



Sugar and Sweeteners Outlook: October 2024

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Vidalina Abadam, coordinator

U.S. 2024/25 Sugar Supply Increased; Mexico's 2023/24 Sugar Imports Raised

In the October *World Agricultural Supply and Demand Estimates (WASDE)*, the U.S. 2023/24 sugar supply is lowered from last month by 47,000 short tons, raw value (STRV) to 14.894 million as the lower early season production offsets the increase in imports. Since sugar use is unchanged at 12.663 million STRV, ending stocks are similarly reduced by 47,000 STRV to 2.231 million STRV, which reflects a stocks-to-use ratio of 17.6 percent, down 0.4 percentage points but remains the highest since 2012/13.

The U.S. 2024/25 sugar supply is increased by 12,000 STRV to 14.293 million as the larger production and imports compensate the decrease in beginning stocks. Despite the increase, total imports are forecast to be the lowest since 2007/08. Imports from Mexico are unchanged at 395,000 STRV, the lowest in 18 years, because of the relatively large U.S. beginning stocks, record-high outlook for domestic production, and flat deliveries. With sugar use unchanged at 12.505 million STRV, ending stocks are residually calculated at 1.788 million. This translates to a stocks-to-use ratio of 14.3 percent, up 0.1 percentage points.

On October 14, Mexico's National Committee for the Sustainable Development of Sugarcane (CONADESUCA) released the final 2023/24 balance that is relatively close to the *WASDE*: record-high imports for consumption, negligible exports to countries other than the United States, and an 11-year high carryover inventory into 2024/25. The other notable change in 2024/25 was a reduction in deliveries to the Industria Manufacturera, Maquiladora y de Servicios de Exportación (IMMEX) program per the USDA, Foreign Agricultural Service Post in Mexico City.

U.S. Outlook Summary

In the October World Agricultural Supply and Demand Estimates (*WASDE*), the U.S. 2023/24 sugar supply is lowered from last month by 47,000 short tons, raw value (STRV) to 14.894 million as the combined lower early season production of beet sugar and Louisiana cane sugar offsets the increase in imports (table 1). Per the USDA, Foreign Agricultural Service's (FAS) *U.S. Sugar Monthly Import and Re-Exports Preliminary Final Report for FY 2024*, high-tier tariff raw sugar imports are raised by 62,000 STRV to a record 887,000 STRV, which in turn raises the total imports paying the high import duty to 1.176 million, also a record. Since sugar use unchanged at 12.663 million STRV, ending stocks are similarly reduced by 47,000 STRV to 2.231 million STRV. The resulting stocks-to-use ratio is 17.6 percent, down 0.4 percentage points from last month but remains the highest since 2012/13 (figure 1)

The U.S. 2024/25 sugar supply is increased by 12,000 STRV to 14.293 million as the 21,000-STRV net increase in domestic production to 9.495 million STRV—the highest on record (figure 2)—and larger imports compensate the decrease in beginning stocks. Beet sugar production is raised 36,000 STRV to a record 5.347 million mostly on USDA, National Agricultural Statistics Service (NASS) increased estimate for national sugarbeet yield in its October *Crop Production* report. In contrast, cane sugar production is lowered by 15,000 STRV to 4.148 million—but remains the largest—on adjustments to Louisiana's September 2024 and 2025 output. Imports are revised higher this month, largely due to a 28,000-STRV entry of high-tier raw sugar. Despite the boost, the import forecast would be the lowest since 2007/08. Imports from Mexico are unchanged at 395,000 STRV, the least in 18 years, because of the United States' large carryover inventory, record-high outlook for domestic sugar production, and flat sugar deliveries. Tariff-rate quota (TRQ) imports under free trade agreements (FTA) are raised by 10,000 STRV because sugar that did not arrive in calendar third quarter is expected to come in the fourth quarter (thus, accounted for in fiscal year 2024/25). Since sugar use is unchanged at 12.505 million STRV, ending stocks are residually calculated at 1.788 million. This translates to a stocks-to-use ratio of 14.3 percent, up 0.1 percentage points from last month.

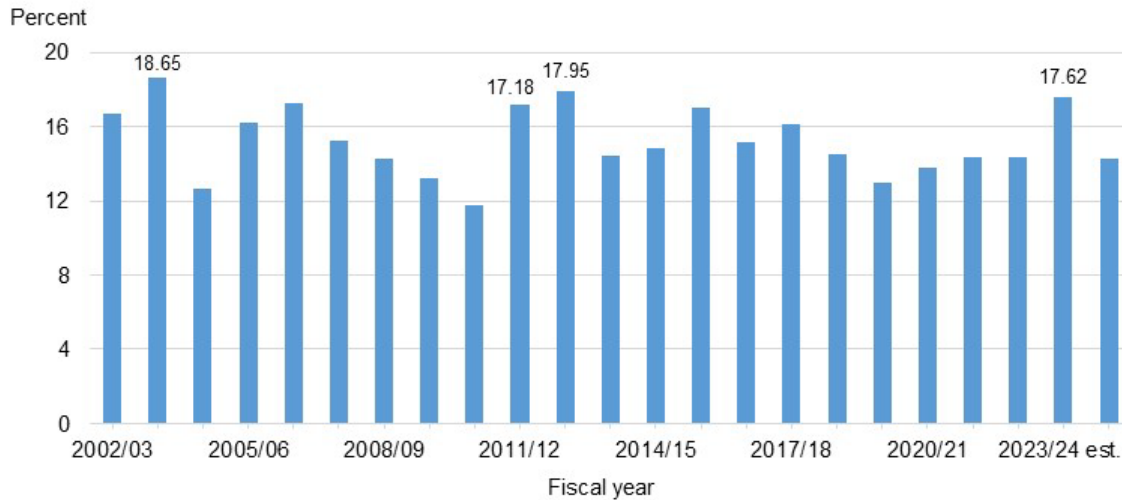
Table 1: U.S. sugar supply and use by fiscal year (October–September), October 2024

	2022/23		2023/24		2024/25		
	Final	September (estimate)	October (estimate)	Monthly change	September (forecast)	October (forecast)	Monthly change
	1,000 short tons, raw value						
Beginning stocks	1,820	1,843	1,843	0	2,278	2,231	-47
Total production	9,250	9,265	9,197	-68	9,474	9,495	21
Beet sugar	5,187	5,159	5,117	-42	5,311	5,347	36
Cane sugar	4,063	4,106	4,080	-26	4,163	4,148	-15
Florida	1,985	2,077	2,077	0	2,053	2,053	0
Louisiana	2,001	1,989	1,963	-26	2,111	2,095	-15
Texas	76	40	40	0	0	0	0
Total imports	3,614	3,834	3,854	21	2,530	2,568	38
Tariff-rate quota imports	1,862	1,823	1,788	-35	1,618	1,628	10
Other program imports	141	320	313	-7	200	200	0
Non-program imports	1,611	1,690	1,753	63	712	740	28
Mexico	1,156	520	521	1	395	395	0
High-tier tariff/other	455	1,170	1,232	62	317	345	28
High-tier tariff	455	1,114	1,176	62	261	289	28
Total supply	14,685	14,941	14,894	-47	14,282	14,293	12
Total exports	82	225	225	0	100	100	0
Miscellaneous	171	0	0	0	0	0	0
Total deliveries	12,589	12,438	12,438	0	12,405	12,405	0
Domestic food and beverage use	12,473	12,300	12,300	0	12,300	12,300	0
To sugar-containing products re-export program	94	115	115	0	80	80	0
For polyhydric alcohol, feed, other alcohol	22	23	23	0	25	25	0
Commodity Credit Corporation (CCC) for ethanol	0	0	0	0	0	0	0
Total use	12,843	12,663	12,663	0	12,505	12,505	0
Ending stocks	1,843	2,278	2,231	-47	1,777	1,788	12
Private	1,843	2,278	2,231	-47	1,777	1,788	12
Commodity Credit Corporation	0	0	0	0	0	0	0
Stocks-to-use ratio (percent)	14.3	18.0	17.6	-0.4	14.2	14.3	0.1

