



Sugar and Sweeteners Outlook: May 2024

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U.S. and Mexico 2024/25 Sugar Production Expected To Be Larger Than 2023/24

In the May *World Agricultural Supply and Demand Estimates (WASDE)*, the forecast for Mexico's 2023/24 sugar production is raised from last month by 77,000 metric tons (MT), actual weight, to 4.649 million MT—still a 25-year low—based on an interim analysis showing improvement in the sugarcane yield and recovery rate. The initial forecast of 2024/25 sugar production is 5.189 million MT based on the assumption that the sugarcane yield and recovery rate would track historical trends, but that area would be below the standard 800,000-hectare starting point. The 2024/25 U.S. additional specialty refined sugar tariff-rate quota (TRQ) has not been announced and was assumed equal to the 2023/24 level (210,000 MT, raw value) to derive the initial exports to the United States of 1.024 million MT per the suspension agreements.

The U.S. 2023/24 sugar production is lowered by 84,000 short tons, raw value (STRV) to 9.131 million, with decreases in both beet and cane sugar output. The 2024/25 production forecast is initially set at 9.232 million STRV with yearly increases for both sugar types. Sugar imports in 2023/24 are increased by 21,000 STRV to 3.438 million mostly on larger volume of raw sugar from the Philippines. Sugar imports in 2024/25 are forecast at 3.028 million STRV, reflecting minimum import commitment levels, established free trade agreement levels, and a base volume for re-export imports and high-tier tariff imports. Total deliveries in 2023/24 are reduced by 100,000 STRV to 12.455 million based on a slower than expected pace for human consumption; this volume is carried over to 2024/25. Without the specialty sugar announcement, the corresponding 2024/25 stocks-to-use ratio is 11.7 percent.

U.S. Outlook Summary

In the May *World Agricultural Supply and Demand Estimates (WASDE)*, the 2023/24 U.S. sugar supply is reduced from last month by 63,000 short tons, raw value (STRV) to 14.411 million on lower production more than offsetting higher imports. Sugar production is down by 84,000 STRV to 9.131 million, with decreases in beet and cane sugar output mostly due to unfavorable weather (table 1). Imports are increased by 21,000 STRV to 3.438 million primarily on a lower shortfall for the World Trade Organization (WTO) raw sugar tariff-rate quota (TRQ) as extra volume is expected from the Philippines. Total use is lowered by 100,000 STRV to 12.653 million on a 100,000-STRV reduction to domestic sugar deliveries for food and beverage consumption to 12.350 million based on continued slow pace. The other delivery component (non-food) and exports are unchanged at 105,000 STRV and 198,000 STRV, respectively. Exports in the current year—the largest in a decade—are expected to consist of refined beet and cane sugar mostly to Mexico. The increase is anticipated after the Mexican government's April 5 announcement temporarily allowing duty-free imports of sugar participating in the U.S. re-export import programs to fulfill Industria Manufacturera, Maquiladora y de Servicios de Exportación (IMMEX) requirements. With a larger downward adjustment in use than in supply, ending stocks are up by 37,000 STRV to 1.758 million and stocks-to-use ratio by 0.4 percentage points to 13.9 percent.

The 2024/25 total supply is initially forecast at 14.019 million, about 400,000-STRV lower (3 percent) than 2023/24 as higher beet and cane sugar production are more than offset by lower beginning stocks and imports. Sugar imports under the WTO TRQs are set at the minimum commitment levels (1.162 million STRV), imports under free trade agreements (FTAs) at established levels (254,000 STRV), re-export imports at 200,000 STRV, and high-tier tariff imports at 216,000 STRV—all refined sugar (i.e., high-tier tariff raw sugar imports are initially forecast at zero). The 2024/25 additional specialty refined sugar TRQ has not yet been announced by USDA but was assumed to be at least equal to the 2023/24 level (about 231,000 STRV) to derive the initial imports from Mexico of 1.197 million STRV. Total use is forecast at 12.555 million, 98,000-STRV lower than 2023/24, as exports are reduced to 100,000 STRV on smaller volume destined for Mexico and total domestic deliveries initially set at 12.455 million, the same as 2023/24. Without the announcement for additional specialty sugar TRQ, ending stocks are at 1.464 million STRV and the corresponding stocks-to-use ratio is 11.7 percent.

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

	2022/23	2023/24		2024/25	
	Final	April (estimate)	May (estimate)	Monthly change	May (forecast)
	1,000 short tons, raw value				
Beginning stocks	1,820	1,843	1,843	0	1,758
Total production	9,250	9,215	9,131	-84	9,232
Beet sugar	5,187	5,144	5,095	-49	5,111
Cane sugar	4,063	4,071	4,036	-35	4,121
Florida	1,985	2,095	2,060	-35	2,036
Louisiana	2,001	1,936	1,936	0	2,085
Texas	76	40	40	0	0
Total imports	3,614	3,417	3,438	21	3,028
Tariff-rate quota imports	1,862	1,775	1,798	23	1,415
Other program imports	141	288	288	0	200
Non-program imports	1,611	1,354	1,352	-1	1,413
Mexico	1,156	499	497	-1	1,197
High-duty	455	855	855	0	216
Total supply	14,685	14,474	14,411	-63	14,019
Total exports	82	198	198	0	100
Miscellaneous	171	0	0	0	0
Total deliveries	12,589	12,555	12,455	-100	12,455
Domestic food and beverage use	12,473	12,450	12,350	-100	12,350
To sugar-containing products re-export program	94	80	80	0	80
For polyhydric alcohol, feed, other alcohol	22	25	25	0	25
Commodity Credit Corporation (CCC) for ethanol	0	0	0	0	0
Total use	12,843	12,753	12,653	-100	12,555
Ending stocks	1,843	1,722	1,758	37	1,464
Private	1,843	1,722	1,758	37	1,464
Commodity Credit Corporation	0	0	0	0	0
Stocks-to-use ratio (percent)	14.3	13.5	13.9	0.4	11.7

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

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

U.S. 2023/24 Beet Sugar Production Reduced; Outlook for 2024/25 Mostly Unchanged

U.S. beet sugar production in crop year 2023/24 is reduced from last month by 54,000 STRV to 5.073 million STRV on lower sucrose recovery offsetting a slight increase in sugar produced from molasses (table 2). The estimate for the crop year sucrose recovery (the percent of sugar

recovered from sliced sugarbeets) is reduced from 14.93 percent to 14.75 percent based on processors' actual production through March in the Farm Service Agency *Sweetener Market Data (SMD)* (figure 1). This would be lower than the record in 2022/23 (15.35 percent) but above the 10-year average (14.65 percent). While cumulative sucrose recovery tends to stabilize around January, it has exhibited an uncharacteristic downturn since December 2023. This year's campaign across the beet sugar producing regions faced some difficulties. The management of sugarbeet piles, especially in the Red River Valley¹ where slicing is expected to finish by the end of May, has been challenging. An unseasonably warm winter and inadequate snow cover prevented outside piles from completely freezing² which led to some spoilage and discards. Meanwhile, sugar production from imported beets is raised by 5,000 STRV to 40,000, given the availability of final data in *SMD*. With no changes to the forecast of early sugar production in August–September 2024, fiscal year 2023/24 beet sugar production is reduced by 49,000 STRV to 5.095 million, almost 100,000-STRV lower (2 percent) than 2022/23's 5.187 million.

Table 2: U.S. beet sugar production, 2022/23–2024/25

	2022/23 Final	2023/24 April	2023/24 May	Monthly change	2024/25 May	Annual change
Sugarbeet production (1,000 short tons) 1/	32,644	35,226	35,226	0	33,987	-1,239
Sugarbeet shrink (percent)	6.39	9.00	9.00	0.00	6.66	-2.3
Sugarbeet sliced (1,000 short tons)	30,558	32,056	32,056	0	31,725	-331
Sugar extraction rate from slice (percent)	15.35	14.93	14.75	-0.18	14.85	0.10
Sugar from beets sliced (1,000 STRV) 2/	4,690	4,786	4,728	-57	4,711	-17
Sugar from molasses (1,000 STRV) 2/	372	342	345	3	360	15
Crop year sugar production (1,000 STRV) 2/	5,061	5,127	5,073	-54	5,071	-2
Aug.–Sep. sugar production (1,000 STRV)	537	663	663	0	644	-18
Aug.–Sep. sugar production of subsequent crop (1,000 STRV)	663	644	644	0	644	0
Sugar from imported beets (1,000 STRV) 3/	N/A	35	40	5	40	0
Fiscal year sugar production (1,000 STRV)	5,187	5,144	5,095	-49	5,111	16

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.

