	-114
Exports to other countries 2/	22	22	0	25	25	0
Total use	5,638	5,638	0	5,357	5,188	-169
Ending stocks	835	835	0	900	889	-11
Stocks-to-human consumption (percent)	19.9	19.9	0	21	21	0
Stocks-to-use (percent)	14.8	14.8	0	16.8	17.1	0
High-fructose corn syrup (HFCS) consumption (dry weight)	1,392	1,392	0	1,407	1,407	0

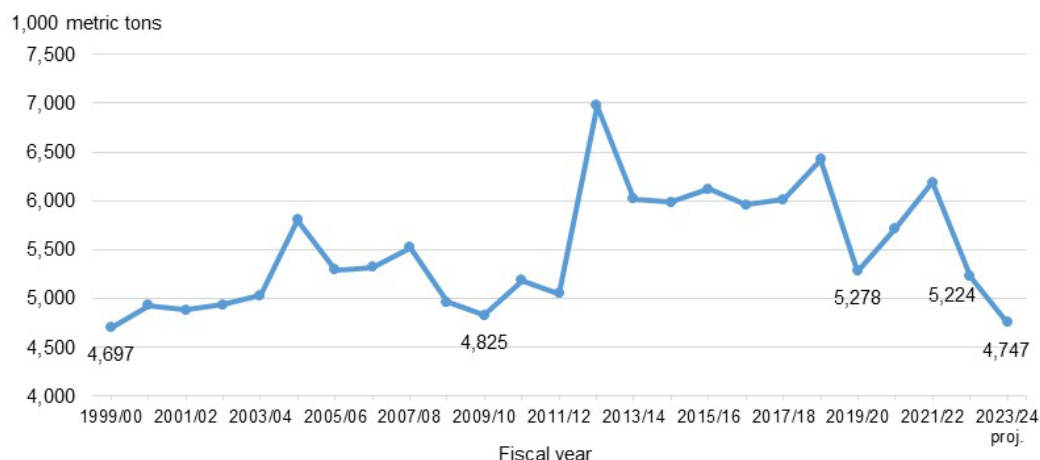
Note: Totals and monthly changes may not add due to rounding.

1/ IMMEX = Industria Manufacturera, Maquiladora y de Servicios de Exportación.

2/ Includes exports participating in the U.S. re-export programs.

Source: USDA, World Agricultural Outlook Board, *World Agricultural Supply and Demand Estimates (WASDE)*; Mexico's National Committee for the Sustainable Development of Sugarcane (CONADESUCA).

Figure 4
Mexico's sugar production, by fiscal year, 1999/00–2023/24



proj.= projected.

Source: USDA, World Agricultural Outlook Board; Mexico's National Committee for the Sustainable Development of Sugarcane (CONADESUCA).

CONADESUCA's production report through week 22 indicates that, except for sugarcane yield, all other production variables are lower compared to the same time last year. Area harvested is down 6 percent, the extraction rate is 9 percent lower, and the agro-industrial yield fell by 7 percent from a year prior (table 5). Consequently, sugar production year over year is lower by 13 percent. Taking the latest available data into account, the March *WASDE* lowered its forecast for the parameter estimates—area is slightly reduced to 770,000 hectares (ha), yield to 61.89 mt/ha, and recovery rate to 9.97 percent—that underlie this month's reduction of projected sugar production to 4.747 million MT (table 6).

Table 5: Mexico's sugar production as of week 22, fiscal years 2019/20, 2022/23, 2023/24, and 5-year average

	As of week 22			Difference versus 2022/23		Difference versus 5-year average	
	2022/23	2023/24	5-year	Level	Percent	Level	Percent
			average ^{1/}				
Area harvested (1,000 ha)	400	374	383	-25	-6	-9	-2
Sugarcane processed (1,000 MT)	26,900	25,714	27,964	-1,186	-4	-2,250	-8
Sugarcane yield (MT per ha)	67.29	68.69	73.00	1.4	2	-4.31	-6
Extraction rate (percent)	10.53	9.61	10.54	-0.9	-9	-0.93	-9
Agro-industrial yield (MT sugar per ha)	7.09	6.60	7.70	-0.5	-7	-1.10	-14
Sugar production (1,000 metric tons)	2,833	2,472	2,950	-361	-13	-478	-16
By type:							
Refinada	578	557	667	-21	-4	-110	-16
Estándar	1,794	1,657	1,824	-138	-8	-167	-9
Polarity less than 99.2	420	229	382	-191	-45	-153	-40
Blanco especial and mascabado	40	29	78	-11	-27	-48	-62

ha = hectares; MT = metric tons.

^{1/} Years included are 2018/19–2022/23.

Source: USDA, Economic Research Service calculations using data from Mexico's National Committee for the Sustainable Development of Sugarcane (CONADESUCA).

