



Sugar and Sweeteners Outlook

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Larger Sugarcane and Sugarbeet Crop Forecasts Raise Sugar Supplies for 2018/19

Sugar supplies in 2018/19 are projected to total 14.751 million short tons, raw value (STRV) in the August *World Agricultural Supply and Demand Estimates* (WASDE), a 404,000-STRV increase from the previous month. The increase is due to higher domestic production, based on the National Agricultural Statistics Service's (NASS) *Crop Production* report, which provided the agency's first forecast for total crop production, as well as higher beginning stocks. Domestic deliveries are also lowered for both the 2017/18 estimate and 2018/19 forecast, based on the continued slow pace of deliveries through June. Ending stocks are raised for both years, with the stocks-to-use ratio forecast at 16.9 percent in 2017/18 and 18.1 percent in 2018/19.

The Mexico sugar supply and use outlook remains unchanged from the previous month. Mexico's sugarcane harvest campaign concluded in July, with production estimates at 6.009 million metric tons, actual value (MT). Production is projected to increase slightly in 2018/19 to 6.025 million MT, based on increased area and yields and recovery rates comparable to recent years' performance. The pace of domestic deliveries remains lower than the prior year through June.

U.S. Domestic Outlook

Strong Sugar Crop Forecasts Raise Sugar Production Prospects for 2018/19

The August *World Agricultural Supply and Demand Estimates* (WASDE) projected increased domestic supplies compared with the July report. U.S. sugar production in 2018/19 is projected to be 9.088 million short tons, raw value (STRV). The current projection is 312,000 STRV larger than the previous month's estimate, based on updated data provided in the National Agricultural Statistics Service's (NASS) August *Crop Production* report, released the same day as the WASDE. It would still constitute a 1.9-percent decrease from the 2017/18 estimate, however.

Table 1: U.S. sugar: supply and use, by fiscal year (Oct./Sept.), August 2018

Items	2016/17	2017/18	2018/19	2016/17	2017/18	2018/19
		(estimate)	(forecast)		(estimate)	(forecast)
	1,000 Short tons, raw value			1,000 Metric tons, raw value		
Beginning stocks	2,054	1,876	2,103	1,863	1,702	1,908
Total production	8,969	9,258	9,088	8,137	8,399	8,244
Beet sugar	5,103	5,241	5,107	4,629	4,755	4,633
Cane sugar	3,866	4,017	3,981	3,507	3,644	3,612
Florida	2,055	1,983	2,050	1,864	1,799	1,860
Louisiana	1,628	1,859	1,781	1,477	1,686	1,616
Texas	140	175	150	127	159	136
Hawaii	43	0	0	39	0	0
Total imports	3,244	3,393	3,560	2,943	3,079	3,229
Tariff-rate quota imports	1,611	1,754	1,539	1,462	1,591	1,396
Other program imports	419	325	350	380	295	318
Non-program imports	1,213	1,314	1,670	1,101	1,192	1,515
Mexico	1,201	1,269	1,655	1,090	1,152	1,502
Total supply	14,267	14,528	14,750	12,943	13,179	13,381
Total exports	95	170	85	86	154	77
Miscellaneous	38	0	0	35	0	0
Deliveries for domestic use	12,258	12,255	12,405	11,121	11,118	11,254
Transfer to sugar-containing products for exports under re-export program	127	120	120	115	109	109
Transfer to polyhydric alcohol, feed, other alcohol	29	35	35	27	32	32
Commodity Credit Corporation (CCC) sale for ethanol, other	0	0	0	0	0	0
Deliveries for domestic food and beverage use	12,102	12,100	12,250	10,979	10,977	11,113
Total use	12,391	12,425	12,490	11,241	11,272	11,331
Ending stocks	1,876	2,103	2,260	1,702	1,908	2,051
Private	1,876	2,103	2,260	1,702	1,908	2,051
Commodity Credit Corporation (CCC)	0	0	0	0	0	0
Stocks-to-use ratio	15.14	16.92	18.10	15.14	16.92	18.10