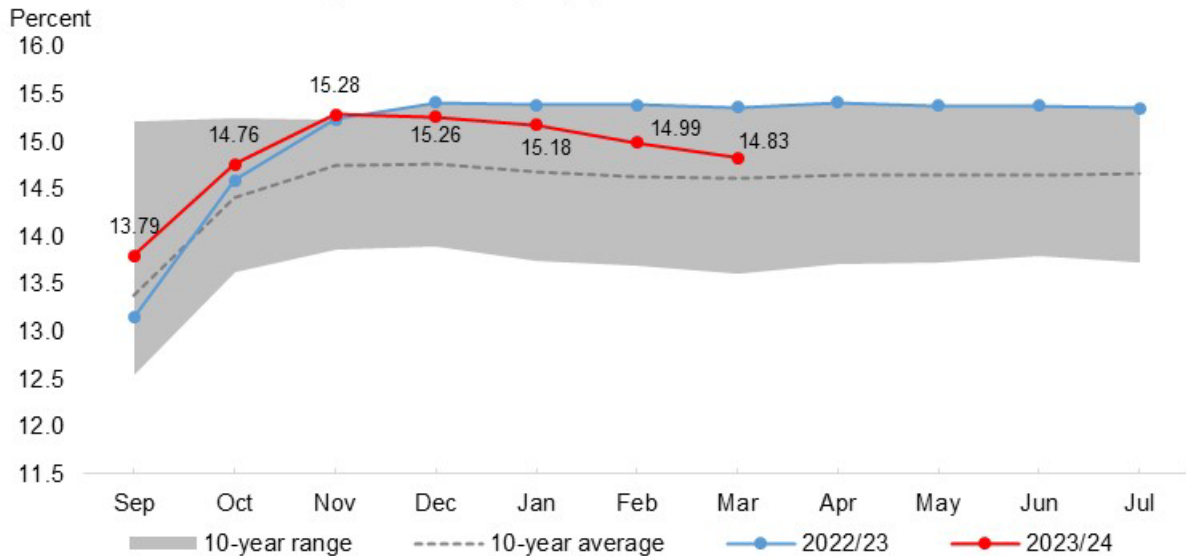
3/ Sugar from imported beets are already included in the final crop year production. Typically, this component is separated for projection purposes and included in the total once the full crop year slice is available.

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

¹ The Red River Valley, which refers to sugarbeet growing areas in Minnesota and North Dakota, is the largest production region in the United States.

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.

Figure 1
U.S. cumulative beet sugar extraction, crop year 2013/14–2023/24



Note: Extraction rate = 100 * (sugar produced from sliced beets / sliced beets).

Source: USDA, Economic Research Service calculations using data from USDA, Farm Service Agency.

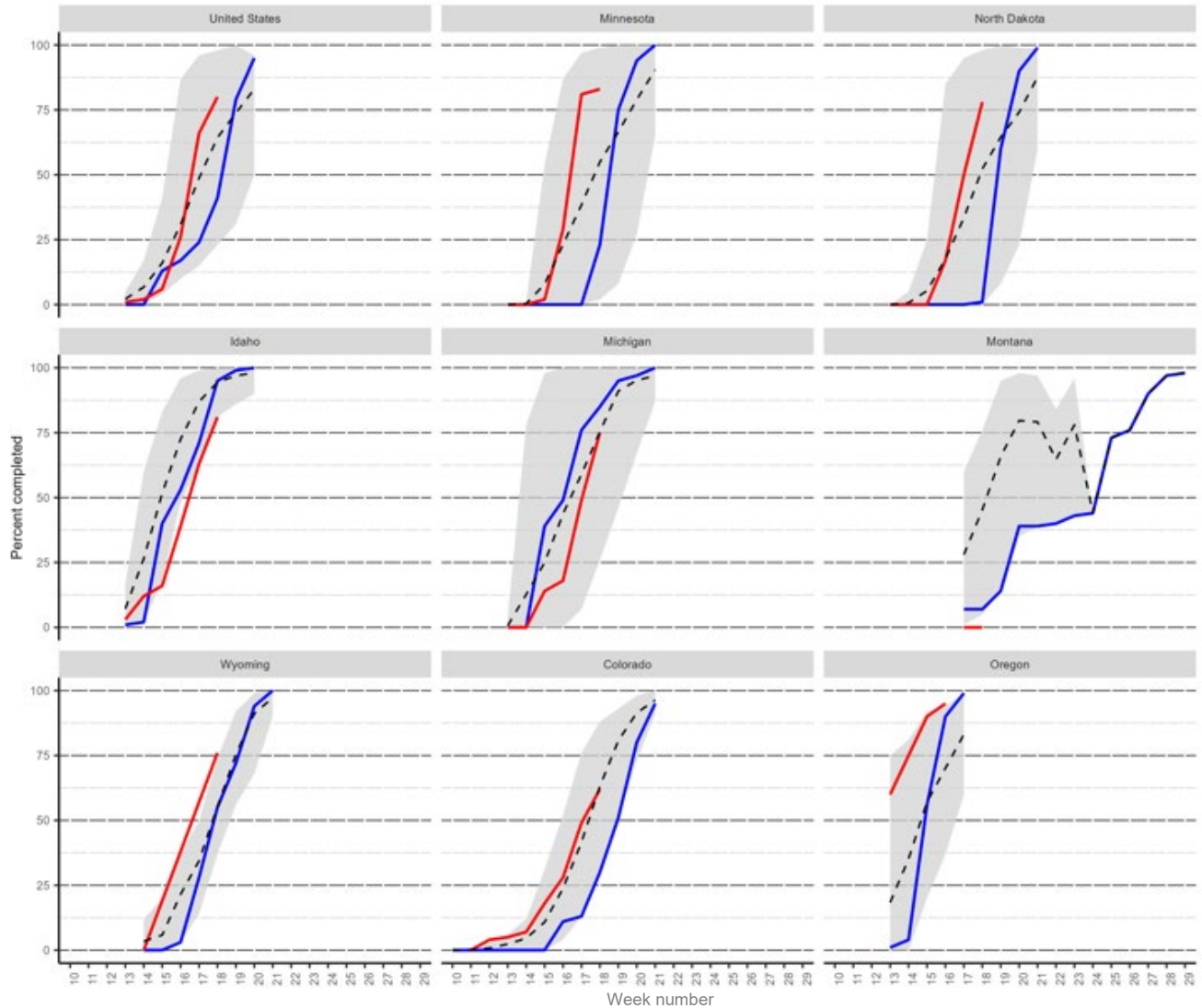
For crop year 2024/25, U.S. beet sugar production is initially projected at 5.071 million STRV, on par with the revised 2023/24 estimate (5.073 million). Area planted is forecast at 1.129 million acres based on the USDA, National Agricultural Statistics Service (NASS) March 2024 *Prospective Plantings*. Using a 5-year average harvest-to-planted ratio of 95.49 percent, area harvested is at 1.078 million acres. NASS will provide its first official estimate of area planted and projected area harvested in the June 28 *Acreage* report.

Since NASS' initial sugarbeet yield forecast will not be released until its *August Crop Production* report, sugarbeet yield is projected at 31.5 tons per acre (tons/acre) using a regression model where yield is a function of the NASS planting progress report for the 4 largest sugarbeet-growing States (Minnesota, North Dakota, Idaho, and Michigan). The 31.5 tons/acre is above 2022/23 (31.2 tons/acre) and the 5-year average (30.3 tons/acre), which is reasonable given the relatively high proportion of sugarbeets planted (80 percent) as of May 5 (week 18) (figure 2). Progress through week 18 to 19 is seen as a relatively good predictor of final yields. Mid-May is considered a critical cut-off point to achieve optimal crop development to allow sugarbeets sufficient time to deposit sugar before harvest.

The strong planting pace continues as of May 12 (week 19), with progress in the 4 largest growing States averaging 92 percent, ahead of last year's pace (68 percent) and that of the 5-

year average (65 percent). Planting in Minnesota (91 percent), North Dakota (92 percent), Idaho (93 percent), and Michigan (95 percent) are nearly completed.

Figure 2
U.S. sugarbeet crop planting progress by State as of week 18, since 2000/01



Note: The blue line represents crop year 2023/24, red (2024/25), and black (average between 2000/2001–2023/24). The gray-shaded area represents the range between 2000/2001–2023/24.

Source: USDA, National Agricultural Statistics Service.

The product of the yield (31.5 tons/acre)³ and harvested area (1.078 million acres) projections gives a sugarbeet production forecast in 2024/25 of 33.987 million short tons. Assuming a 5-year average for the rest of the production parameters—sugarbeet pile shrink (6.66 percent), sucrose recovery (14.85 percent), sugar from molasses (360,000 STRV), early beet sugar

³ To be exact, yield is 31.5245 tons/acre and harvested area is 1,078,108 acres.

production for both early production in 2024 and 2025 (644,000 STRV), and sugar from imported beets (40,000 STRV)—beet sugar production for the 2024/25 fiscal year is projected at 5.111 million STRV. This volume is on par with 2023/24 (5.095 million STRV) as the expected reduction in area is more than offset by the forecasts of higher yield, lower shrink, and higher sucrose recovery.