CONADESUCA Released Third Production Estimate

On the eve of the March *WASDE*, CONADESUCA published its third 2023/24 sugar production forecast at 4.747 million MT, the same as that of the March *WASDE*. While the two estimates are similar, the *WASDE* and CONADESUCA have different projections of the underlying variables. CONADESUCA's updated yield forecast (61.56 MT/ha) is lower than the *WASDE* (61.89 MT/ha) but has a higher expectation for recovery rate (10.31 percent versus 9.97 percent). In addition, CONADESUCA lowered its area harvested from the second estimate by 29,000 ha to 748,000, the lowest in 12 years and 58,000 ha (7 percent) lower than last year's record of 806,000 ha (figure 5).

As noted in the *WASDE* text, harvested area presents the most uncertainty as some fields may have low sugarcane yields that make harvesting and processing operations uneconomical despite the high sugar prices in Mexico and the United States. Thus, some areas may be left unharvested for the current season.

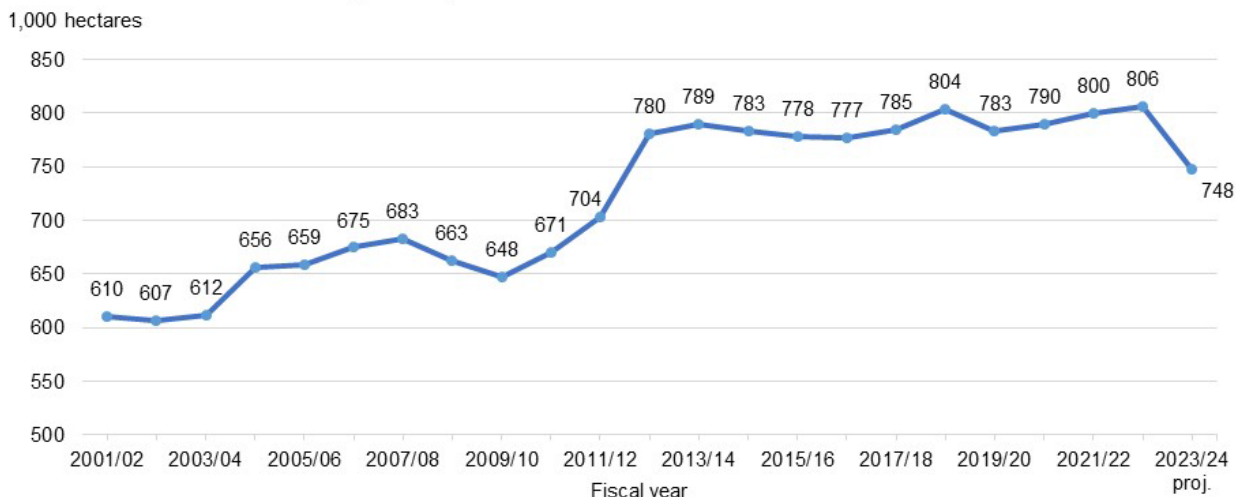
Table 6: Mexico's sugar production, 2017/18–2023/24

Fiscal year	Harvested area (1,000 ha)	Sugarcane yield (MT per ha)	Sugarcane processed (1,000 MT)	Recovery (percent)	Agroindustrial yield (sugar MT per ha)	Sugar production (1,000 MT)
2017/18	785	67.97	53,336	11.27	7.66	6,010
2018/19	804	70.94	57,037	11.27	7.99	6,426
2019/20	783	62.89	49,274	10.71	6.74	5,278
2020/21	790	64.93	51,293	11.14	7.23	5,715
2021/22	800	68.37	54,681	11.31	7.73	6,185
2022/23	806	58.99	47,564	10.98	6.48	5,224
5-year average (2018/19–2022/23)	797	65.22	51,970	11.08	7.24	5,766
2023/24 proj. <i>WASDE</i> (11/09/2023)	800	61.30	49,040	10.90	6.66	5,330
2023/24 proj. CONADESUCA (11/10/2023)	798	58.46	46,668	11.12	6.50	5,188
2023/24 proj. <i>WASDE</i> (02/08/2024)	776	62.60	48,603	10.03	6.28	4,875
2023/24 proj. CONADESUCA (01/31/2024)	776	59.71	46,362	10.70	6.39	4,959
2023/24 proj. <i>WASDE</i> (03/08/2024)	770	61.89	47,640	9.97	6.17	4,747
2023/24 proj. CONADESUCA (03/07/2024)	748	61.56	46,033	10.31	6.35	4,747

ha = hectares; MT = metric tons; proj. = projected.

Source: USDA, World Agricultural Outlook Board, *World Agricultural Supply and Demand Estimates (WASDE)*; Mexico's National Committee for the Sustainable Development of Sugarcane (CONADESUCA).

Figure 5
Mexico's area harvested for sugarcane, 2001/02–2023/24



proj. = projected.