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

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

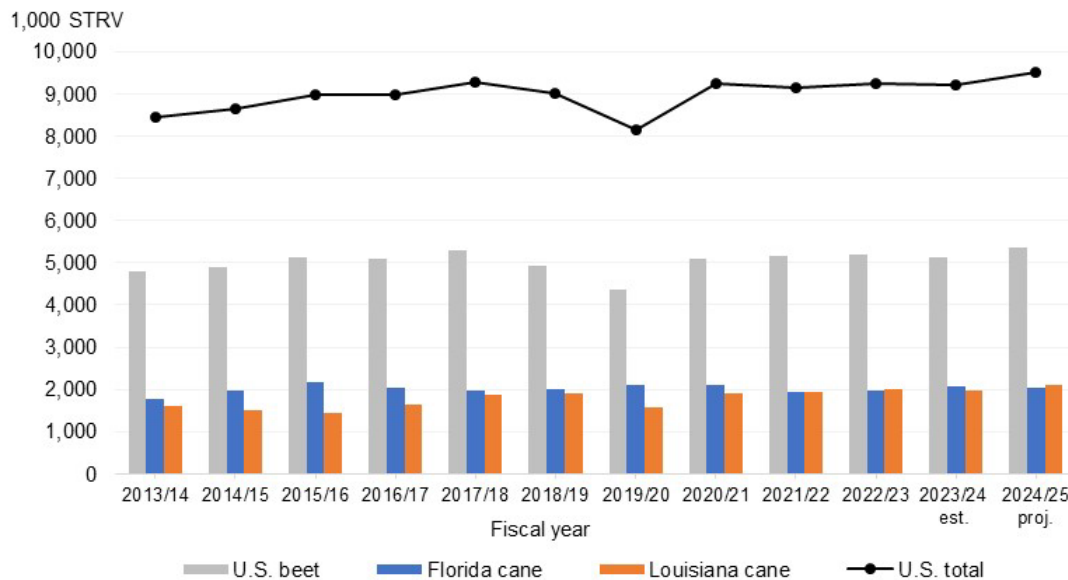
Figure 1
U.S. sugar ending stocks-to-use ratio, fiscal years 2002/03–2024/25



est. = estimated.

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

Figure 2
U.S. production of beet and cane sugar, fiscal years 2013/14–2024/25



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

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

U.S. 2023/24 Beet Sugar Production Down on Lower Early Season Output

The U.S. beet sugar production in fiscal year 2023/24 (October 2023–September 2024) is lowered from last month by 42,000 STRV to 5.117 million on reduced expectation for early

season (August–September 2024) production (table 2). With the full 2023/24 crop year (August 2023–July 2024) data available from the USDA, Farm Service Agency’s August *Sweetener Market Data* (SMD) report, all variables are unchanged from last month, except for a slight adjustment in sugarbeet production¹.

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

	2022/23 Final	2023/24 September	2023/24 October	Monthly change	2024/25 September	2024/25 October	Monthly change
Sugarbeet production (1,000 short tons) 1/	32,644	36,427	36,427	0	35,388	35,573	185
Sugarbeet shrink (percent)	6.39	9.31	9.31	0.00	6.70	6.70	0.00
Sugarbeet sliced (1,000 short tons)	30,558	33,037	33,037	0	33,019	33,191	173
Sugar extraction rate from slice (percent)	15.35	14.74	14.74	0.00	14.75	14.75	0.00
Sugar from beets sliced (1,000 STRV) 2/	4,690	4,870	4,870	0	4,871	4,896	25
Sugar from molasses (1,000 STRV) 2/	372	275	275	0	400	400	0
Crop year sugar production (1,000 STRV) 2/	5,061	5,145	5,145	0	5,271	5,296	25
Aug.–Sep. sugar production (1,000 STRV)	537	663	663	0	644	634	-10
Aug.–Sep. sugar production of subsequent crop (1,000 STRV)	663	677	634	-42	644	644	0
Sugar from imported beets (1,000 STRV) 3/	N/A	N/A	N/A	N/A	40	40	0
Fiscal year sugar production (1,000 STRV)	5,187	5,159	5,117	-42	5,311	5,347	36

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 *Sweetener Market Data* report.

The beet processors lowered their estimate of early season output from last month’s 677,000 STRV to 634,000 STRV in the SMD, of which 136,000 STRV are already produced in August (figure 3). The USDA’s *Drought Monitor* report as of October 15² showed that 40 percent of sugarbeet producing areas are experiencing drought conditions. The dry and warm conditions during the pre-pile harvest increased the risk for lower quality beets (unless they were immediately processed) and made it challenging to pull beets from the ground. At the end of September (week 39), while the aggregated harvest pace in the 4 largest producing States³ (16 percent) was slightly ahead of last year (15 percent), it was behind the 5-year average (18 percent) since each of the major State’s pace is lagging (figures 4a–4d). As such, the early season output for the 2024/25 crop is expected to be produced past October 1 when full harvest commenced. As of October 13 (week 41), the pace still lagged the 5-year average as the persistence of warmer than normal daytime temperatures, which can cause the quality of outdoor

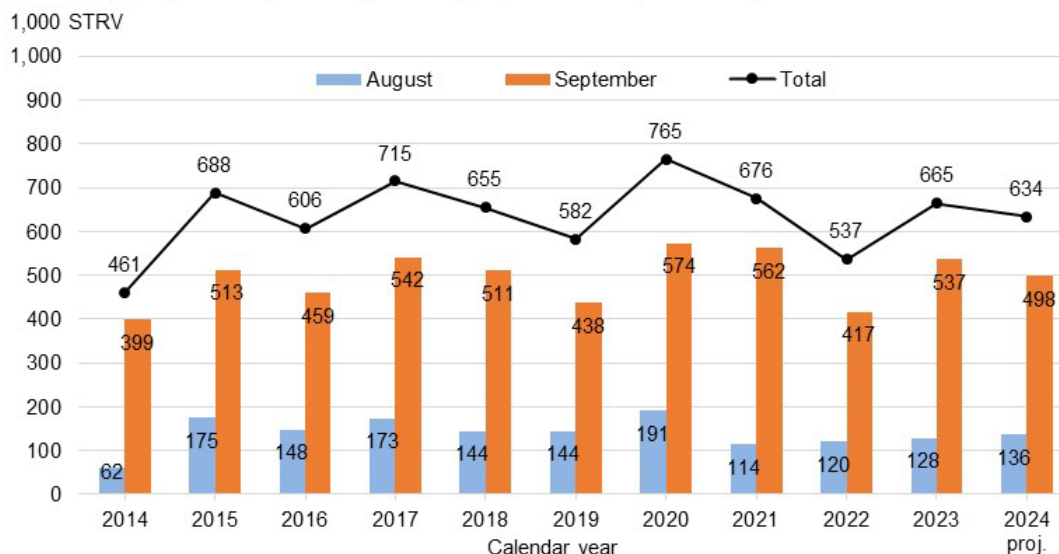
¹ Historically, the number for sugarbeet production is from NASS. However, for crop year 2023/24, the SMD beet processors’ estimate (36,427,079 short tons) is used since this volume is greater than that of NASS (35,226,000 short tons). The former number aligns more precisely with the final crop year data (August 2023–July 2024) in the SMD for the rest of the variables in Table 2.