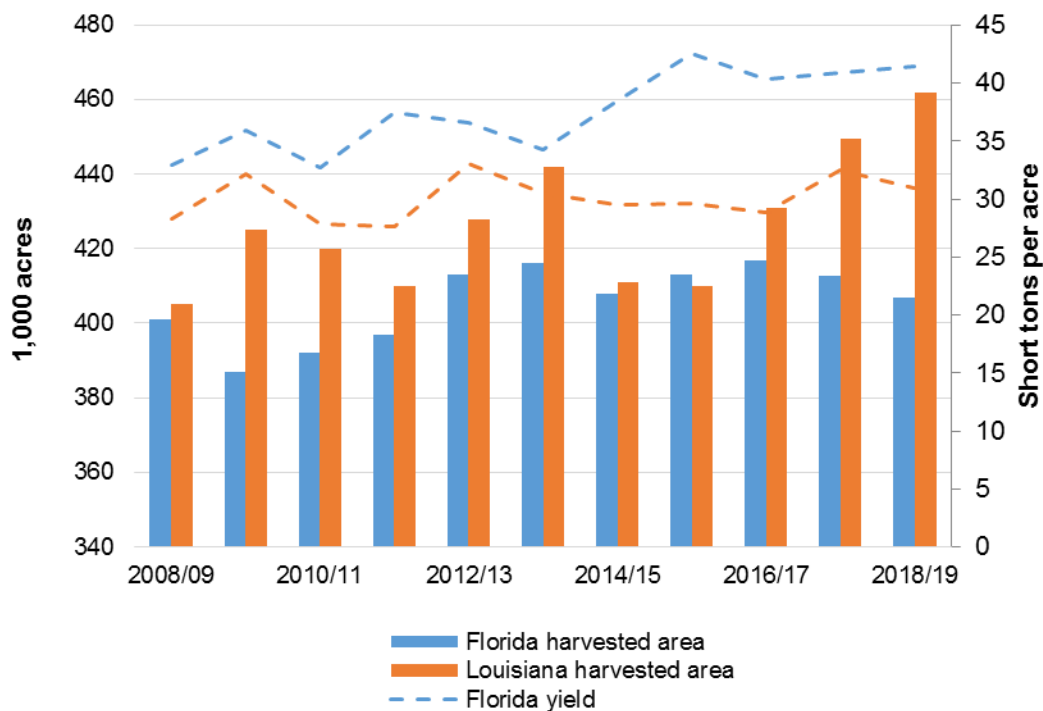
Source: U.S. Dept. of Agriculture, Economic Research Service, Sugar and Sweetener Outlook.

Cane sugar production is increased 241,000 STRV from the previous month's report to 3.981 million STRV. The increase was accounted for by higher production forecasts in Florida and

Louisiana, based on the most recent NASS harvested area and yield forecasts; as well as recovery rates in line with recent historical averages that reflect normal weather conditions during the fall harvesting season.

Louisiana sugarcane producers are forecast to harvest 462,000 acres of sugarcane—a 32,000-acre increase from the previous forecast released in June—and yields are forecast to be 30.9 short tons per acre. This would result in less sugarcane production than in 2017/18, when very favorable growing and harvest conditions resulted in the highest sugarcane output since 1999/2000 and record sugar production for the State. For 2018/19, sugar production in Louisiana is projected to be 1.781 million STRV, a 4.4-percent decline from 2017/18 but still the second-highest total, if realized.

Figure 1
Harvested area and yields, sugarcane, Florida and Louisiana, 2008/09 to 2018/19



Source: U.S. Department of Agriculture, National Agricultural Statistics Service.

Florida sugarcane growers are projected to produce 2.050 million STRV of sugar in 2018/19. Florida harvested area is forecast to decline slightly in 2018/19 over the previous year. Yields are forecast to increase 1.2 percent from the 2017/18 crop, resulting in sugarcane production comparable to the previous year. The current 2018/19 projection is in line with processors' forecast submitted to the Farm Service Agency's (FSA) *Sweetener Market Data* (SMD), which

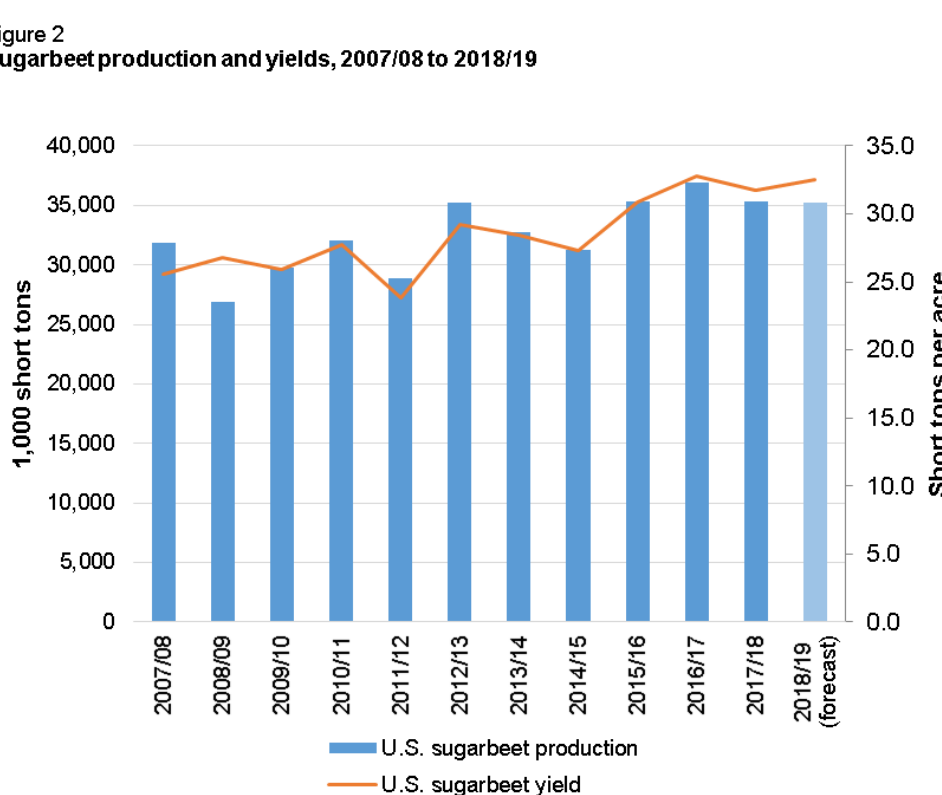
would be higher than the previous year's crop that was affected by hurricane damage and significant rain during the early portions of the harvest season.