Note: Projection for 2023/24 is based on CONADESUCA's third estimate that was released on March 7, 2024.

Source: Mexico's National Committee for the Sustainable Development of Sugarcane (CONADESUCA).

Record-Low Forecast of Low Polarity Sugar Production

Based on CONADESUCA's week 22 reporting, cumulative production of sugar with less than 99.2 polarity (referred to as low polarity sugar) amounted to 229,000 MT—191,000 MT lower (45 percent) than last year over the same period. This translates to a 9.3-percent share of total sugar produced to date. Given the poor sugarcane crop outlook and historically high Mexico sugar prices, the production of standard and refined sugar for the domestic market is taking precedence over low polarity for exports to the United States. Across the five regions³ where low polarity sugar production has been produced since in 2017/18 to comply with the terms of the amended suspension agreements, cumulative production of low polarity sugar is relatively behind that of standard sugar. This holds true even in the Northwest region, which is the smallest low polarity sugar producer (figure 6).

This observation is supported by CONADESUCA's third estimate where the 2023/24 low polarity sugar is reduced to 454,000 MT, 276,000-MT lower (38 percent) than last year and the lowest since Mexico started producing this sugar type in 2017/18 (figure 7). In terms of share of total production (figure 8), low polarity sugar is projected at 9.6 percent, also the lowest since 2017/18. In contrast, a higher priority for producing standard sugar, which is widely consumed in the domestic market, is reflected from the fact that while its projected volume was also reduced in the

³ Mills in the Center and Pacific regions do not produce low polarity sugar. Prior to the suspension agreements, low polarity sugar is not produced in Mexico.

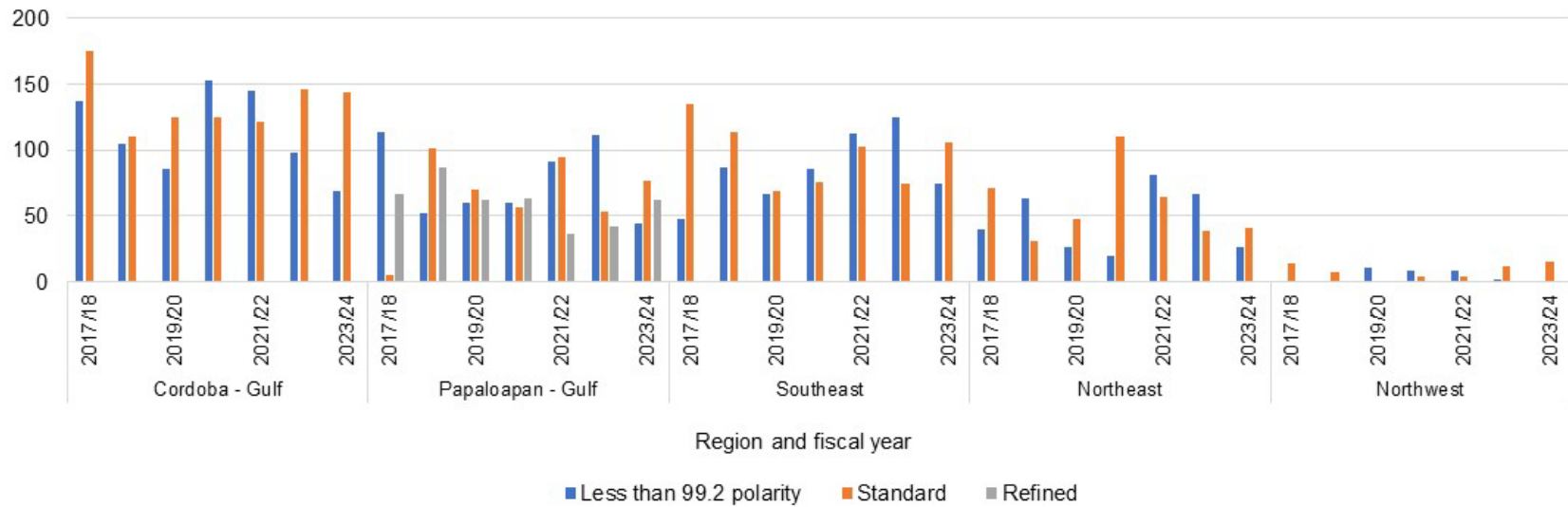
third estimate, its corresponding share of total sugar production increased from 64.4 percent to 65.6 percent.

The lesser priority for low polarity sugar is further reflected in the unprecedently low weekly projected path of the cumulative volume using the 5-year weekly average percent share to the total (figure 9).