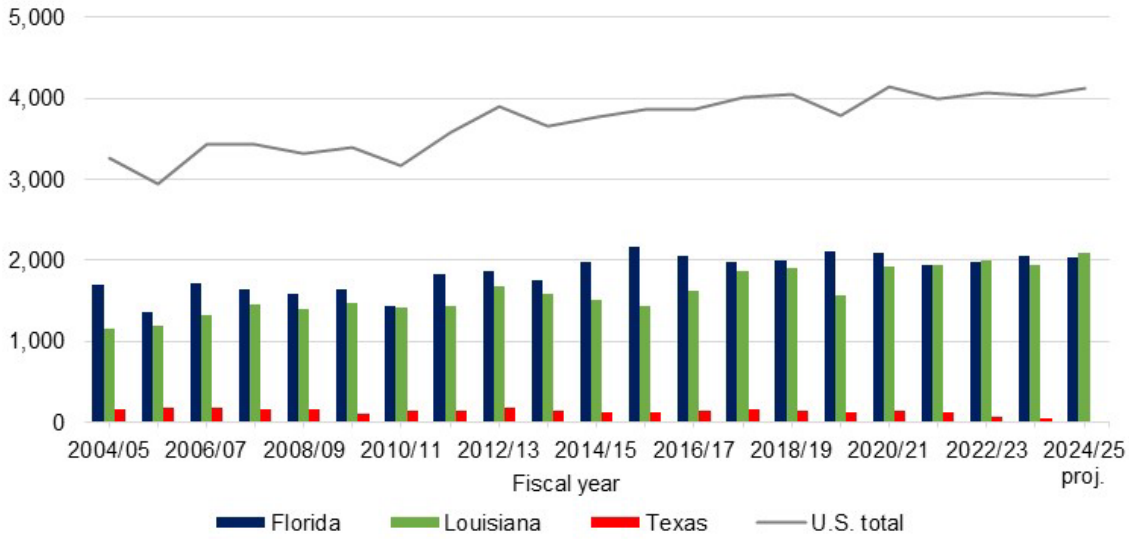
U.S. Cane Sugar Production Reduced in 2023/24; Expected to Improve in 2024/25

U.S. cane sugar production for fiscal year 2023/24 is reduced from last month by 35,000 STRV to 4.036 million, slightly below 2022/23's 4.063 million STRV, solely on Florida's reduction to 2.060 million STRV on lower sugarcane yield reported by processors in the *SMD*. The State's campaign, which ideally ends in April, is extended by 2–4 weeks into May and possibly through June to make up for harvest delays in January due to unseasonal rains. The estimated sugar output is unchanged in Louisiana (1.936 million) and Texas (40,000) where harvest campaigns ended in January and February, respectively.

Cane sugar production for fiscal year 2024/25 is forecast at 4.121 million STRV, an 85,000-STRV increase (2 percent) from 2023/24 (figure 3). If realized, the 4.121-STRV cane sugar production would be the second largest on record, behind 2020/21's 4.142 million STRV. The outlook for a stable output in Florida (2.036 million STRV) and record-high forecast in Louisiana (2.085 million STRV) offsets Texas' disappearance⁴. The projections for both States are based on production parameters closely tracking recent trends and on the assumption of no extreme weather events. The assumption of continued area expansion allows Louisiana to surpass Florida, continuing the momentum from 2021/22 and 2022/23 that was halted by last year's drought (figure 4). Without a competing alternative crop, the back-to-back years of high sugar prices encouraged area expansion in Louisiana's northern and western growing regions. Another contributing factor is the adoption of higher yielding varieties that can better withstand late-season frost conditions from December to January.

⁴ The March 2024 Sugar and Sweeteners Outlook report contains a feature article on the closure of the Rio Grande Valley Sugar Growers, Incorporated in Texas.

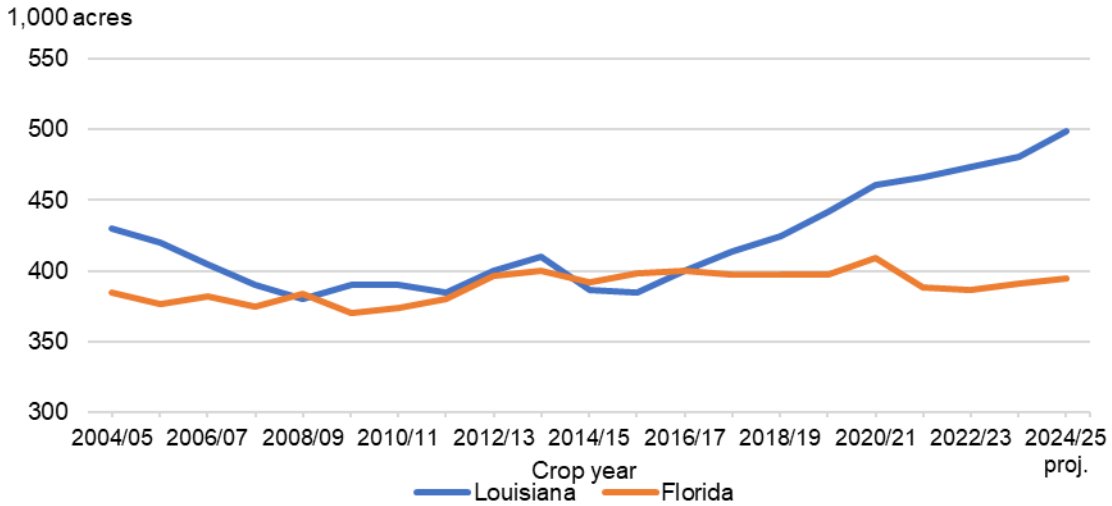
Figure 3
U.S. production of cane sugar by State, fiscal year 2004/05–2024/25



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

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

Figure 3
U.S. area harvested for sugar production by State, fiscal year 2004/05–2024/25



proj. = projected.

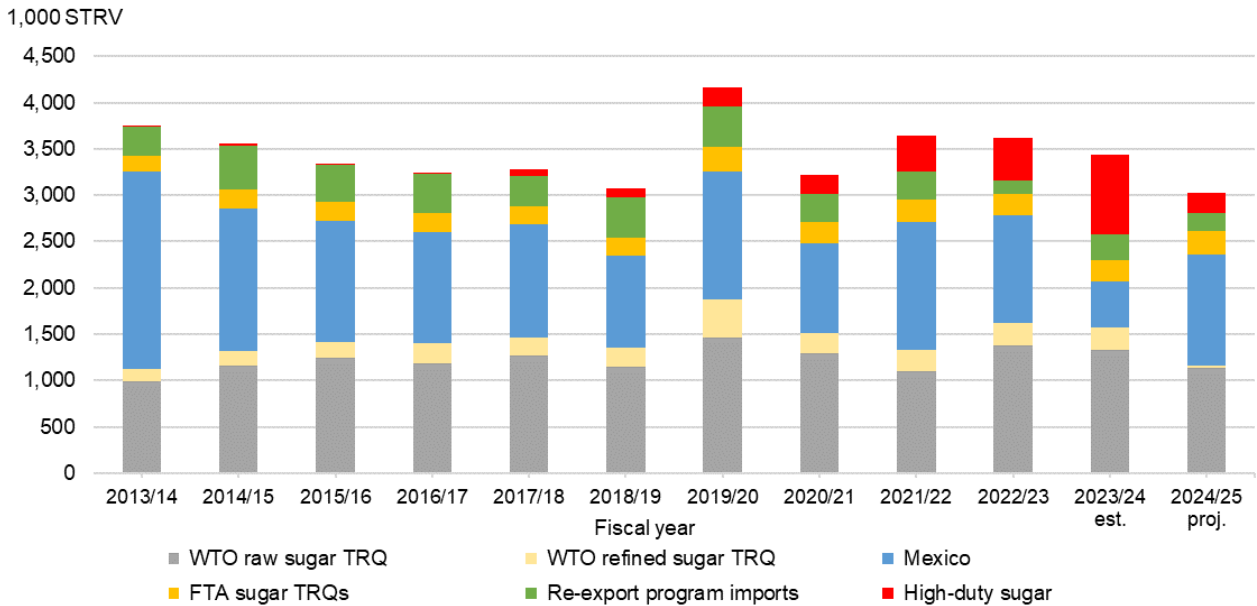
Source: USDA, World Agricultural Outlook Board, *World Agricultural Supply and Demand Estimates (WASDE)*; USDA, National Agricultural Statistics Service.

U.S. Sugar Imports in 2023/24 Marginally Increased; Set at Minimum Levels for 2024/25

U.S. sugar imports in 2023/24 are increased by 21,000 STRV to 3.438 million (figure 5) as a 22,000-STRV decrease in the raw sugar TRQ shortfall due to extra volume expected from the Philippines offsets the 1,000-STRV decrease in imports from Mexico because of the sustained decline in the share of low polarity sugar (See the Mexico Outlook section). Despite the increase, imports in 2023/24 are lower than 2022/23 by 176,000-STRV (5 percent) and the 5-year average by about 100,000 STRV (3 percent).