Texas sugar production for 2018/19 remains unchanged from the previous month at 150,000 STRV. NASS forecasts indicate less sugarcane area and slightly lower yields in the State, resulting in the annual reduction in sugar production from last year projected in the WASDE.

Sugarbeet Yields Forecast To Increase in 2018/19

NASS reported that the 2018/19 national sugarbeet crop is forecast to yield 32.5 short tons per acre. If realized, that would be the second-highest yield, behind the 2016/17 sugarbeet crop. Fewer harvested acres forecast for 2018/19, however, result in 35.250 million short tons of sugarbeets forecast to be produced—a very slight 0.2-percent decline from the 2017/18 crop. Beet sugar production for 2018/19 is raised 71,000 STRV to 5.107 million STRV. The increase is due to raised forecasts for sugarbeet production and the amount of sugar produced from sliced sugarbeets.

Figure 2
Sugarbeet production and yields, 2007/08 to 2018/19



Source: U.S. Department of Agriculture, National Agricultural Statistics Service.

Beet sugar production in 2017/18 is reduced 34,000-STRV from the previous month, totaling 5.241 million STRV. The strong prospects for the 2018/19 sugarbeet crop increase the expected early-season beet sugar production in August and September. The latest report from the SMD shows that shrink from the 2017/18 sugarbeet slicing campaign will likely be larger than previously estimated. Several sugarbeet processors extended their processing schedules through the spring and even into early summer. Weather conditions during this time make storing piled sugarbeets more costly and logistically challenging, which creates additional variability in the quality and sugar output, despite recent investment in storage and refrigeration facilities. As a result, the increased shrink outweighs the higher early-season production, reducing total beet sugar production estimates for the year. Beet sugar production for 2018/19 is raised 71,000 STRV to 5.107 million STRV. The increase is due to raised forecasts for sugarbeet production and the amount of sugar produced from sliced sugarbeets.

Table 2: Beet sugar production projection calculation, 2017/18 and 2018/19

	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2017/18	2018/19	2018/19
						July	August	July	August
Sugarbeet production (1,000 short tons) 1/	35,224	32,789	31,285	35,371	36,881	35,325	35,325	34,561	35,250
Sugarbeet shrink 2/	4.8%	6.8%	5.4%	6.5%	8.3%	6.7%	7.5%	6.7%	7.3%
Sugarbeet sliced (1,000 short tons)	33,532	30,545	29,595	33,066	33,834	32,958	32,669	32,245	32,670
Sugar extraction rate from slice	15.3%	14.3%	14.6%	14.6%	13.7%	15.2%	15.2%	14.5%	14.5%
Sugar from beets slice (1,000 STRV)	5,142	4,325	4,325	4,820	4,643	5,010	4,952	4,668	4,726
Sugar from molasses (1,000 STRV) 2/	327	324	341	380	352	345	345	345	345
Crop-year sugar production (1,000 STRV) 3/	5,469	4,648	4,667	5,201	4,995	5,354	5,297	5,012	5,070
August-September sugar production (1,000 STRV)	708	315	461	688	606	715	715	598	621
August-September sugar production forecast (1,000 STRV)	315	461	688	606	715	598	621	582	618
Sugar from imported beets (1,000 STRV) 4/	--	--	--	--	--	38	38	40	40
Fiscal year sugar production (1,000 STRV)	5,076	4,794	4,893	5,119	5,103	5,276	5,241	5,036	5,107

Notes: 1/ National Agricultural Statistics Service, U.S. Dept. of Agriculture. 2/Projections based on processor forecasts published by U.S. Dept. of Agriculture, Farm Service Agency. 3/ August-July basis. 4/ Sugar from imported beets split out for projections only, included in total once full crop-year slice is recorded. They are incorporated into total production in historical data.

Source: U.S. Dept. of Agriculture, Economic Research Service and World Agricultural Outlook Board.

Imports Under Quota Programs Reduced for 2017/18

Imports 2017/18 are estimated to be 3.393 million STRV, a 9,000-STRV reduction from the July estimate. Imports under the re-export program are increased 25,000 STRV to 325,000 STRV based on the current pace of imports through July.

Estimated imports under quota programs are reduced 34,000 STRV from the previous month, resulting in the net decrease in total imports. The shortfall in the WTO raw sugar TRQ is increased 28,000 STRV based on fewer expected shipments from quota-holding countries, in particular Philippines. Imports under the Specialty Sugar TRQ are also reduced by 6,000 STRV based on unfilled entries in the April Tranche, as reported by U.S. Customs and Border Protection.