Figure 6

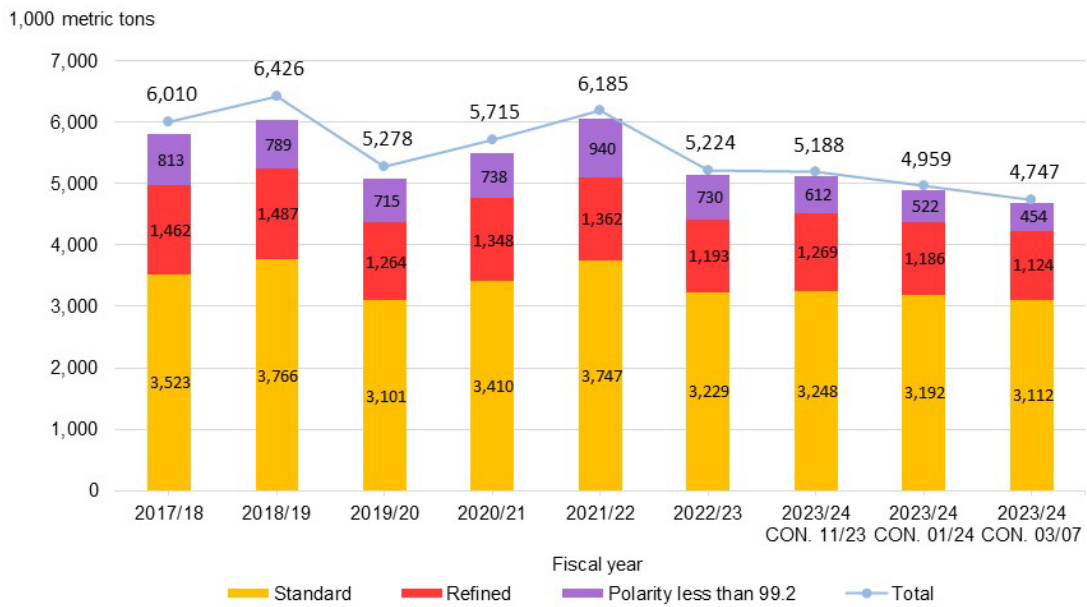
Mexico's production of low polarity sugar with respect to other types, through week 22, by region, 2017/18–2023/24

1,000 metric tons



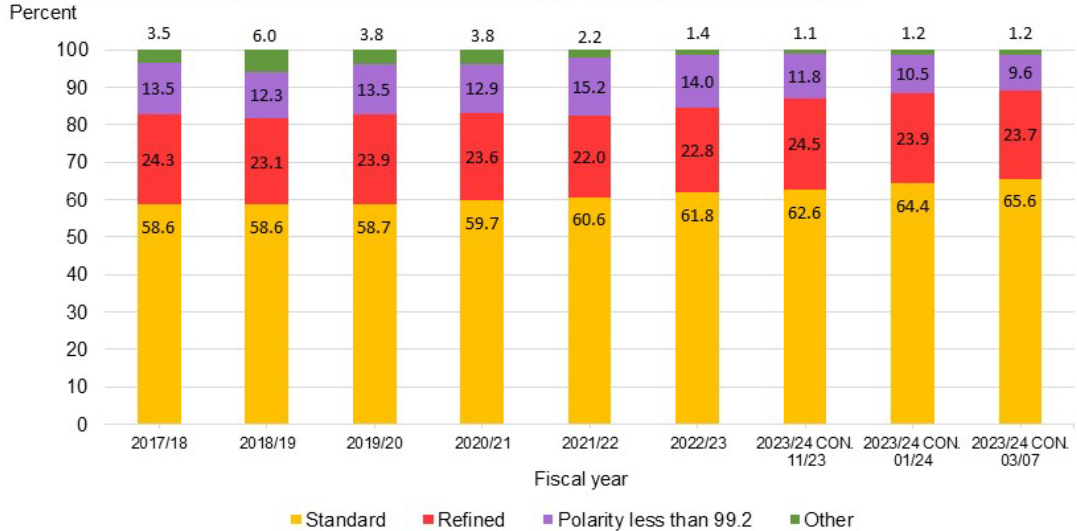
Source: USDA, Economic Research Service calculations using data from Mexico's National Committee for the Sustainable Development of Sugarcane (CONADESUCA).

Figure 7
Mexico's sugar production by type of sugar, 2017/18–2023/24



proj. = projected; CON. = CONADESUCA.
 Note: The "Other" category is comprised of white special and brown sugar.
 Source: USDA, Economic Research Service calculations using data from Mexico's National Committee for the Sustainable Development of Sugarcane (CONADESUCA).