For 2024/25, U.S. sugar imports are initially set at 3.028 million STRV based on minimum commitment levels under the raw (1.137 million STRV) and refined sugar (24,000 STRV) WTO TRQs and several free trade agreements (254,000 STRV). Base levels were set for re-export program imports (200,000 STRV) and high-tier duty imports (216,000 STRV) —all of which are refined sugar (i.e., high-tier tariff raw sugar imports are initially forecast at zero). Imports from Mexico (1.197 million STRV) are initially derived on the assumption that the 2024/25 additional specialty refined sugar TRQ, once announced, will not be lower than the 2023/24 level (about 231,000 STRV).

Figure 5
U.S. sugar imports by type, fiscal year 2013/14–2024/25



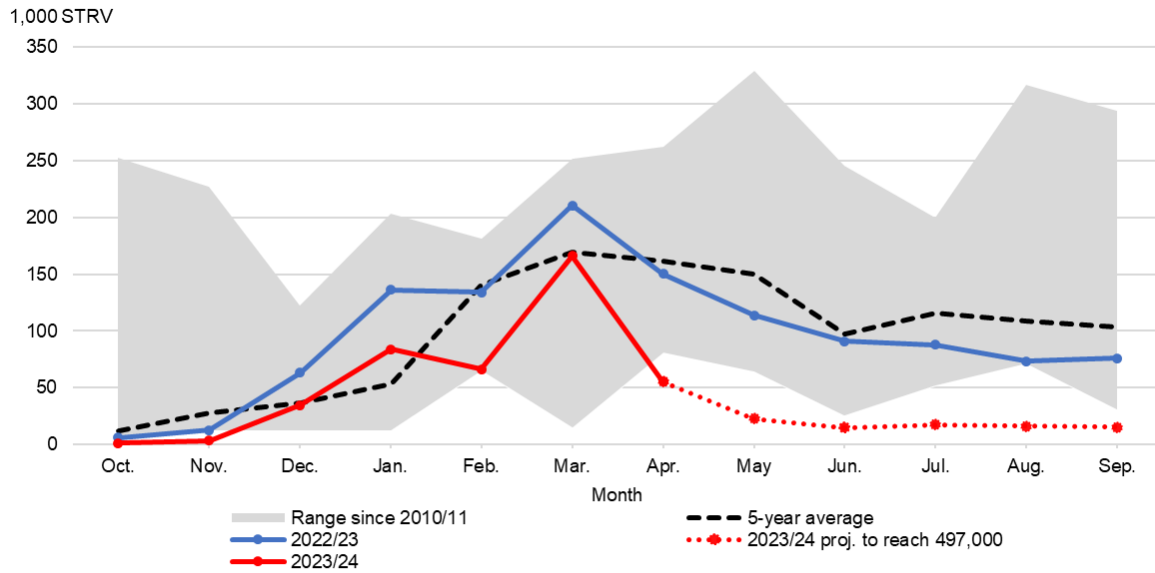
STRV = short tons, raw value; FTA = free trade agreement; WTO = World Trade Organization; TRQ = tariff-rate quota; est. = estimated; proj. = projected.

Source: USDA, Foreign Agricultural Service.

Majority of 2023/24 U.S. Sugar Imports from Mexico Already Entered

Based on the Foreign Agricultural Service (FAS) *U.S. Sugar Monthly Import and Re-Exports*, imports from Mexico through April are estimated at 411,000 STRV, indicating that 83 percent of the estimated 497,000-STRV fiscal year total—a 17-year low—has already entered the United States. This implies that imports from Mexico would average a relatively minimal monthly volume of 17,000 STRV between May and September (figure 6).

Figure 6
U.S. sugar imports from Mexico, monthly, fiscal year 2010/11–2023/24



STRV = short tons, raw value.

Note: The 2023/24 projected volume for the remaining months is calculated using the 5-year monthly average percent share to the fiscal year total.

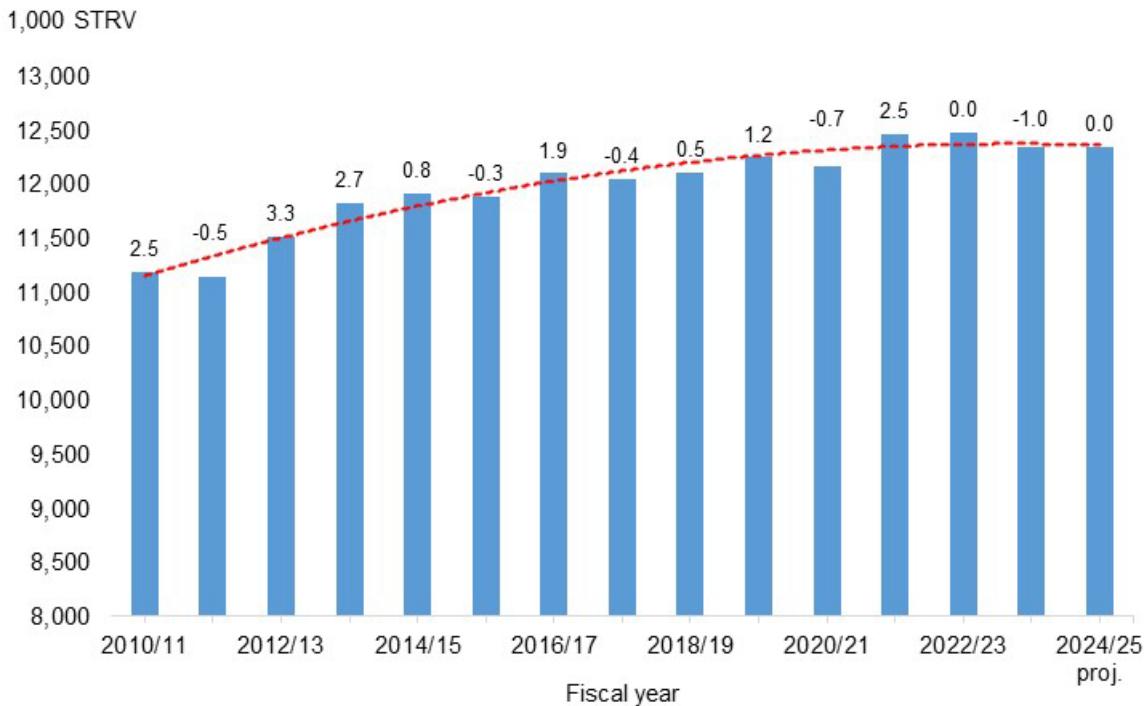
Source: USDA, Economic Research Service calculations using data from USDA, Foreign Agricultural Service.

U.S. 2023/24 Sugar Deliveries for Human Consumption Reduced, Carried Over to 2024/25

U.S. sugar deliveries for food and beverage use in 2023/24 are reduced from last month by 100,000 STRV to 12.350 million on the continued slow pace through March reported in the *SMD*. This volume reflects a 123,000-STRV reduction (1 percent) from 2022/23’s record high of 12.473 million (figure 7). The 12.350 million STRV is carried over to 2024/25 implying a flattening of the trend since the 2.5-percent surge in 2021/22 (post-Coronavirus or COVID-19 pandemic).

Figure 7

U.S. sugar deliveries for food and beverage use, 2010/11–2024/25



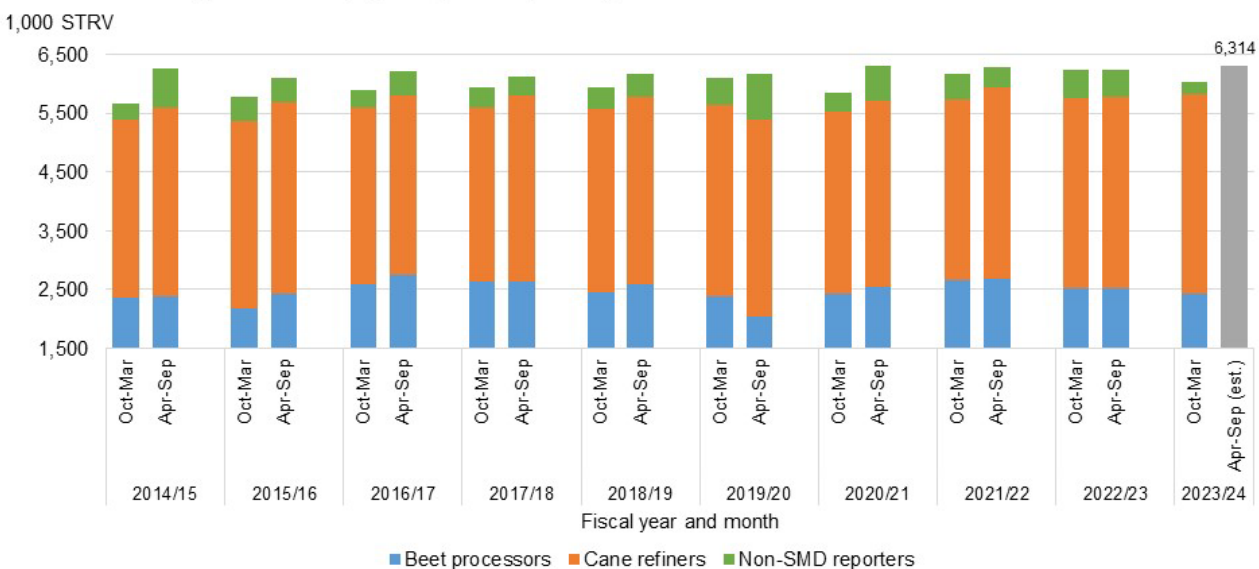
STRV = short tons, raw value; proj. = projected.