² The Drought Monitor report (as of October 15, 2024) was released on October 17.

³ These States are Idaho, Michigan, Minnesota, and North Dakota.

piles to deteriorate, forced processors to shut down harvest operations for some of the days.

Figure 3
U.S. early (August–September) beet sugar production, calendar years 2014–2024



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

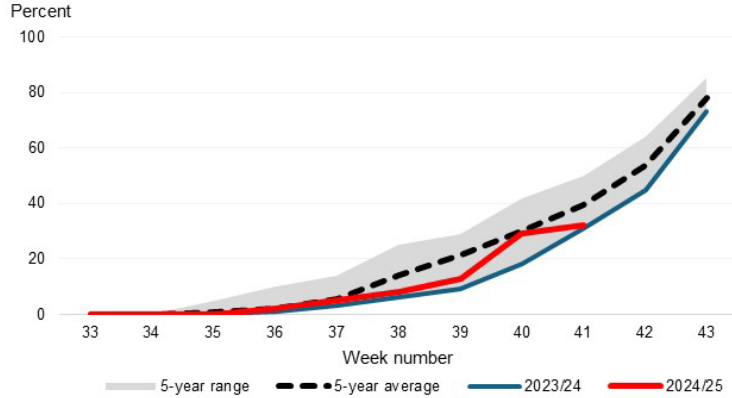
Source: USDA, World Agricultural Outlook Board; USDA, Farm Service Agency.

U.S. 2024/25 Beet Sugar Output Higher on Higher Sugarbeet Yield

The fiscal year 2024/25 beet sugar production is raised from last month by 36,000 STRV to a record 5.347 million mainly on higher sugarbeet yield. If realized, this volume will reflect a 4.5-percent increase (230,000 STRV) from last year and will overtake 2017/18 (5.279 million STRV).

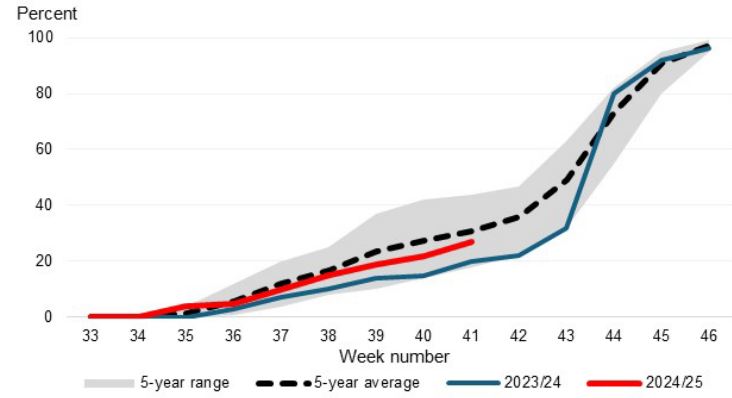
In its October *Crop Production* report, NASS raised the national sugarbeet yield estimate from last month's 32.9 tons per acre to 33.1, just behind the record yield of 33.2 tons per acre in 2021/22 (figure 5). Correspondingly, with area harvested projected at 1,075,100 acres, sugarbeet production is up 185,000 short tons to 35.573 million. Assuming normal weather conditions during the campaign and using a 10-year Olympic average for sugarbeet shrink (6.70 percent) and sucrose extraction rate (14.75 percent), the yield increase translates to a 25,000-STRV increase in a record crop year sugar output for 2024/25 (5.296 million). The crop year is converted to fiscal year by subtracting the 2024 early season production (634,000 STRV) and adding the 2025 early season production (644,000 STRV) and sugar produced from imported beets (40,000 STRV).

Figure 4a
Idaho sugarbeet harvest progress, crop years 2019/20–2024/25



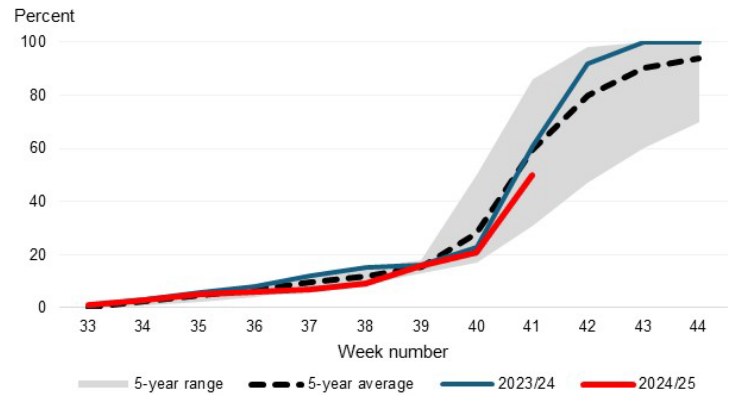
Source: USDA, Economic Research Service calculations using data from USDA, National Agricultural Statistics Service.

Figure 4b
Michigan sugarbeet harvest progress, crop years 2019/20–2024/25



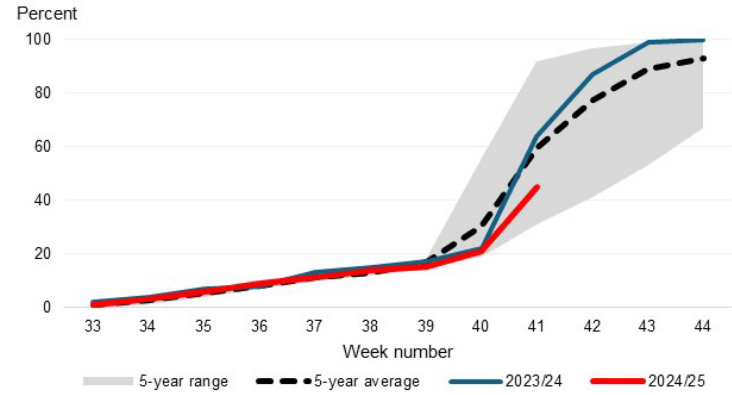
Source: USDA, Economic Research Service calculations using data from USDA, National Agricultural Statistics Service.

Figure 4c
Minnesota sugarbeet harvest progress, crop years 2019/20–2024/25



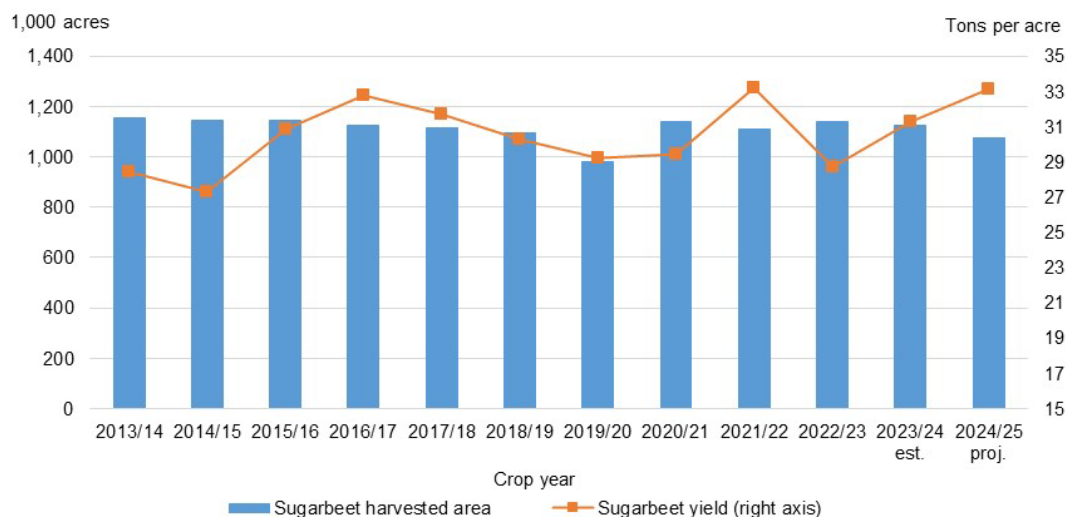
Source: USDA, Economic Research Service calculations using data from USDA, National Agricultural Statistics Service.