Figure 8
Share of Mexico's sugar production by type of sugar to total, 2017/18–2023/24

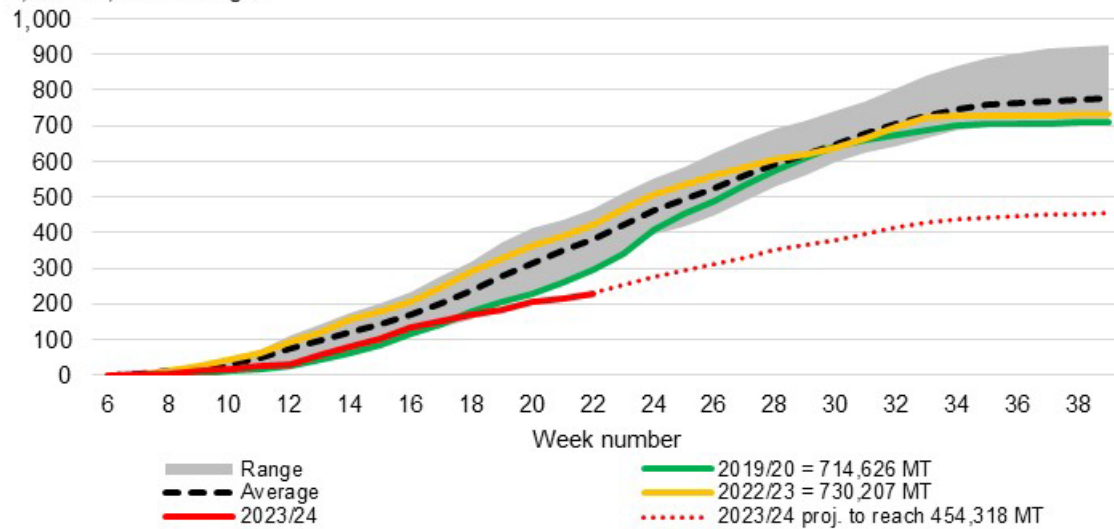


proj. = projected; CON. = CONADESUCA.
 Note: The "Other" category is comprised of white special and brown sugar.
 Source: USDA, Economic Research Service calculations using data from Mexico's National Committee for the Sustainable Development of Sugarcane (CONADESUCA).

Figure 8

Mexico's cumulative production of low polarity sugar, by week, 2017/18–2023/24

1,000 MT, actual weight



MT = metric tons; proj. = projected.

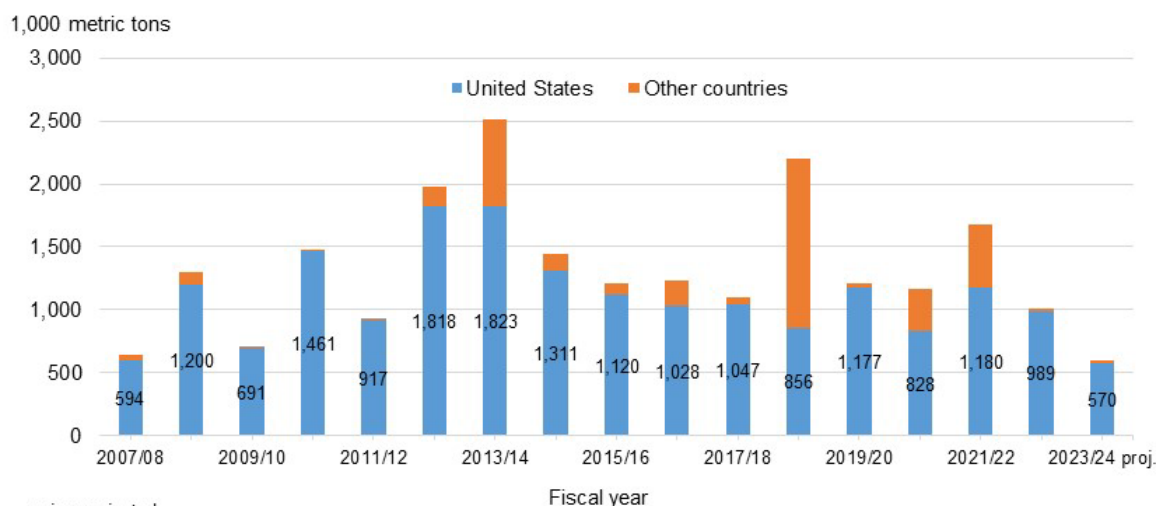
Note: The 2023/24 projected path of weekly cumulative volume is calculated using the 5-year weekly average percent share to the fiscal year total.

Source: USDA, Economic Research Service calculations using Mexico's National Committee for the Sustainable Development of Sugarcane (CONADESUCA).

Mexico's Exports to the United States Reduced

Based on data reported in the preceding section, the March *WASDE* lowered the production share forecast for low polarity sugar from last month's 10.5 percent to 9 percent. When this share is multiplied by the *WASDE* Mexico sugar production forecast of 4.747 million, the result is an estimate of 427,273 MT of low polarity sugar production. All the low polarity sugar produced is expected to be exported to the United States and estimated to comprise 75 percent⁴ of the total, the same share as last year. As such, the total exports from Mexico to the U.S. are calculated to be 569,698 MT (i.e., 427,273 MT divided by 0.75), a reduction of 114,000 MT from last month's 683,752 MT and the lowest in 17 years (figure 10). In addition, the 569,698-MT of expected export volume is lower than the final 2023/24 Export Limit for Mexico (769,314 MT or 898,905 STRV) calculated by the U.S. Department of Commerce.