Note: The dashed red line represents the long-term trend line. Numbers on top of the bars represent the annual growth rates (percent).

Source: USDA, Economic Research Service calculations using data from USDA, Farm Service Agency.

Food and beverage sugar deliveries through the first half of fiscal year 2023/24 totaled 6.036 million STRV, indicating that 49 percent of the estimated 12.350 million STRV have already been delivered. This leaves a record-volume 6.314 million STRV to be delivered in the second half (figure 8). The slower pace is driven by beet processor and non-reporter deliveries, which are behind by 93,000 STRV (4 percent) and 268,000 STRV (55 percent), respectively, over the same period last year (table 3). Cane refiners provide some offset as their robust 3.398 million STRV of cane sugar deliveries is larger than last year by 152,000 STRV (5 percent).

Figure 8
Food and beverage deliveries, by components, fiscal year 2014/15–2023/24



STRV = short tons, raw value; est. = estimated; SMD = Sweetener Market Data.

Source: USDA, Economic Research Service calculations using data from USDA, Farm Service Agency.

Table 3: U.S. sugar deliveries for food and beverage use, October–March, by fiscal year, 2018/19–2023/24

	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	5-year average	Annual change (2023/2024 versus 2022/23)	
	1,000 short tons, raw value (STRV)							Percent	
Beet sugar processors	2,455	2,382	2,424	2,655	2,510	2,418	2,485	-93	-4
Cane sugar refiners	3,105	3,268	3,096	3,073	3,246	3,398	3,158	152	5
Total reporters	5,560	5,650	5,520	5,728	5,756	5,816	5,643	59	1
Non-reporter (direct consumption)	384	441	336	450	488	221	420	-268	-55
Total	5,944	6,091	5,856	6,178	6,245	6,036	6,063	-208	-3
	Percent share in total								
Beet sugar processors	41	39	41	43	40	40	41		
Cane sugar refiners	52	54	53	50	52	56	52		
Total reporters	94	93	94	93	92	96	93		
Non-reporter (direct consumption)	6	7	6	7	8	4	7		
Total	100	100	100	100	100	100	100		

Note: Totals may not add due to rounding. "Reporters" refer to beet processors and cane refiners that report their data to the Farm Service Agency, which in turn publishes the monthly *Sweetener Market Data (SMD)*.

Source: USDA, Economic Research Service calculations using data from USDA, Farm Service Agency.

Mexico Outlook

Mexico's 2023/24 Sugar Production Increased

In the May *World Agricultural Supply and Demand Estimates (WASDE)*, Mexico's 2023/24 sugar production is adjusted upward from last month by 77,000 metric tons (MT), actual weight, to 4.649 million. This output remains a 25-year low and 575,000-MT lower (11 percent) than 2022/23 (table 4, figure 9). This year's crop has been negatively affected by unsuitable weather conditions during the growing and harvest seasons and suboptimal application of inputs (such as fertilizers) due to high costs.

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

	2022/23	2023/24		2024/25	
	Final	April (estimate)	May (estimate)	Monthly change	May (forecast)
	1,000 metric tons, actual weight				
Beginning stocks	964	835	835	0	872
Production	5,224	4,572	4,649	77	5,189
Imports	285	575	575	0	525
Imports for consumption	267	475	475	0	500
Imports for sugar-containing product exports (IMMEX) 1/	18	100	100	0	25
Total supply	6,473	5,982	6,059	77	6,585
Disappearance					
Human consumption	4,193	4,193	4,193	0	4,236
For sugar-containing product exports (IMMEX)	405	425	425	0	425
Other deliveries and end-of-year statistical adjustment	29	0	0	0	0
Total	4,627	4,618	4,618	0	4,661
Exports	1,011	471	569	98	1,024
Exports to the United States and Puerto Rico	989	427	426	-1	1,024
Exports to other countries 2/	22	44	143	100	0
Total use	5,638	5,089	5,187	98	5,685
Ending stocks	835	894	872	-22	900
Stocks-to-human consumption (percent)	19.9	21.3	20.8	-0.5	21.3
Stocks-to-use (percent)	14.8	17.6	16.8	-0.8	15.8
High-fructose corn syrup (HFCS) consumption (dry weight)	1,392	1,407	1,407	0	1,407

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

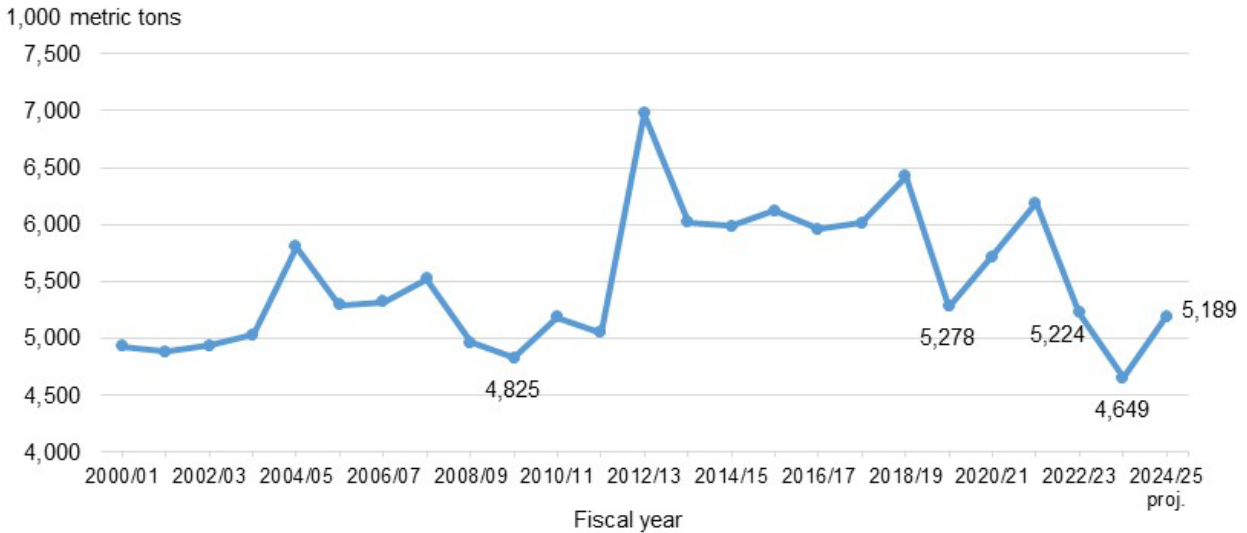
1/ IMMEX = Industria Manufacturera, Maquiladora y de Servicios de Exportación.

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 9

Mexico's sugar production, by fiscal year, 2000/01–2024/25



proj. = projected.

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

The upward adjustment for 2023/24's sugar production to 4.649 MT is based on the production data through week 30 (as of April 27) published by Mexico's National Committee for the Sustainable Development of Sugarcane (CONADESUCA). The interim data analysis prompted an increase in the sugarcane yield estimate from last month's 62.25 MT per hectare to 62.73 and sucrose recovery from 10.10 percent to 10.19 percent. Area harvested is unchanged at 727,116 hectares, a 12-year low, but provides the most uncertainty as the poor quality of the remaining crop (e.g., inadequate yield and/or sugar content) can result in low amounts of recoverable sugar. Thus, both the mills and growers may find it more practical to leave the fields unharvested to recover for next year's campaign.

After the WASDE, CONADESUCA released week 31 (as of May 2) production data, which provides further evidence of the improving state of yield and recovery rate. Through week 31, 15 of the 48 mills are done for the season. All of the production variables, except for sugarcane yield (up 3 percent), continue to lag last year's levels: area harvested by 8 percent, extraction rate by 7 percent lower, and the agro-industrial yield by 3 percent (table 5). Consequently, cumulative sugar production year over year is lower by 11 percent. Production across all the sugar types also continues to track lower, particularly for less than 99.2 polarity sugar (referred to as low polarity sugar), which is down 58 percent from last year over the same period.