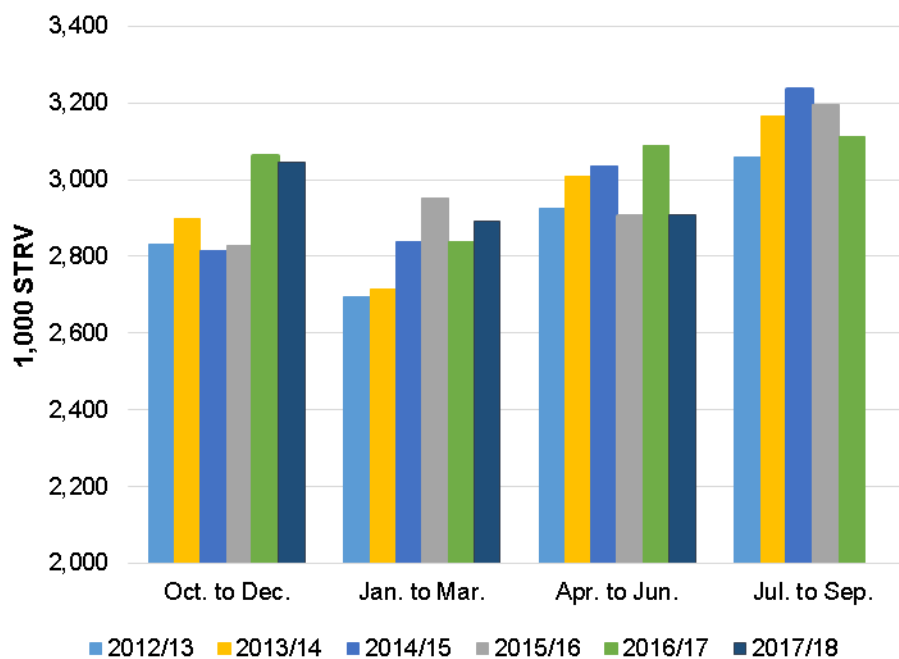
Imports from Mexico are unchanged at 1.269 million STRV, consistent with the Export Limit announced by the U.S. Department of Commerce (USDOC) in March 2018. Through July, the Foreign Agricultural Service (FAS) provisionally estimates imports from Mexico at 1.010 million STRV, or 80 percent of the current estimate with 2 months remaining in the fiscal year.

Imports for 2018/19 are projected to be 3.560 million STRV, unchanged from the previous month. The WTO raw sugar TRQ shortfall is projected to be 99,000 STRV. Imports from Mexico are projected to be 1.655 STRV; unchanged from the previous month and in line with the USDOC's calculation of U.S. Needs based on the July WASDE, as specified in the suspension agreements. The USDOC will recalculate U.S. Needs and the Export Limit subsequent to the September WASDE.

Domestic Deliveries in April-to-June Quarter Down Sharply

U.S. domestic deliveries continued to lag significantly behind the previous year's pace, particularly during the April to June quarter of 2017/18. Total deliveries for food and beverage use during that quarter were 2.907 million STRV, which was 5.9 percent lower than the previous year. Similar levels occurred in 2015/16, which coincided with the legislative debate and passage of Federal labeling standards for food products using genetically modified ingredients, which temporarily depressed deliveries from beet sugar processors. The low level of deliveries also accounts for the entirety of the 1.6-percent decline year-to-date, compared with deliveries in 2016/17 through June.

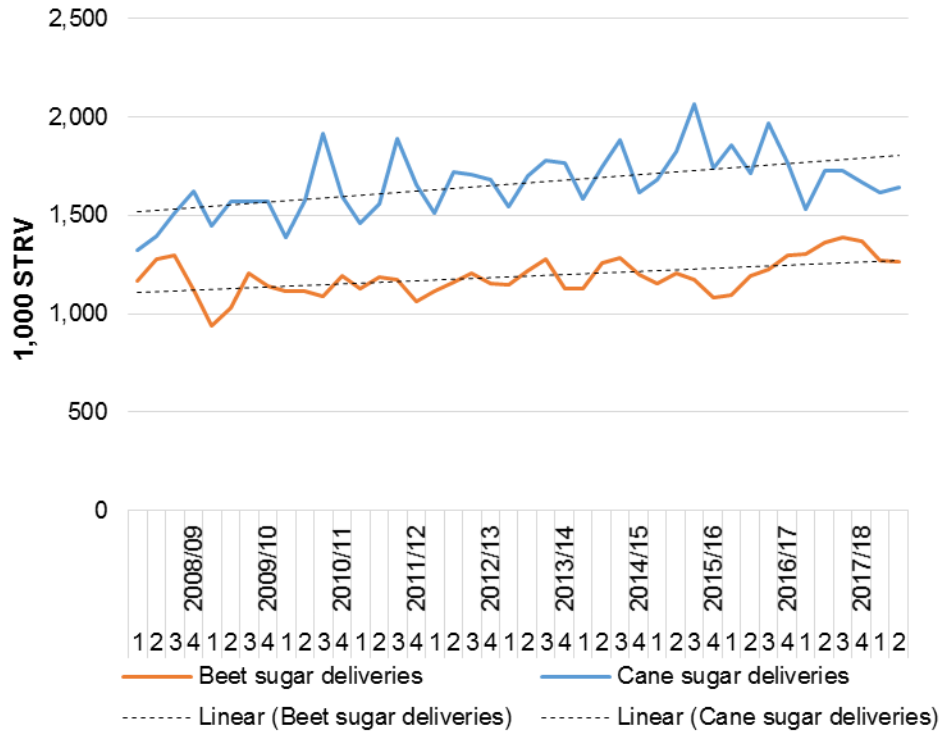
Figure 3
Total U.S. sugar deliveries, quarterly, 20012/13 to 2017/18



Source: U.S. Department of Agriculture, Farm Service Agency.