Figure 4d
North Dakota sugarbeet harvest progress, crop years 2019/20–2024/25



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

Figure 5
Sugarbeet harvested area and yields, crop years 2013/14–2024/25



est. = estimated; proj. = projected.

Source: USDA, National Agricultural Statistics Service.

Downward Adjustments to Louisiana’s Early Season Output Lower 2023/24 and 2024/25 Cane Sugar Production

The fiscal year 2023/24 U.S. cane sugar production is reduced by 26,000 STRV from last month to 4.080 million on the reduced Louisiana September 2024 production—from last month’s 112,000 STRV to 86,000 per the processors’ submission to the *SMD* (figure 6). The reduction is largely due to harvest-related delays resulting from Hurricane Francine’s landfall in Louisiana on September 11. The heavy rains from the Category 2 hurricane saturated the soil and lodged the cane, and the strong winds flattened the stalks to the ground, making harvesting operations under muddy conditions inefficient and costly.

The Louisiana AgCenter reported that the dry weather afterwards allowed the land to dry and the crop to stand back on its own in places where the stalks were not uprooted, thus putting the harvest of the 2024/25 crop back on track. As of October 13 (week 41), 20 percent of the crop was harvested, the fastest pace since 2014/15 (figure 7). Assuming normal weather patterns going forward (i.e., no major hurricanes and freezing events), the expected 2024/25 crop year sugar output of 2.137 million STRV would be a record high, driven mostly by area expansion and increased yield outlook per NASS’ *October Crop Production* report.

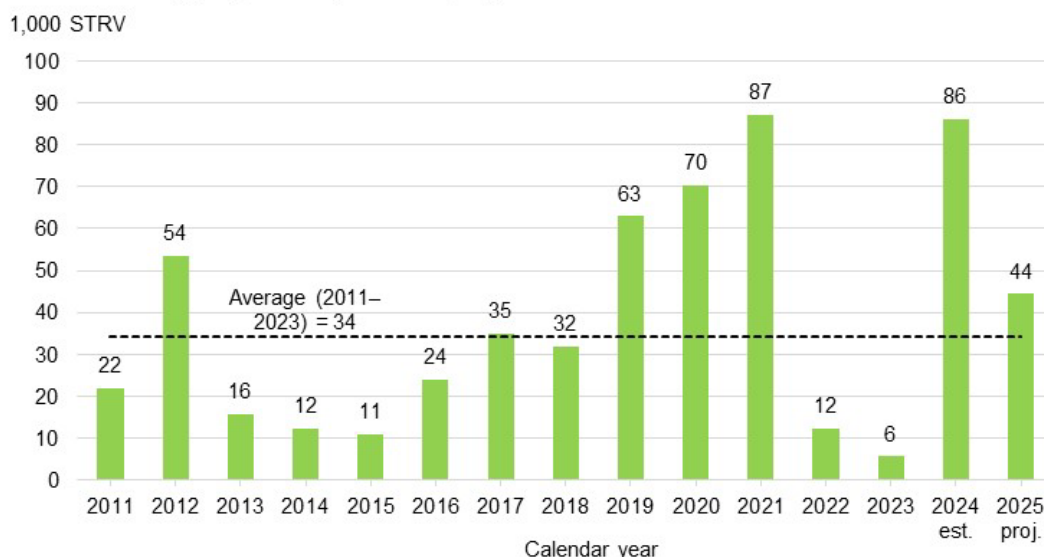
In this month’s *WASDE*, the projection for Louisiana’s September 2025 production was updated using a 6-year Olympic average (2018/19–2023/24), which reduced it to 44,000 STRV. Because

this adjusted volume (44,000 STRV) is lower than that of September 2024 (86,000 STRV), Louisiana’s fiscal year 2024/25 sugar production is down from last month by 15,000 STRV to 2.095 million⁴, but would remain a record.

Florida had back-to-back hurricanes (Category 4 Helene on September 26 and Category 3 Milton on October 9). Helene missed the major sugarcane growing areas and processors, but initial damage assessment of sugarcane fields affected by tornadoes formed during Milton is still ongoing. Pending additional reports of Milton’s harm to the crop, Florida’s 2024/25 sugar output is left unchanged at 2.053 million STRV, which would be a 1.2 percent decrease from 2023/24 mostly due to over-the-year reduction in area harvested.

With the reduction in Louisiana, the U.S. fiscal year 2024/25 cane sugar output is reduced from last month by 15,000 STRV to 4.148 million but would still slightly surpass 2020/21 (4.142 million) as the new record.

Figure 6
Louisiana early (September) cane sugar production, 2011–2025

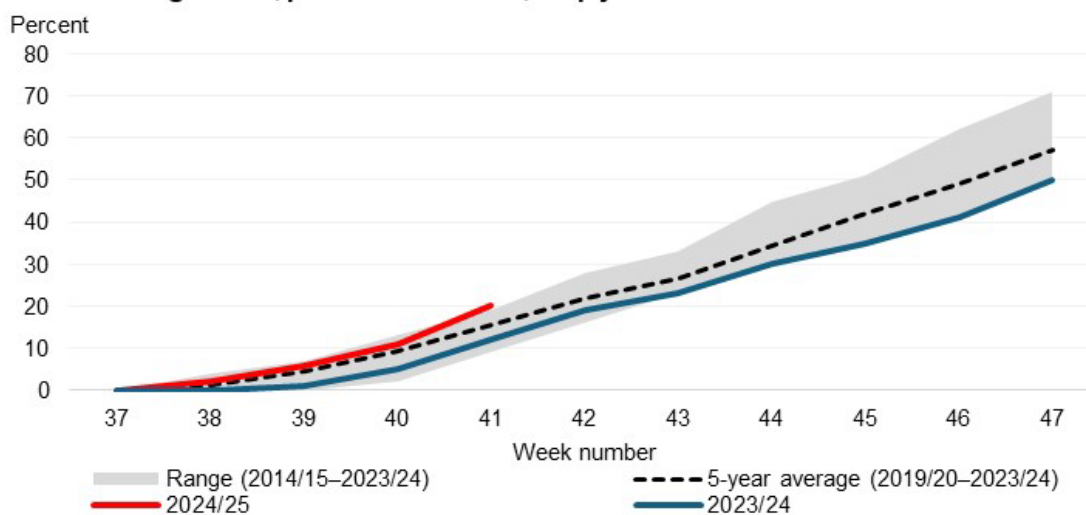


STRV = short tons, raw value; est. = estimated; proj = projected.

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

⁴ Louisiana’s 2024/25 fiscal year sugar production is calculated as 2.137 million – 86,000 + 44,000 = 2.095 million STRV.