Table 5: Mexico’s sugar production as of week 31, fiscal years 2022/23, 2023/24, and 5-year average

	As of week 31			Difference versus 2022/23		Difference versus 5-year average	
	2022/23	2023/24	5-year average ^{1/}	Level	Percent	Level	Percent
Area harvested (1,000 ha)	719	658	695	-61	-8	-37	-5
Sugarcane processed (1,000 MT)	44,340	42,532	46,936	-1,808	-4	-4,404	-9
Sugarcane yield (MT per ha)	61.69	64.64	67.62	3.0	5	-2.98	-4
Extraction rate (percent)	10.96	10.18	11.05	-0.8	-7	-0.87	-8
Agro-industrial yield (MT sugar per ha)	6.76	6.58	7.48	-0.2	-3	-0.90	-12
Sugar production (1,000 metric tons)	4,860	4,331	5,189	-528	-11	-858	-17
By type:							
Refinada	1,079	1,007	1,180	-72	-7	-173	-15
Estándar	3,047	2,986	3,159	-61	-2	-173	-5
Polarity less than 99.2	665	282	677	-383	-58	-395	-58
Blanco especial and mascabado	69	56	173	-13	-18	-117	-68

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).

Improved Outlook for Mexico’s 2024/25 Sugar Production

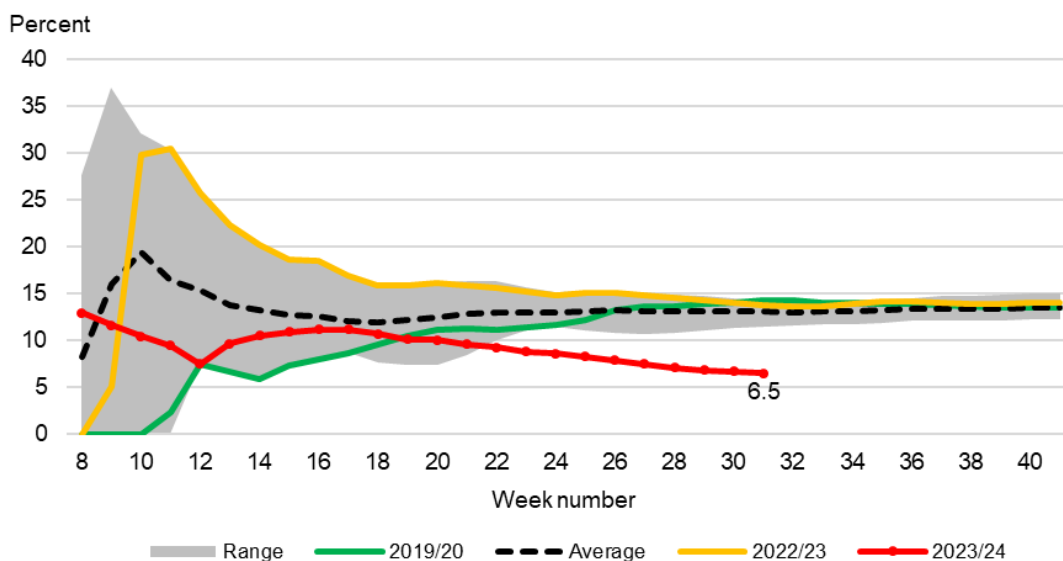
For 2024/25, Mexico’s sugar production is projected at 5.189 million MT, which was based on the initial forecast published in the USDA Foreign Agricultural Service (FAS) April 12 *Mexico Sugar Annual* report. This volume represents a 540,000-MT (12-percent) increase from 2023/24 (4.649 million MT). Sugarcane yield and recovery rates are assumed to track recent historical trends, but harvested area will be lower than the usual 800,000-hectare starting point. Despite the rebound, the 2024/25 sugar production would be lower than the recent years’ average (excluding 2022/23) of 5.9–6.0 million MT.

Mexico’s Exports to United States in 2023/24 Minimally Reduced; Increased for 2024/25

Mexico’s 2023/24 exports to the U.S. are slightly reduced from last month by 1,000 MT to 426,000 based on 2 factors—the share of low polarity sugar in total production and the share of low polarity sugar compared to that of refined sugar in total exports. While the *WASDE* increased Mexico’s sugar production this month, it reduced the low polarity sugar share from 7 percent to 6.5 percent and lowered the low polarity share in total exports to the U.S from 75 to 71 percent.

CONADESUCA's week 31 report provided support as the cumulative share of low polarity production stands at 6.5 percent (figure 10), the lowest since Mexico started producing this sugar type in 2017/18 to comply with the suspension agreements. The production of standard and refined sugar for the domestic market is taking precedence over low polarity for exports to the U.S. given the poor sugarcane crop outlook and historically high Mexico sugar prices. Multiplying the 6.5-percent share with the increased *WASDE* 2023/24 estimate of Mexico sugar production (4.649 million MT) results in 302,000 MT of low polarity sugar production, down from last month's 320,000 MT, and the lowest since 2017/18.

Figure 10
Mexico's cumulative percent share of low polarity sugar in total sugar, by week, 2017/18–2023/24



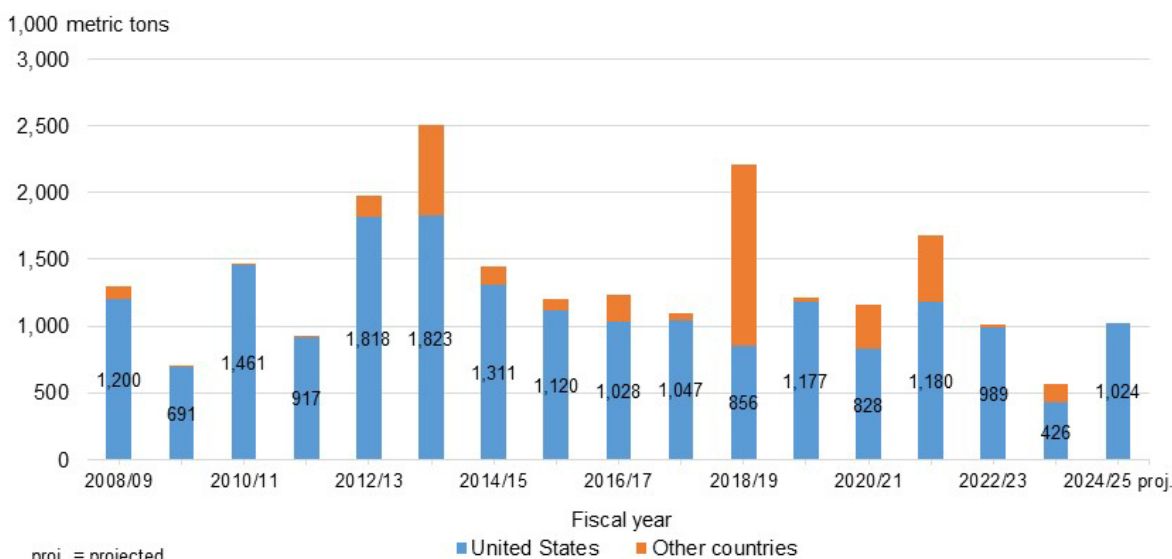
Source: USDA, Economic Research Service calculations using data from Mexico's National Committee for the Sustainable Development of Sugarcane (CONADESUCA).

Given the dwindling production pace of low polarity sugar, the *WASDE* lowered its share in total exports from last month's 75 percent to 71 percent. This means that the low polarity sugar can only meet 71 percent of the total exports to the United States; the remaining 29 percent would be filled by refined sugar. This implies that for 2023/24, Mexico's total exports to the U.S. would be 426,000 MT (i.e., 302,000 MT divided by 0.71), which is minimally changed from last month's 427,000 MT (i.e., 320,000 MT divided by 0.75) (figure 11).

In 2024/25, Mexico exports to the United States are expected to rebound to 1.024 million MT, a level that will achieve a 13.5-percent stocks-to-use ratio on the U.S. 2024/25 balance sheet if the U.S. additional specialty refined TRQ, which is mostly comprised of organic sugar, would equal

that of 2023/24 (231,000 STRV) and be announced before the July *WASDE*⁵. The projected 1.024 million MT of exports to the United States imply that 70 percent (717,000 MT) would be made up of low polarity sugar or 13.8 percent of the total sugar production forecast (5.189 million MT). The projected 13.8-percent polarity share requires doubling the current 6.5-percent share estimated for 2023/24.

Figure 11
Mexico's sugar exports by destination, 2008/09–2024/25



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

Mexico's Sugar Exports to Other Countries Residually Increased in 2023/24; Projected Zero for 2024/25

Mexico's exports to other countries in 2023/24 are residually⁶ projected at 143,000 MT assuming a 2.3 months' worth of ending stocks, a 78,000-MT increase from last month. This variable is relatively challenging to predict as it is subject to Mexico's ending stocks target, which can range between 2 to 2.5 percent. For example, if the *WASDE* assumes a similar 2.5 months' worth of ending stocks as that of CONADESUCA, Mexico's exports to other countries would be lower at 68,000 MT. Given the higher prices of sugar in Mexico and in the United States, mills generally

⁵ The U.S. Department of Commerce, per the suspension agreements, will calculate the initial 2024/25 U.S. Needs using the July 2024 *WASDE*.