Through June, deliveries by beet processors are 1.3 percent behind the previous year's record total. Deliveries are on pace to be well above 5.0 million STRV, which ranks the current year as the second-highest fiscal year total. Deliveries from cane refiners are 0.3 percent behind the same period a year ago. This continues an extended period of deliveries that have remained well below long-term trends. Combined with lagging deliveries from nonreporters, this results in the current pace.

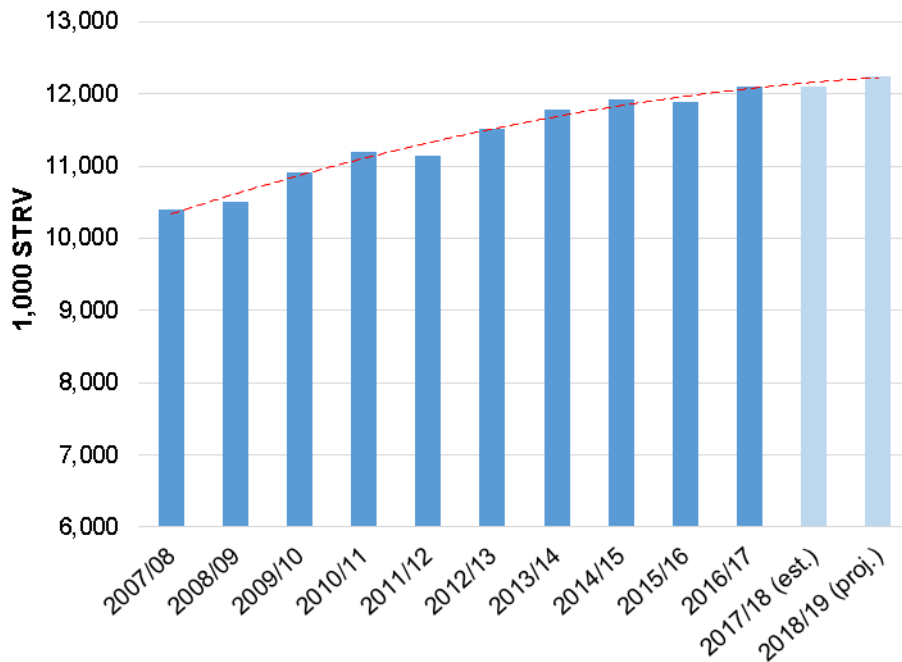
Figure 4
Sugar deliveries, by beet sugar and cane sugar, quarterly, 2008 to June 2018



Source: U.S. Department of Agriculture, Farm Service Agency.

Estimated deliveries for food and beverage use for 2017/18 are lowered 135,000 STRV to 12.100 million STRV based on the continued slow pace. The estimate, if realized, would be effectively unchanged from the previous year. Projected deliveries for 2018/19 are also lowered from the previous month, by 150,000 STRV to 12.250 million STRV. The longer term trend of growth in deliveries is projected to prevail in the future, with a growing population and refined sugar increasing its share of total caloric sweetener consumption. The current forecasts suggest that the rate of growth since 2008 is trending downward rather than maintaining growth at a linear rate.

Figure 5
**U.S. sugar deliveries for food and beverage use, fiscal year,
 2007/08 to 2018/19**

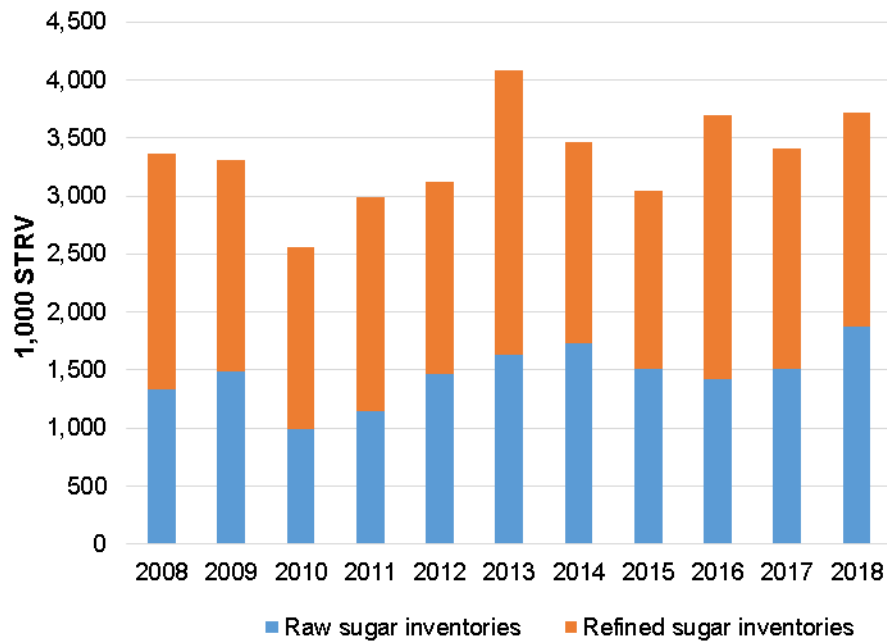


Source: U.S. Department of Agriculture, Economic Research Service.