Figure 10
Mexico's sugar exports by destination, 2007/08–2023/24



proj. = projected.

Source: USDA, World Agricultural Outlook Board; Mexico's National Committee for the Sustainable Development of Sugarcane (CONADESUCA).

Mexico Sugar Use Lowered; Sugar Imports Residually Reduced

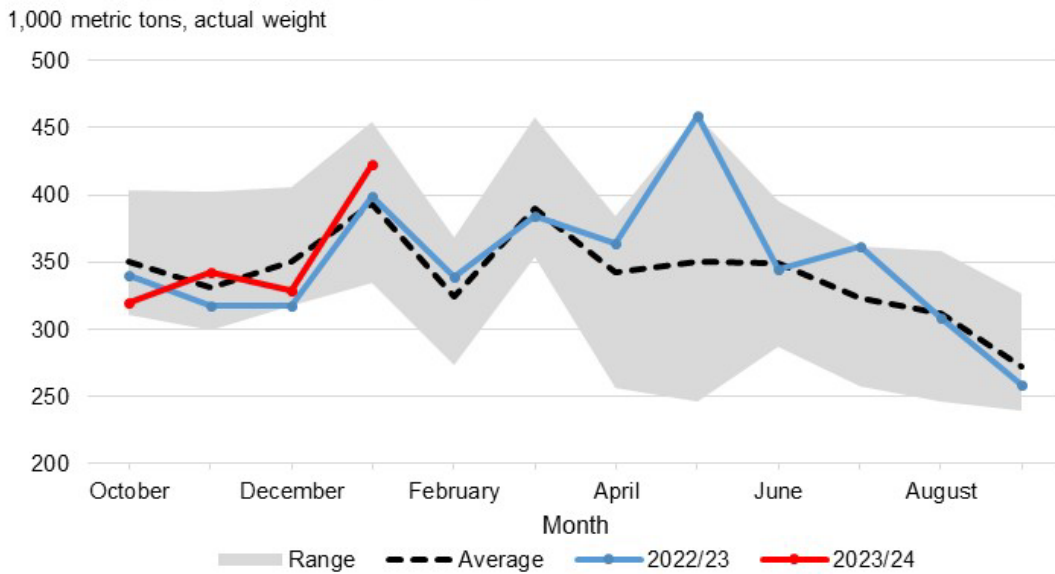
In addition to the March *WASDE*'s 114,000-MT reduction of Mexico's exports to the United States, Mexico's 2023/24 sugar deliveries for the domestic market are lowered from last month by 55,000 MT to 4.193 million based on a slower-than-expected pace that is mostly tracking the 5-year

⁴ The remaining 25 percent of Mexico's total exports to the United States is assumed to be comprised of refined sugar.

average (figure 11). This volume would be at par with last year, reflecting flat year-over-year domestic consumption. Deliveries for domestic consumption and companies participating in the Industria Manufacturera, Maquiladora y de Servicios de Exportación (IMMEX) program remain at 400,000 MT. In aggregate, total use is lowered from last month by 169,000 MT to 5.188 million.

Considering the lower total use and a target of maintaining 2.5-months' worth of ending stocks, Mexico's 2023/24 imports for domestic consumption are residually lowered from last month by 52,000 MT to 469,000 MT. With imports for IMMEX (25,000 MT) carried over from last month, total imports are reduced by the same amount to 494,000 MT, but still about 75 percent more than last year (285,000 MT) and remains a 14-year high (figure 12).

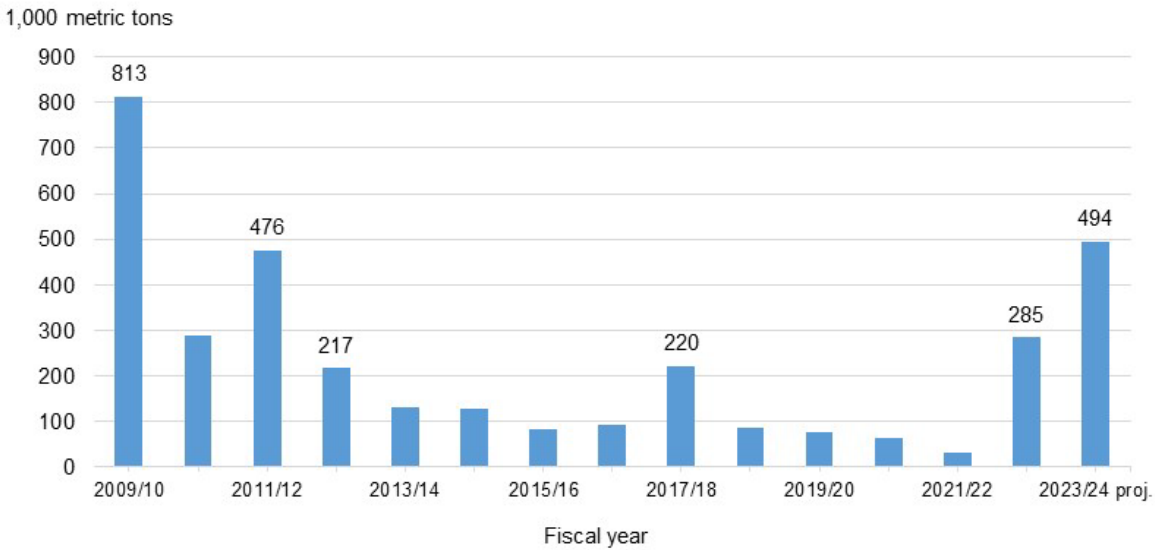
Figure 11
Mexico's sugar consumption, monthly, 2017/18–2023/24