⁶ Mexico's 143,000-MT exports to other countries (ROW) in 2023/24 are residually calculated using the following formula:
 ROW = Total supply – Exports to the United States – Deliveries to domestic users – 2.3 months' worth of ending stocks
 = 6.059 million MT – 426,000 MT – 4.618 million MT – 872,000 MT
 = 143,000 MT

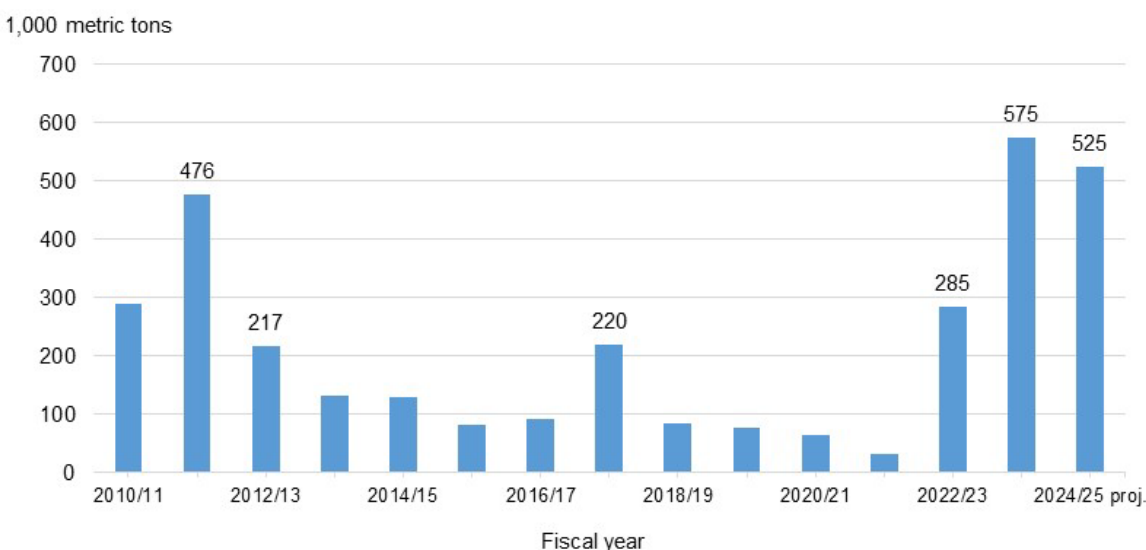
tend to prefer these markets than exporting to other countries. However, if Mexico later in the fiscal year determines there is enough sugar in 2023/24 to cover use in the first few weeks of 2024/25 before the harvest campaign starts in earnest, the mills can export the extra sugar to other countries.

In 2024/25, Mexico’s exports to other countries are set to zero after accounting for domestic commitments and exports to the U.S., as well as the available supply from domestic production and imports.

Mexico’s Sugar Imports Unchanged in 2023/24; Expected to Remain Elevated in 2024/25

Mexico’s 2023/24 total imports of 575,000 MT are unchanged from last month as there are no adjustments made on its 2 components—domestic consumption (475,000 MT) and IMMEX (100,000 MT) (figure 12). Both are at the highest levels in more than a decade mainly due to this year’s severely reduced crop and ensuing high prices. Consequently, high-tier duty sugar is being imported into Mexico. To fulfill IMMEX requirements, Mexico’s Secretaría de Economía announced on April 5 that sugar imports benefitting from USDA re-export programs would be temporarily allowed to be duty-free until August 31.

Figure 12
Mexico’s total sugar imports, by fiscal year, 2010/11–2024/25



proj.= projected.

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

After the *WASDE* release, updated data from Trade Data Monitor (TDM) as of May 13 shows countries have already reported a total⁷ of 543,000MT of exports to Mexico. This pace implies that barring any significant misreporting and assuming that countries' reported exports would be close to CONADESUCA's recorded imports, 94 percent of the *WASDE*'s 575,000-MT estimate for 2023/24 Mexico total imports have already arrived. With 5 more months remaining in the fiscal year, the estimate will be reevaluated as information becomes available. Per TDM, Brazil is the top origin country, supplying about 54 percent, followed by the United States (20 percent), Guatemala (11 percent), and Saudi Arabia (6 percent) (table 10).

Table 10: Cumulative countries' reported sugar exports to Mexico, October 2023–April 2024, as of May 13, 2024

Origin	Quantity (metric tons)	Share in total (percent)
Brazil	292,977	54
China	4	0
Colombia	122	0
Ecuador	0	0
El Salvador	17,109	3
EU 27 (Brexit)	5,234	1
Guatemala	59,762	11
Honduras	8,520	2
India	1,656	0
Morocco	6,408	1
Nicaragua	4,620	1
Paraguay	72	0
Saudi Arabia	34,168	6
South Korea	0	0
Taiwan	1	0
Thailand	2,200	0
United States	110,187	20
Total	543,039	100

EU = European Union.

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

For 2024/25, Mexico's sugar imports are residually projected at 525,000 MT, 50,000-MT lower than 2023/24, but still at the upper range. Just as it did in 2023/24, Mexico is expected to supplement supply through importation to fulfill domestic requirements (consumption and IMMEX), exports to the United States, and maintain 2.3-months' worth of stocks to cover use in 2025/26 before the start of that year's campaign. For 2024/25, deliveries for consumption

⁷ TDM only has data on the reporting countries' total exports to Mexico; there is no delineation on whether the exports are for IMMEX purposes or for domestic consumption.

are forecast at 4.236 million MT, a 43,000-MT increase (1 percent) from 2023/24 based on expected population growth. Adding the IMMEX deliveries which are projected at 425,000 MT, the same as 2023/24, total domestic deliveries are initially set at 4.661 MT.

U.S. Organic Sugar Sources

This article updates the May 2023 Economic Research Service Sugar and Sweeteners Outlook report on the sources of the U.S. organic sugar supply. The domestic organic sugar production is combined with organic sugar imports using the applicable Harmonized Tariff Schedule (HTS) codes⁸ to determine the supply. In fiscal year (FY) 2024, organic sugar supply is estimated at about 277,000 metric tons (MT), up 3 percent from last year (table 7).

Table 7: U.S. organic sugar supply by source, fiscal year 2015–24

Fiscal year	Domestic 1/	Imports						Total
		Specialty 2/	Mexico 3/	TRQ raw 2/	TRQ refined 2/	FTA 2/	Over quota (high tier) 3/	
Volume (metric tons, raw value)								
2015	3,000	120,828	0	5,617	0	455	200	130,100
2016	3,600	125,628	0	13,130	0	3,066	392	145,816
2017	4,392	179,262	0	11,263	0	2,312	200	197,429
2018	5,648	160,002	0	6,148	0	595	424	172,818
2019	7,748	169,743	0	8,991	0	862	1,800	189,144
2020	11,493	168,059	143	22,956	55,000	0	6,393	264,044
2021	18,000	178,176	0	28,692	0	3,906	14,182	242,956
2022	18,630	199,837	181	18,570	0	2,310	32,684	272,212
2023	19,347	201,619	306	18,517	0	3,379	25,956	269,124
2024 est.	20,167	201,619	0	24,000	0	3,200	28,000	276,986
Share in total imports (percent)								
2015	2	93	0	4	0	0	0	100
2016	2	86	0	9	0	2	0	100
2017	2	91	0	6	0	1	0	100
2018	3	93	0	4	0	0	0	100
2019	4	90	0	5	0	0	1	100
2020	4	64	0	9	21	0	2	100
2021	7	73	0	12	0	2	6	100
2022	7	73	0	7	0	1	12	100
2023	7	75	0	7	0	1	10	100
2024 est.	7	73	0	9	0	1	10	100
Annual growth rate (percent)								
2015	NA	NA	NA	NA	NA	NA	NA	NA
2016	20	4	--	134	--	574	96	12 ¹
2017	22	43	--	-14	--	-25	-49	35
2018	29	-11	--	-45	--	-74	112	-12
2019	37	6	--	46	--	45	325	9
2020	48	-1	100	155	--	-100	255	40
2021	57	6	-100	25	-100	--	122	-8
2022	4	12	--	-35	--	-41	130	12
2023	4	1	69	0	--	46	-21	-1
2024 est.	4	0	-100	30	--	-5	8	3

est. = estimated; FTA = free trade agreements, TRQ = tariff-rate quota; NA = not available.

Note: -- = annual growth rate calculation is not applicable due to lack of data.

Source: 1/ Euromonitor; 2/ U.S. Department of Homeland Security, Customs and Border Protection; 3/ U.S. Department of Commerce, Bureau of the Census.