Ending Stocks for 2017/18 Raised

June 30 sugar inventories in the SMD report totaled 3.715 million STRV, 9.0-percent larger than the previous year and the largest June inventories since 2012/13. The majority of inventories were raw sugar supplies, in contrast to most years when most inventories are of refined sugar. This outcome is primarily due to the lagging deliveries from cane refiners and record sugar production in Louisiana. In prior years with large inventories in June, beet processors have typically carried a larger portion due to a combination of greater domestic production and lower deliveries for the sector. For 2017/18, cane refiners have been reporting record-large amounts of raw sugar held as stocks.

Figure 6
June 30 sugar inventories, fiscal year



Source: U.S. Department of Agriculture, Farm Service Agency.

Ending stocks for 2017/18 are estimated to be 2.103 million STRV, which would result in a 16.9-percent stocks-to-use ratio. Projected ending stocks for 2018/19 are 2.260 million STRV, or an 18.1-percent stocks-to-use ratio.

Mexico Outlook

Mexico Outlook Unchanged From Previous Month

Mexico's sugar market outlook for 2017/18 and 2018/19 remains unchanged from the previous month. Total supply for 2017/18 is estimated to be 7.201 million metric tons, actual value (MT). Production remains at 6.009 million MT, with the *Comité Nacional para el Desarrollo Sustentable de la Cana de Azúcar* (Conadesuca) reporting its final production figures for the sugarcane campaign that concluded in July. Imports also remain unchanged from the previous month at 190,000 MT.

Table 3: Mexico sugar supply and use, 2016/17 - 2017/18 and projected 2018/19, August 2018

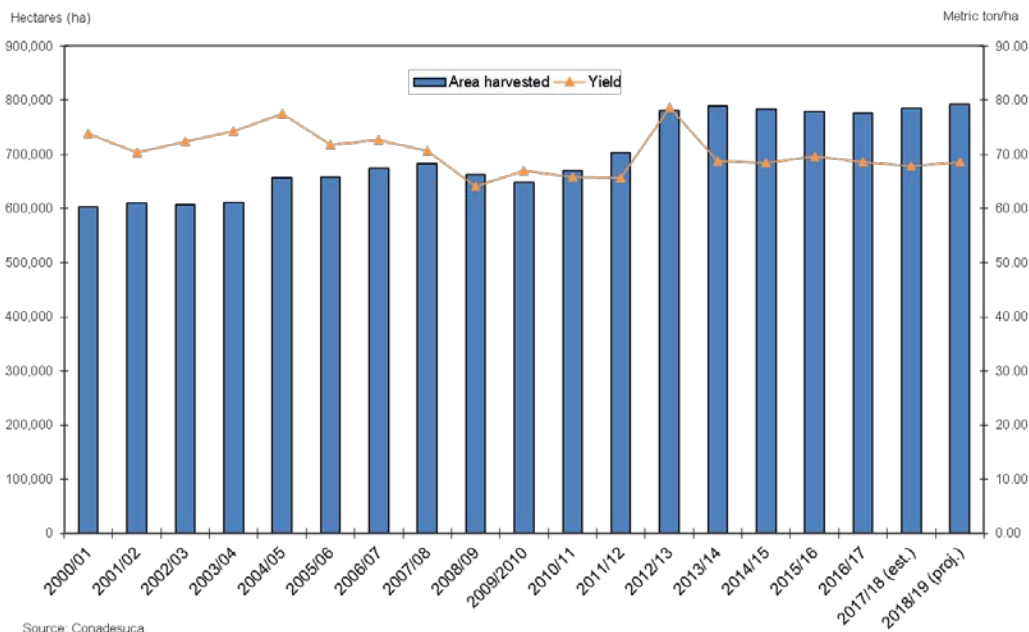
Items	2016/17	2017/18 (estimate)	2018/19 (forecast)
	1,000 metric tons, actual weight		
Beginning stocks	1,037	1,002	1,246
Production	5,957	6,009	6,025
Imports	93	190	115
Imports for consumption	48	140	65
Imports for sugar-containing product exports, IMMEX 1/, other	45	50	50
Total supply	7,087	7,201	7,386
Disappearance			
Human consumption	4,515	4,337	4,562
For sugar-containing product exports (IMMEX)	397	390	390
Other deliveries and end-of-year statistical adjustment	-61	0	0
Total	4,851	4,727	4,952
Exports	1,234	1,228	1,427
Exports to the United States & Puerto Rico	1,028	1,086	1,417
Exports to other countries	205	142	10
Total use	6,085	5,955	6,378
Ending stocks	1,002	1,246	1,008
	1,000 metric tons, raw value		
Beginning stocks	1,099	1,062	1,321
Production	6,315	6,370	6,387
Imports	98	201	122
Imports for consumption	51	148	69
Imports for sugar-containing product exports (IMMEX)	47	53	53
Total supply	7,512	7,633	7,829
Disappearance			
Human consumption	4,786	4,597	4,835
For sugar-containing product exports (IMMEX)	420	413	413
Other deliveries and end-of-year statistical adjustment	-64	0	0
Total	5,142	5,010	5,249
Exports	1,308	1,302	1,512
Exports to the United States & Puerto Rico	1,090	1,152	1,502
Exports to other countries	218	150	11
Total use	6,450	6,313	6,761
Ending stocks	1,062	1,321	1,068
Stocks-to-human consumption (percent)	22.2	28.7	22.1
Stocks-to-use (percent)	16.5	20.9	15.8
High fructose corn syrup (HFCS) consumption (dry weight)	1,522	1,608	1,608

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

Source: USDA, *World Agricultural Supply and Demand Estimates* and Economic Research Service, Sugar and Sweeteners Outlook; Conadesuca.