Source: Mexico's National Committee for the Sustainable Development of Sugarcane (CONADESUCA).

Figure 12

Mexico's total sugar imports, by fiscal year, 2009/10–2023/24

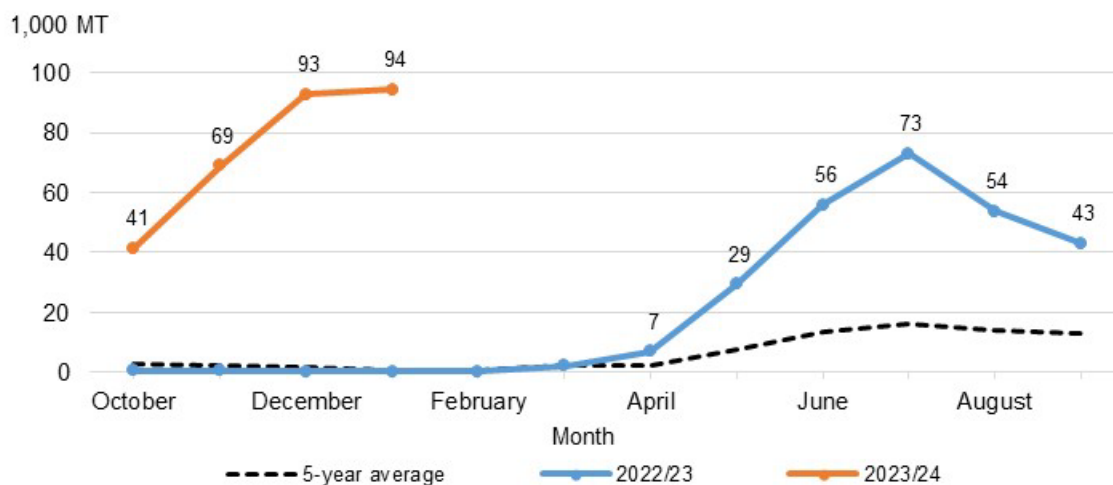


proj.= projected.

Source: USDA, World Agricultural Outlook Board; Mexico's National Committee for the Sustainable Development of Sugarcane (CONADESUCA).

The outlook for historically high Mexico imports is largely attributed to the poor prognosis for domestic production and current high internal prices. These factors combine to make high-tier imports into Mexico economical, creating an incentive to increase importation. The relatively high level of Mexico's sugar import projection for 2023/24 is supported by the elevated monthly volume of imports between December 2023–January 2024, as reported in CONADESUCA's 2023/24 *Monthly National Sugar Balance* (figure 13). Given its residual nature in the Mexico supply and use balance sheet, the pace of imports will be closely monitored in the subsequent weeks.

Figure 13
Mexico's imports of sugar, by month, 2018/19–2023/24



MT = metric tons.

Source: Mexico's National Committee for the Sustainable Development of Sugarcane (CONADESUCA).

Based on the exported volume to Mexico reported by countries in the Trade Data Monitor as of March 12, about 367,000 MT of sugar have been exported to Mexico between December 2023–February 2024. The 367,000-MT volume would already represent about 74 percent of the 494,000-MT total fiscal year imports forecast in the March *WASDE*. Brazil is the top origin, supplying about 56 percent of the total to date, followed by the United States (20 percent), and Guatemala (8.4 percent), and Saudi Arabia (8.3 percent) (table 7).

Table 7: Cumulative countries' reported sugar exports to Mexico, October 2023–February 2024, as of March 12, 2024

Origin	Quantity (metric tons)	Share in total (percent)
Brazil	206,320	56
China	1	0
Ecuador	0	0
El Salvador	8,803	2
European Union (Brexit)	4,318	1
Guatemala	30,912	8
Honduras	2,770	1
India	1,656	0
Morocco	6,408	2
Paraguay	22	0
Saudi Arabia	30,667	8
South Korea	0	0
Thailand	2,000	1
United States	73,404	20
Total	367,279	100

Note: Brexit refers to the to the United Kingdom's decision in a June 23, 2016 referendum to leave the European Union.