⁸ The U.S. International Trade Commission's HTS codes for organic sugar are:

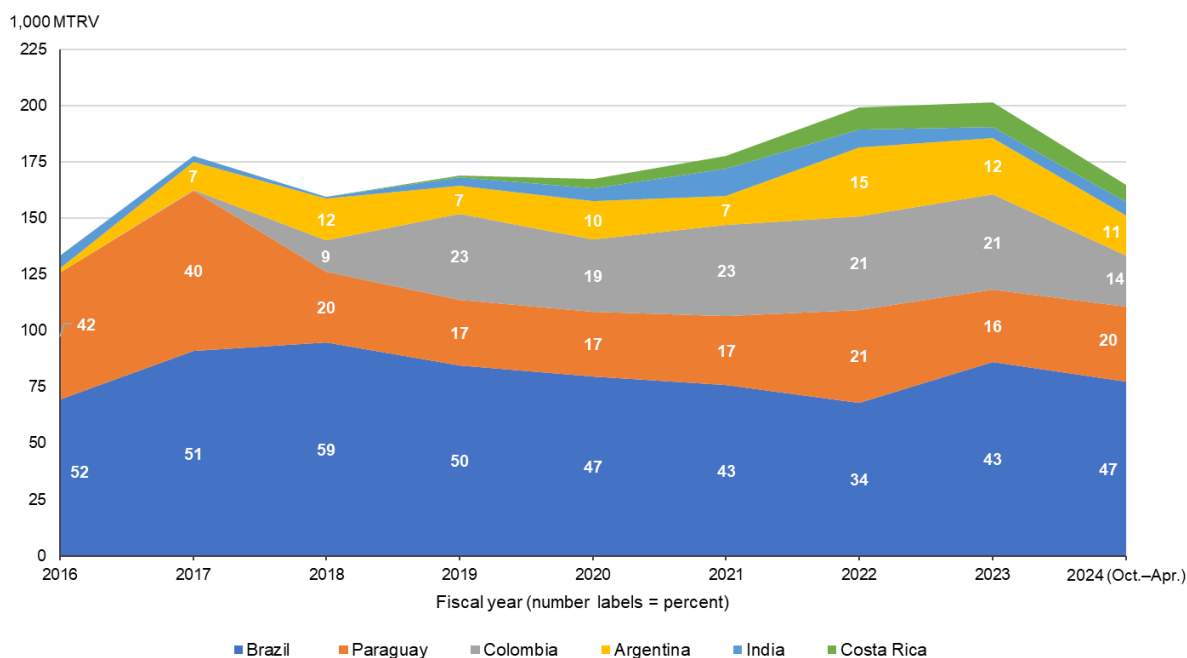
- 1701.14.10.20 Raw organic sugar, certified organic (in-quota) established on January 1, 2020;
- 1701.99.10.15 Specialty sugars, certified organic (in-quota) established on July 1, 2016; and
- 1701.99.50.15 Specialty sugars, certified organic (over-quota) established on January 1, 2020.

No HTS code exists for over-quota raw organic sugar imports paying the high duty rate.

The U.S. organic sugar market expanded over the past decade, driven by the growing consumer demand for processed organic products. In the last 5 years, organic sugar imports under the United States World Trade Organization (WTO) specialty sugar tariff-rate quota (TRQ) and the over-quota certified organic imports paying a high duty contributed to raise supply. The combined share of these 2 categories increased from 66 percent in 2020 to 83 percent in 2024. The over-quota certified organic imports is the fastest growing segment, reaching about 28,000 MT in 2024, 3 times larger than the 2020 volume. Other important supply sources include raw organic sugar imported under the WTO raw sugar TRQ, certified organic imported through Free Trade Agreements, and Florida's domestic production.

Specialty sugar tariff-rate quota: Specialty sugar TRQ imports are 99-percent certified organic. In 2023, Brazil supplied 43 percent of total U.S. certified organic, followed by Colombia (21 percent), Paraguay (16 percent), Argentina (12 percent), Costa Rica (5 percent), and India (2 percent) (figure 13). While Brazil and Paraguay's shares declined since 2016, the combined shares of Colombia, Argentina, India, and Costa Rica steadily increased, reaching 40 percent in 2023, up from 6 percent in 2016.

Figure 13
Volume and share of U.S. imports of certified organic sugar under the specialty sugar tariff-rate quota, by country, fiscal year 2016–2024

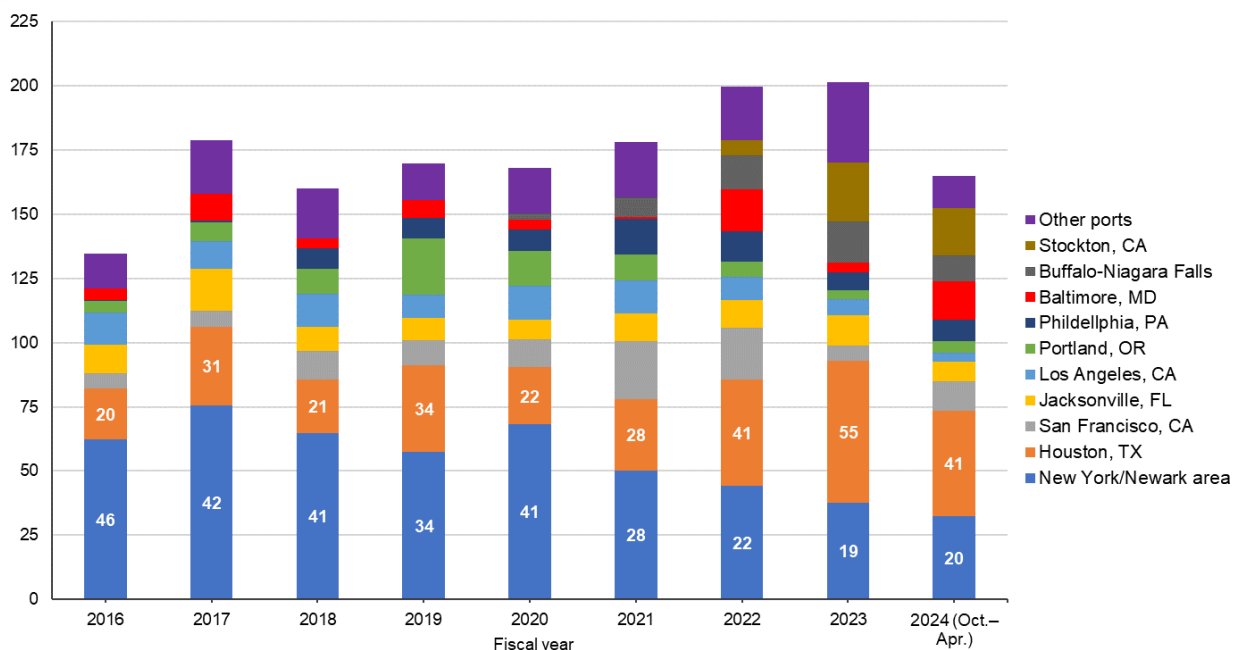


MTRV = metric tons, raw value; TRQ = tariff-rate quota.

Source: USDA, Foreign Agricultural Service calculations using data from U.S. Department of Homeland Security, Customs and Border Protection.

In 2023, the top 10 ports of entry for certified organic sugar accounted for 85 percent of specialty certified organic imports, down from the 2016–2022 average of 89 percent (figure 14). Although the Port of New York and Newark is among the largest ports of entry for U.S. certified organic imports, there has been a shift to other ports particularly in the Gulf Coast (Houston, TX). Of the top 10 ports, 4 are on the West Coast (San Francisco, CA; Los Angeles, CA; Stockton, CA; and Portland, OR). In 2023, almost half (46 percent) of all imports were shipped through the Gulf and West Coast ports, up from 32 percent in 2016, and the trend is expected to continue.

Figure 14
Share of certified organic sugar in total U.S. imports of specialty sugar tariff-rate quota, by port of entry, fiscal year 2016–2024
1,000 MTRV



MTRV = metric tons, raw value; TRQ = tariff-rate quota.
Source: USDA, Foreign Agricultural Service calculations using data from U.S. Department of Homeland Security, Customs and Border Protection.

Over-quota certified organic sugar: Over the last 3 years, U.S. imports of certified organic sugar paying the high-duty rate fluctuated, averaging about 24,300 MT between 2021 and 2023. In 2023, the United States imported about 26,000 MT of high-tier certified organic sugar, primarily from Brazil (43 percent), Paraguay (17 percent), Argentina (16 percent), and Colombia (15 percent). In the same year, New York (34 percent), Baltimore (26 percent), and Houston-Galveston (20 percent) were the top 3 ports of entry.

Raw organic sugar: U.S. imports of raw organic sugar entered on the WTO raw sugar TRQ averaged about 22,000 MT between 2021 and 2023, representing about 8 percent of the total TRQ during this period. These imports are projected at 24,000 MT in 2024. Colombia, Paraguay,

and India are the major suppliers.

Free trade agreement organic sugar: U.S. imports of organic sugar under free trade agreement provisions are minimal and are mostly from Colombia. Other origins include Panama and Costa Rica. While all imports under Panama's specialty sugar TRQ (500 MT) enter as non-organic specialty sugar (HTS: 1701.99.50.17), refined sugar accounts for more than half of all imports under Costa Rica's special specialty sugar TRQ (2,000 MT).

Suggested Citation

Abadam, V., & Diaby, S. (2024). *Sugar and sweeteners outlook: May 2024* (Report No. SSS-M-429). U.S. Department of Agriculture, Economic Research Service.

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