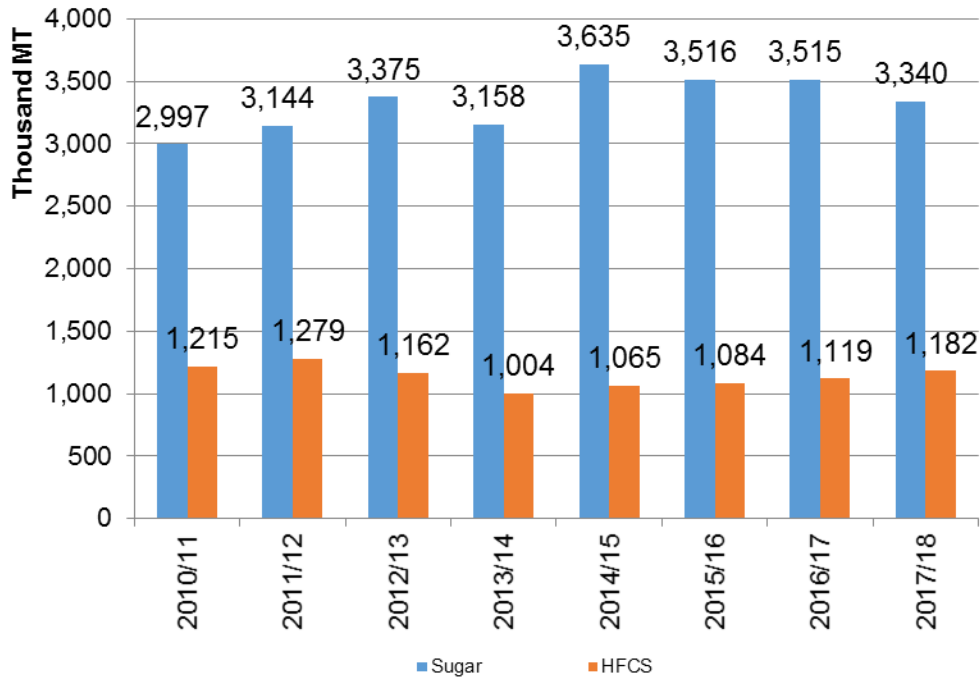
Production for 2018/19, also unchanged, is projected to total 6.025 million MT. The projection assumes that Mexico sugarcane growers harvest slightly more area than 2017/18 and sugarcane yields and factory recovery rates are in line with recent historical averages.

Figure 7
Mexico sugarcane, area harvested and yield, 2000/01-2018/19



Sugar deliveries for 2017/18 are estimated at 4.337 million MT. Through June, domestic deliveries are 5.0 percent lower than the same period in 2016/17. This is partially offset by a 5.6-percent increase in deliveries of high-fructose corn syrup (HFCS), although total sweetener deliveries through June are the lowest since 2013/14. For 2018/19, domestic sugar deliveries are projected to be 4.562 million STRV, with a resumption of the longer term trends in domestic deliveries and per capita sweetener consumption that occurred over the past 8 years.

Figure 8
 Mexican sweetener consumption October to June



Source: Conadesuca.

Mexico exports in 2017/18 are estimated to be unchanged, at 1.288 million MT. Exports to the United States comprise 1.086 million MT, while exports to other countries are estimated to be 142,000 MT.

Exports for 2018/19 are projected to be 1.427 million MT, also unchanged from the previous month. All but 10,000 MT are projected to be shipped to the United States. These forecasts are based upon U.S. Needs totals from the July WASDE, as specified in the suspension agreements. This amount could change in upcoming months as the U.S. Needs and Export Limit calculations are adjusted subsequent to the September, December, and March WASDE's; which would have significant implications for Mexico export and ending-stock levels.

Mexico ending stocks for 2017/18 are estimated to be 1.246 million MT, resulting in a 28.7-percent stocks-to-consumption ratio. Projected ending stocks for 2018/19 are 1.008 million MT, with a 22.1-percent stocks-to-use ratio.

Special Article: U.S. Re-export Program¹

The U.S. Refined Sugar Re-export Program: Implications for U.S. Domestic Delivery Forecasts

The fact that the data reported in USDA's World Agricultural Supply and Demand Estimates (WASDE) Report on the U.S. Sugar Re-Export Program (the Program) come from different sources has led to questions about the consistency of the data, particularly as it relates to trade and domestic deliveries data. This section will review the structure of the Program and explain differences between data in the Foreign Agricultural Service's Import and Re-export Data Report and the Farm Service Agency's Sweetener Market Data (SMD) Report, as well as explain the rationale for new information provided in the U.S. Sugar Supply and Use table of the WASDE.

Background of the Program

The Program is actually three separate programs that are interconnected to target different stakeholders in the U.S. sugar supply chain. The Program is designed to provide U.S. raw sugar refineries, U.S. sugar-containing product manufacturers and exporters, and U.S. manufacturers of polyhydric alcohols with access to sugar prices on the world market. The objectives of the Program are to facilitate the use of raw sugar refining capacities in the United States, to level the playing field for sugar-containing product manufacturers that export, and to provide access to world sugar prices for licensed polyhydric alcohol manufacturers that use sugar for nonhuman consumption.