Figure 7
Louisiana sugarcane, percent harvested, crop years 2014/15–2024/25



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

U.S. 2023/24 Sugar Imports Raised Largely on High-Tier Raw Sugar Component

U.S. total sugar imports in fiscal year 2023/24 are raised from last month by 21,000 STRV to 3.854 million. This is 240,000-STRV higher (7 percent) than last year and would be the second largest behind 2019/20 (4.165 million STRV) (figure 8). Per the USDA, FAS *U.S. Sugar Monthly Import and Re-exports Preliminary Final Report for FY 2024*, the upward adjustment largely stems from the over-the-month increase in high-tier raw sugar imports (up 62,000 STRV to a record 887,000). This increase offsets the reduction of imports under the World Trade Organization (WTO) raw sugar tariff-rate quota (down 25,000 STRV to 1.3 million due to higher-than-expected shortfall from certain countries) and under the calendar-year free trade agreement (down 10,000 STRV to 236,000). The 10,000 STRV was originally estimated to enter in the calendar year third quarter but is now expected to arrive in the fourth.

The upsurge in high-tier raw sugar imports reflects this source’s growing role in filling raw sugar requirements of import-based refiners, particularly in replacing the weather-reduced imports from Mexico in 2023/24 amid the high price environment that made it economical despite the high duty. Imports from Mexico in 2023/24, which are marginally raised this month by 1,000 STRV to 521,000, would be the lowest since 2007/08. With the high-tier refined sugar portion unchanged at 289,000 STRV, total high-tier sugar imports are raised to a record 1.176 million STRV. While historically the smallest import category, high-tier imports in 2023/24 overtook imports from Mexico

as the second largest category with 31 percent of the total imports, just behind raw sugar TRQ (34 percent) (table 3).

Figure 8
U.S. sugar imports by type, fiscal years 2007/08–2024/25

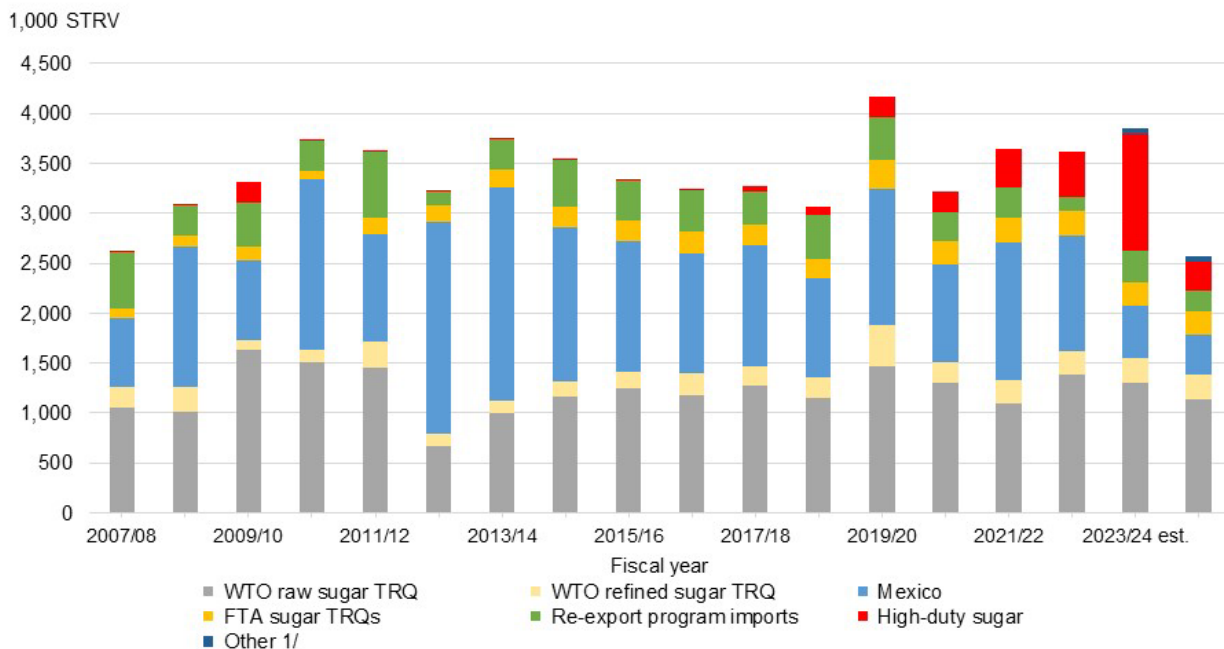


Table 3: U.S. sugar imports by category, fiscal years 2019/20–2024/25

Fiscal year	2019/20	2020/21	2021/22	2022/23	2023/24 est.	2024/25 proj.	5-year average	(2024/25 versus 2023/24)		2024/25 versus 5- year average	
	1,000 short tons, raw value (STRV)							STRV	Percent	STRV	Percent
Mexico	1,376	968	1,379	1,156	521	395	1,080	-126	-24	-685	-63
WTO raw sugar TRQ	1,468	1,296	1,096	1,384	1,300	1,137	1,309	-162	-12	-171	-13
WTO refined sugar TRQ	408	217	237	241	252	252	271	0	0	-19	-7
FTA sugar TRQ	276	236	246	237	236	238	246	3	1	-8	-3
Re-export program	432	292	298	141	313	200	295	-113	-36	-95	-32
High-duty sugar	206	212	390	455	1,176	289	488	-887	-75	-199	-41
Other 1/	N/A	N/A	N/A	N/A	56	56	56	0	0	0	0
Total	4,165	3,221	3,646	3,614	3,854	2,568	3,700	-1,286	-33	-1,132	-31
Share of category in fiscal year	Percent										
Mexico	33	30	38	32	14	15	29	2	N/A	14	N/A
WTO raw sugar TRQ	35	40	30	38	34	44	36	11	N/A	34	N/A
WTO refined sugar TRQ	10	7	7	7	7	10	7	3	N/A	7	N/A
FTA sugar TRQ	7	7	7	7	6	9	7	3	N/A	6	N/A
Re-export program	10	9	8	4	8	8	8	0	N/A	8	N/A
High-duty sugar	5	7	11	13	31	11	13	-19	N/A	31	N/A
Other 1/	N/A	N/A	N/A	N/A	1	2	1	1	N/A	1	N/A
Total	100	100	100	100	100	100	100	N/A	N/A	N/A	N/A

N/A = not applicable; WTO = World Trade Organization; TRQ = tariff-rate quota; FTA = free trade agreement; est. = estimated; proj. = projected.

Note: Totals may not add due to rounding.

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

U.S. 2024/25 Sugar Imports Raised but Remains Lowest In 18 Years

The U.S. 2024/25 imports are increased from last month by 38,000 STRV to 2.568 million. The raise is largely because high-tier raw sugar imports are up from zero to 28,000 STRV to account for entry in early October per USDA, Foreign Agricultural Service reporting. The remaining portion of the increase (10,000 STRV) captures the free trade agreement imports that are expected to arrive in calendar fourth quarter. Despite this month's increase, the 2024/25 projected import volume of 2.568 million is down 1.286 million STRV or 33 percent from last year and would be the lowest in 18 years.

The import outlook is specifically lower for the top 3 sources:

- World Trade Organization raw sugar tariff-rate quota imports, which would remain at the minimum 1.137 million STRV unless there is a shortfall reallocation and/or quota increases;
- imports from Mexico of 395,000 STRV calculated from the September *WASDE* per the terms of the suspension agreements, which are at an 18-year low (due to high carryover stocks from 2023/24, record forecast for 2024/25 domestic production, and flat growth in 2024/25 deliveries); and
- high-tier duty imports, of which the estimate for raw sugar component would be increased only after actual entry (as opposed to being projected).

Since raw cane sugar represents a large portion of these major sources in 2023/24, the volume reduction in 2024/25 may have implications for the throughput availability of import-based cane refiners particularly if refined beet sugar pricing becomes more competitive.