Source: USDA, Economic Research Service calculations using data from Trade Data Monitor.

Special Article

Last Texas Sugar Factory Closes After 51 Years

On February 22, 2024, Rio Grande Valley Sugar Growers, Incorporated (RGVSG) announced that it will close its operations after 51 years. The member-owned cooperative in Santa Rosa, Texas had just completed its 2023/24 harvest. It was the lone sugar operation in Texas after the Holly Sugar Corporation, a sugarbeet plant in Hereford, Texas, closed in 1997. The RGVSG's closure means that domestic sugarcane will now be solely processed in two States—Florida and Louisiana.

RGVSG identified the lack of adequate and reliable irrigation water deliveries from Mexico, particularly amid this year's drought conditions, as the main factor for the closure. More than 100 growers in Cameron, Hidalgo, and Willacy counties rely mainly on irrigation to produce sugarcane. These growers have reduced their acreage due to the uncertainty of the timing of water releases from Mexico under the Utilization of Waters of the Colorado and Tijuana Rivers and of the Rio Grande (1944 Water Treaty).

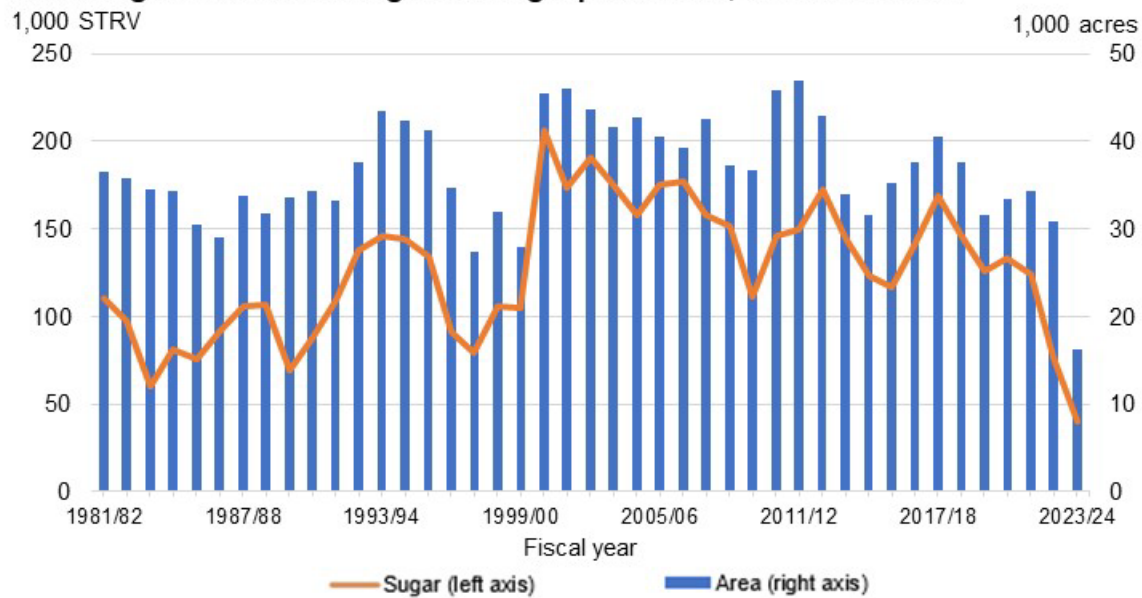
In the recently concluded 2023/24 campaign, sugarcane acreage harvested for sugar, as reported in the USDA, National Agricultural Service Statistics (NASS) March 2024 *Crop Production*, was about 16,200 acres, about less than half of last year's 30,900 acres and the lowest since 1981/82 (figure 14). Consequently, sugar production in 2023/24 fell to 40,000 short tons, raw value, also the lowest in more than four decades.

Despite the current historically high prices for raw sugar, continued uncertainty around when and how much water will be released have encouraged some growers to plow out acres, leaving only 10,000 acres for next year's campaign. However, industry sources indicate that this low acreage is likely insufficient to produce enough raw sugar cane throughput to make operations financially sustainable. Industry sources also report that it is not possible to skip a campaign year considering the capital-intensive nature of mill operations.

Last year, the American Crystal Sugar Company announced the closure of the nearly century-old Sidney Sugars beet sugar processing plant in Sidney, Montana. See the feature article in the [Sugar and Sweeteners Outlook: February 2023](#).

Figure 14

Texas sugarcane area for sugar and sugar production, 1981/82–2023/24



STRV = short tons, raw value.

Source: USDA, National Agricultural Statistics Service; USDA, Farm Service Agency; USDA, World Agricultural Outlook Board, *World Agricultural Supply and Demand Estimates (WASDE)*.

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