U.S. Sugar Deliveries Unchanged in 2023/24 and 2024/25

With one month remaining before the full fiscal year 2023/24 data are available from the *SMD*, sugar deliveries solely for food use are maintained at 12.300 million, reflecting a 173,000-STRV reduction (1.4 percent) from 2022/23's record high of 12.473 million (figure 9). The estimates for the other deliveries components are also unchanged.

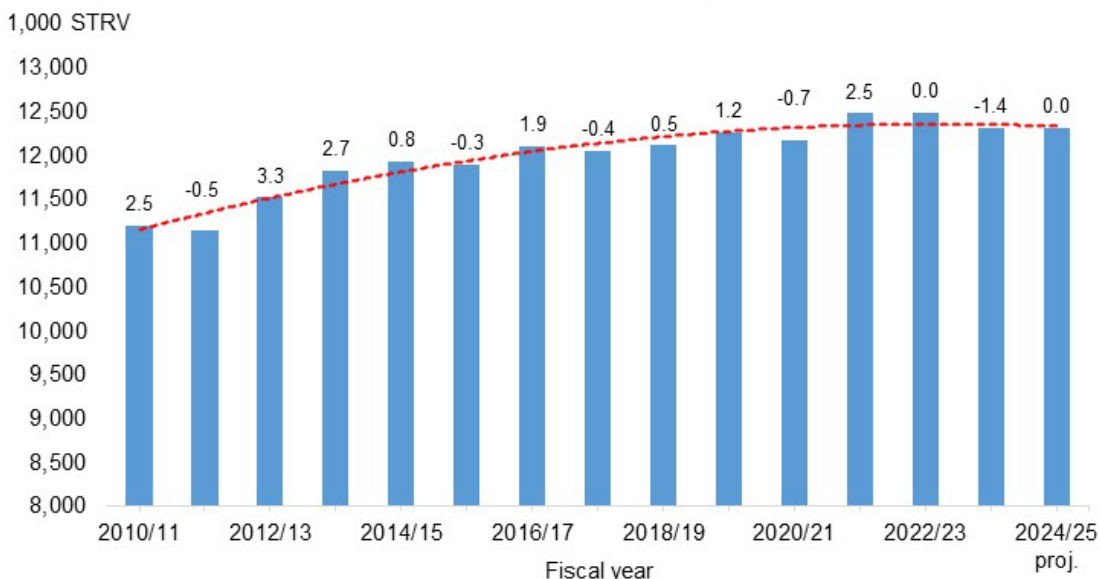
Cane refiners are poised to finish 2023/24 with record sales, delivering 6.240 million STRV through August, a new record over this period and 272,000 STRV (4 percent) more than last year (table 4). This strong pace is reflected in their increased market share relative to the beet processors and non-reporters. At 56 percent, the cane refiners share of total sugar deliveries in

2023/24 is higher than last year and the 5-year average (both at 52 percent). In contrast, deliveries of contracted beet sugar continue to lag the recent years' pace and are down 182,000 STRV (4 percent) compared with last year. The non-reporters' 578,000-STRV delivery volume is behind last year by 248,000 STRV or 30 percent.

To reach the 2023/24 estimate of 12.300 million, the combined deliveries in September would need to be 1.070 million STRV, which is higher than the 5-year average of 1.053 million STRV. If the cumulative market shares of each of the 3 components hold and are used to distribute the remaining 1.070 million STRV required to get to the 12.300 million STRV estimate, then the 2023/24 cane sugar deliveries would be on pace for a record-high 6.834 million STRV, beet sugar deliveries at 4.833 STRV, and non-reporter deliveries at 633,000.

The 12.300 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 (COVID-19) pandemic. With no changes to the other delivery components as well, sugar deliveries in 2024/25 are unchanged at 12.405 million STRV, which reflect a 0.3-percent decline from 2023/24. Given the outlook for beet sugar inventories that are relatively larger than last year and the 5-year average, and the expected record 2024/25 beet sugar output, beet processors will likely be incentivized to regain market share. While several factors can affect market share readjustment (price margins, transportation logistics, contract enforcement and so on) in 2024/25, the means at which import-based cane refiners secure raw sugar amidst the outlook for reduced imports as discussed in the previous section, can be a contributing factor.

Figure 9

U.S. sugar deliveries for food and beverage use, fiscal years 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.

Table 4: U.S. sugar deliveries for food and beverage use, October–August, fiscal years 2018/19–2023/24

Components	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)									
Beet sugar processors	4,612	3,992	4,514	4,889	4,595	4,413	4,520	-182	-4
Cane sugar refiners	5,729	6,079	5,779	5,813	5,968	6,240	5,873	272	5
Total reporters	10,340	10,071	10,292	10,702	10,562	10,652	10,394	90	1
Non-reporter (direct consumption)	699	1,032	878	791	826	578	845	-248	-30
Total	11,040	11,102	11,171	11,493	11,388	11,230	11,239	-158	-1
Percent share in total									
Beet sugar processors	42	36	40	43	40	39	40	-1	N/A
Cane sugar refiners	52	55	52	51	52	56	52	3	N/A
Total reporters	94	91	92	93	93	95	92	2	N/A
Non-reporter (direct consumption)	6	9	8	7	7	5	8	-2	N/A
Total	100	100	100	100	100	100	100	0	N/A

N/A = not applicable.

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's monthly *Sweetener Market Data (SMD)* report.

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

Mexico Outlook

CONADESUCA Released Mexico's 2023/24 Final Balance Sheet

On October 14, Mexico's National Committee for the Sustainable Development of Sugarcane (CONADESUCA) released its final 2023/24 sweetener balance, which will be incorporated in the November *WASDE*. Nevertheless, CONADESUCA's balance sheet was relatively close to the October *WASDE* (table 5). CONADESUCA reported that Mexico's 2023/24 imports for consumption are at a 15-year high (722,000 metric tons or MT) (figure 10), exports to countries other than the United States are negligible (figure 11), high-fructose corn syrup (HFCS) deliveries of 1.599 million MT are at the highest volume since 2011/12 (figure 12), and ending stocks (1.418 million MT) are at an 11-year high (figure 13).

Table 5: Mexico's sugar supply and use by fiscal year (October–September), October 2024

	2022/23		2023/24		2024/25		
	Final	September (estimate)	October (estimate)	Monthly change	September (forecast)	October (forecast)	Monthly change
	1,000 metric tons, actual value						
Beginning stocks	964	835	835	0	1,377	1,414	37
Production	5,224	4,704	4,704	0	5,094	5,094	0
Imports	285	816	854	38	25	25	0
Imports for consumption	267	679	717	38	0	0	0
Imports for sugar-containing product exports (IMMEX) 1/	18	137	137	0	25	25	0
Total supply	6,473	6,354	6,392	38	6,497	6,534	37
Disappearance							
Human consumption	4,193	4,112	4,112	0	4,228	4,228	0
For sugar-containing product exports (IMMEX)	405	420	420	0	425	402	-23
Other deliveries and end-of-year statistical adjustment	29	0	0	0	0	0	0
Total	4,627	4,532	4,532	0	4,653	4,630	-23
Exports	1,011	445	446	1	867	932	65
Exports to the United States and Puerto Rico	989	445	446	1	338	338	0
Exports to other countries 2/	22	0	0	0	529	594	65
Total use	5,638	4,977	4,978	1	5,520	5,562	42
Ending stocks	835	1,377	1,414	37	977	972	-5
Stocks-to-human consumption (percent)	19.9	33.5	34.4	0.9	23.1	23.0	-0.1
Stocks-to-use (percent)	14.8	27.7	28.4	0.7	17.7	17.5	-0.2
High-fructose corn syrup (HFCS) consumption (dry weight)	1,392	1,611	1,611	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).

The high volume of sugar imports, the majority of which paid the high-tier duty, was largely due to the drought-reduced crop and the ensuing attractive prices in Mexico. Data from Trade Data Monitor on countries' reported exports⁵ to Mexico through September (as of October 16) show that Brazil is the top origin, supplying 42 percent of the total exports, followed by the United States (26 percent), Guatemala (18 percent), Saudi Arabia (4 percent), El Salvador (4 percent), and the European Union (2 percent); the remaining share (4 percent) is from other countries.

As noted by the USDA, Foreign Agricultural Service (FAS) Mexico City Post's *Mexico Sugar Semi-annual* report published on October 2, these sugar imports along with HFCS imports competed with domestic mills' sugar sales. Mexico's 2023/24 HFCS deliveries were 1.599 million MT, a 207,000-MT over the year growth and the highest in 12 years, while domestic mills' sugar deliveries were down from last year by 66,000 MT to 4.127 million. As a result, the mills' sugar inventory is above the optimal 2.5 months' worth of domestic deliveries.

Notably, CONADESUCA classified all 1.418-million MT of stocks as available inventory in its final sweetener balance report. That is, zero volume of sugar was classified under "Deposit Certificates" (known as CEDES in its Spanish acronym) that would take sugar off the domestic market and must be exported to the world market within a certain time. FAS Post noted that neither sugarcane growers nor millers prefer exporting to countries other than United States. The lower world market prices would translate to lower revenue for millers and lower 2024/25 reference prices for sugarcane that would in turn, reduce growers' payment. Nonetheless, millers are also concerned that if the historically high carryover inventory is instead sold domestically in 2024/25, then domestic prices could decrease but they would still be obligated to pay growers a relatively high reference price for sugarcane. Thus, whether the sugar is exported to the world market or sold domestically, there will likely be a negative effect on domestic sugar prices which already started to decline in recent months (figure 14).

Mexico's 2024/25 Balance Sheet Mostly Unchanged

Aside from the 37,000-MT increase in beginning inventory to an 11-year high of 1.414 million, the other variable that was adjusted in 2024/25 is sugar deliveries to the IMMEX program, which is down from last month by 23,000 MT to 402,000 following the FAS Post's downward adjustment in the *Sugar Semi-Annual* report. Sugar deliveries for the domestic market are unchanged at 4.228

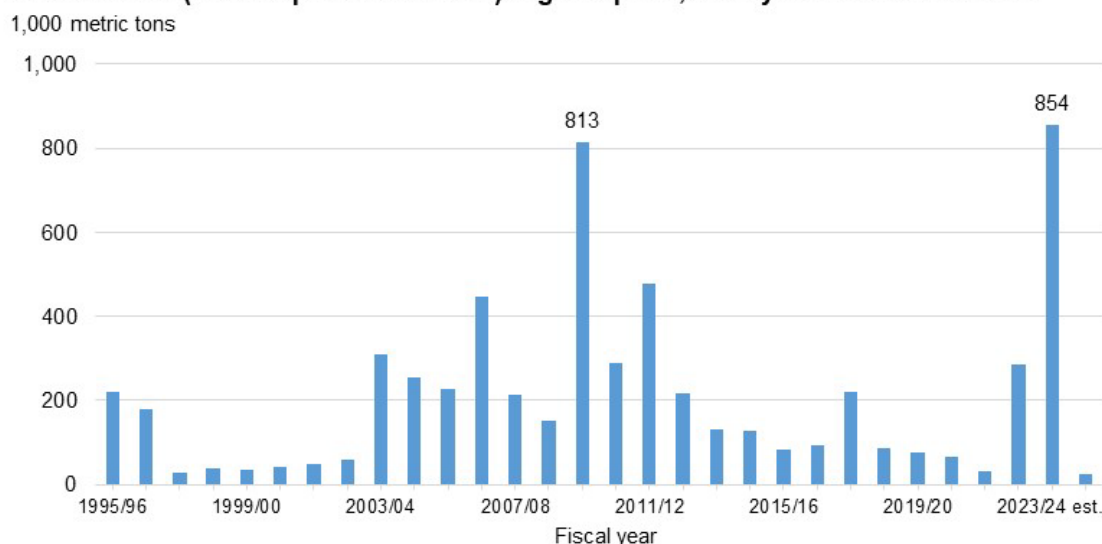
⁵ TDM only provides data on the reporting countries' total exports to Mexico; there is no delineation on whether the exports are for domestic consumption or for IMMEX purposes.

million MT, implying a 3-percent annual growth rate.

Mexico's 2024/25 sugar production is kept at 5.094 million MT, which reflects an 8-percent recovery (391,000 MT) from 2023/24 but remains at the low range relative to pre-2023/24 years. Similarly, imports for IMMEX (at a minimum level of 25,000 MT) and for consumption (zero) are the same as last month as the large carryover stocks from 2023/24 are assumed to discourage the entry of high-tier tariff imports into Mexico in 2024/25.

Mexico's 2024/25 exports to the United States are maintained at 338,000 MT, which corresponds to the U.S. import requirement calculated in September by the U.S. Department of Commerce (395,000 STRV). This 338,000-MT volume is almost 25 percent lower (or 107,000 MT) than 2023/24 and would be the lowest in 18 years. On the other hand, given the additional supply (increased beginning inventory and lowered IMMEX deliveries), Mexico's exports to other countries are residually raised by 65,000 MT to 594,000—the largest since 2013/14's 689,000 MT— to maintain a 2.5 months' worth of target ending stocks.

Figure 10
Mexico's total (consumption and IMMEX) sugar imports, fiscal years 1995/96–2024/25

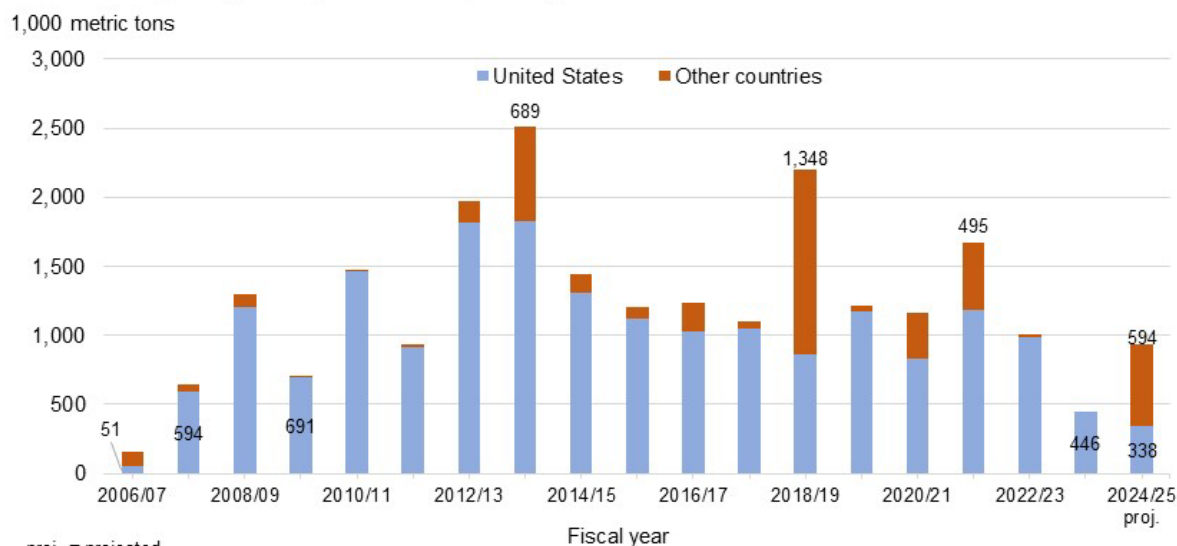


est. = estimated; IMMEX = Industria Manufacturera, Maquiladora y de Servicios de Exportación.

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

Figure 11

Mexico's sugar exports by destination, fiscal years 2006/07–2024/25

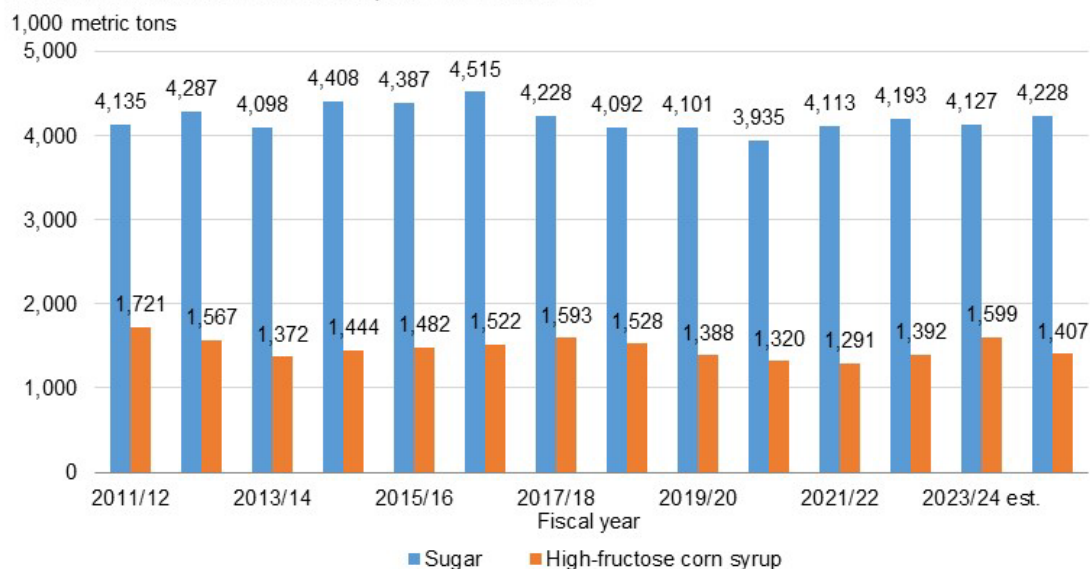


proj. = projected.

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

Figure 12

Mexico's sweetener deliveries, 2011/12–2024/25

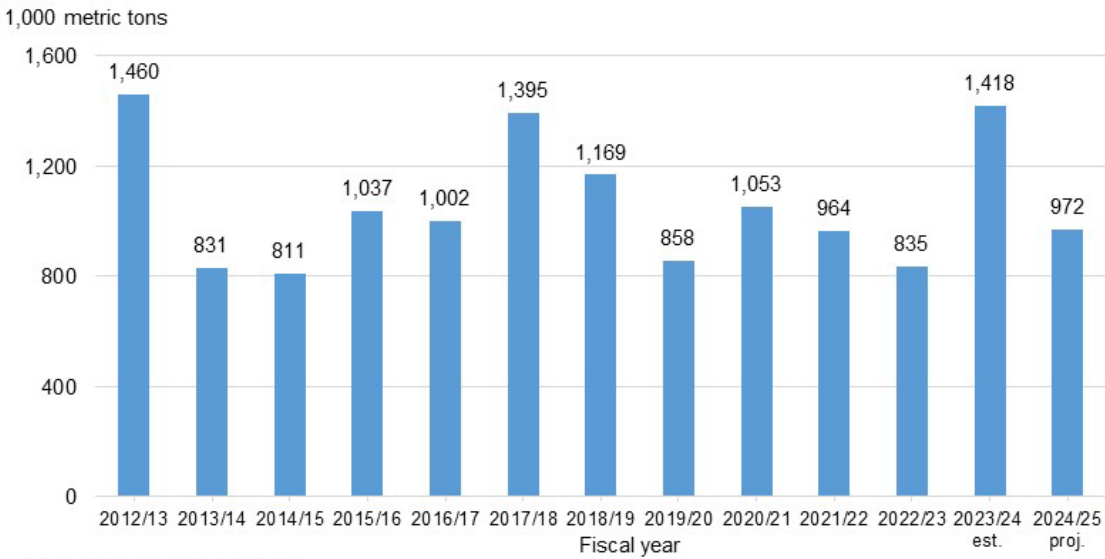


est. = estimated.

Note: The 2023/24 est. is from CONADESUCA's *National Balance of Sweeteners Accumulated as of September 2024, Cycle 2023/24* report

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

Figure 13
Mexico sugar ending stocks, fiscal years 2012/13–2024/25

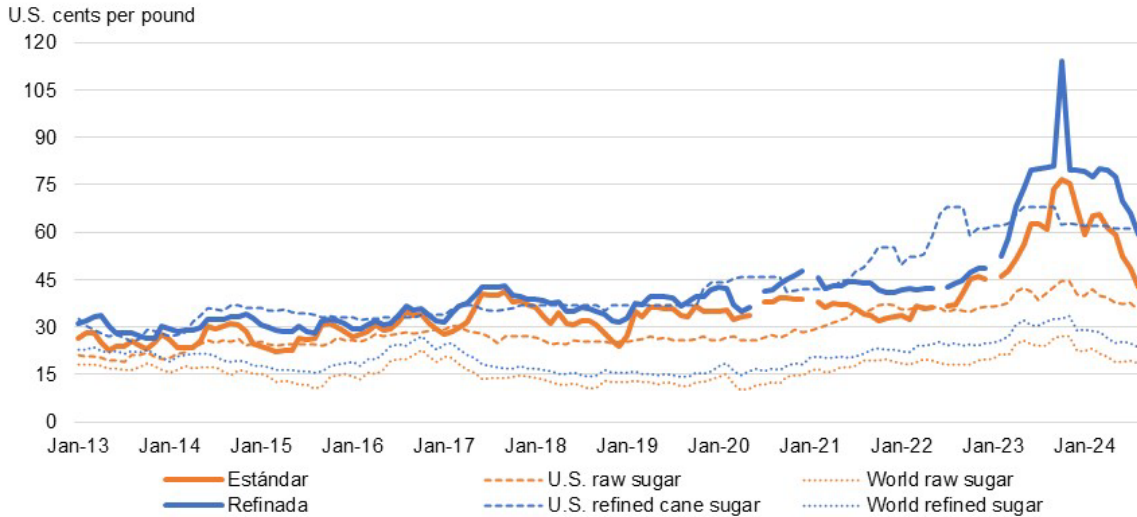


est. = estimated; proj. = projected.

Note: The 2023/24 est. is from CONADESUCA's *National Balance of Sweeteners Accumulated as of September 2024, Cycle 2023/24* report.

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

Figure 14
Mexico sugar prices relative to the United States and the world, monthly, January 2013–September 2024



U.S. = United States.

Note: The breaks in the Mexican sugar price series on June 2020 and January 2021 are due to data unavailability.

Source: USDA, Economic Research Service calculations using data from Intercontinental Exchange, Inc. (U.S. prices), Servicio Nacional de Información e Integración de Mercados (Mexican prices), and U.S. Federal Reserve Bank (exchange rates).

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