Three types of license exist within the USDA Re-Export Program:

- Licensed Refiners (Refiners) may import raw sugar, and either export refined sugar or transfer Program sugar to another licensee.
- Licensed Manufacturers of Sugar-Containing Products (SCPs) may receive transfers of Program sugar from a licensed refiner and obtain Program credits by exporting a product containing sugar.

¹ This Special Article is jointly produced by the members of the Sugar Interagency Commodity Estimate Committee (ICEC).

- Licensed Polyhydric Alcohol Manufacturers (Polys) may receive transfers of Program sugar from a licensed refiner and obtain Program credits by using sugar to manufacture polyhydric alcohol.

Sugar is fungible within the Program. The sugar that a licensed refiner exports for Program credit, or transfers to another Program licensee, does not have to be the same sugar that was imported. Similarly, the sugar exported in a sugar-containing product need not be the same sugar received from a licensed refiner. Beet and cane sugar are also substitutable within the Program.

While the sugar is fungible, there is a strict accounting for all transactions under the Program. Refiners must maintain their license balance (the cumulative balance of all licensed transactions) within a range of positive or negative 50,000 metric tons raw value. A refiner who accumulates an excess of exports or transfers over imports will have a “negative” balance. Conversely, a refiner that accumulates an excess of imports over exports and transfers will have a “positive” balance.

SCP and Poly manufacturers also hold license balances for the refined sugar that they use for their products. The license balance limit for Poly and SCP manufacturers is a positive or negative 10,000 short tons of refined sugar. A transfer from a licensed Refiner to an SCP or Poly license adds to their license balance. Conversely, the export of a sugar-containing product (by the SCP), or use of sugar in alcohol production (by the Poly) reduces their license balance.

The term “credits” in discussing the program needs clarification; as any ton of sugar, within the full range between the upper and lower limit for a licensee’s balance, can be a “credit.” Any SCP or Poly licensees below the maximum limit of a positive 10,000 tons have potential credits, in the sense that they can still receive a transfer of Program sugar onto their license. If their balance reaches the maximum of positive 10,000 tons, they would be described as having zero more credits available. Conversely, if their balance drops to a negative 10,000 tons, they would have 20,000 tons of credits available—the total amount of sugar that they could then add to their license to reach the maximum of a positive 10,000 tons.

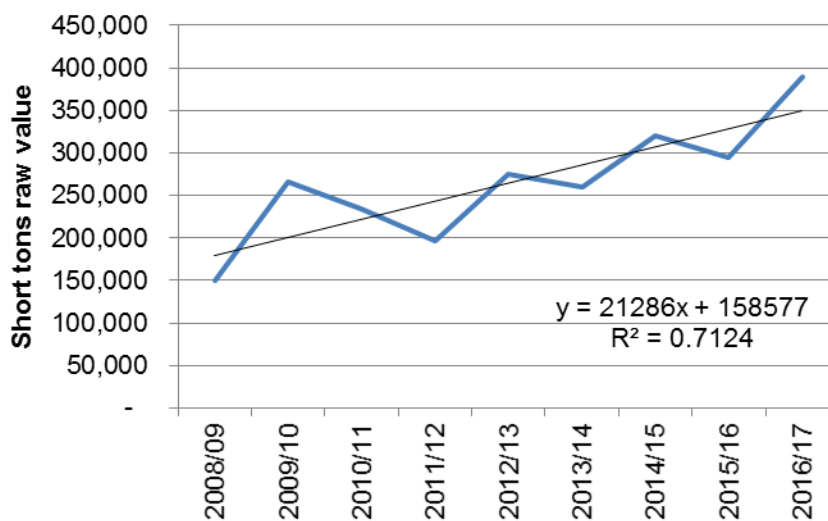
How a licensee manages and transacts available credits is predicated on the overall balance level and the period of time subsequent to the transaction of the underlying sugar. A Refiner with a positive balance must export or transfer a like amount of sugar within 90 days of the date of the transaction that created the positive balance, as well as maintaining a bond with a financier for that amount. SCP or Poly licensees also must maintain a bond for any positive balance and have 18 months from the date of the transaction that created the positive balance

to either export or use a like amount of sugar under the respective program. Any licensee with a negative balance is not required to maintain a bond and is not subject to any time requirements for future exports, use, or transfer.

The SCP and Poly companies can only receive transfers of Program sugar from Refiners if there is sufficient room on their licenses; they can only generate these credits by using (Poly) or exporting (SCP) Program sugar. The volume of SCP exports and Poly use over the long run will be equal to the volume of transfers, abstracting from variations in license balances. Within a given period, however, balances may be net positive or negative. Licensees can manage their balances up or down as market conditions change.

Beginning in 2018/19, the WASDE has included a footnote in the U.S. Sugar Supply and Use table with a forecast for license transfers within the program. The reported quantity of transfers from Refiners to SCP and Poly companies is shown in figure 9. There is substantial variability, as the timing of the recording of transfers can depend upon licensees' expectations of future sugar prices, spreads between those prices, the level at which they wish to maintain in their license balance, and many other factors.

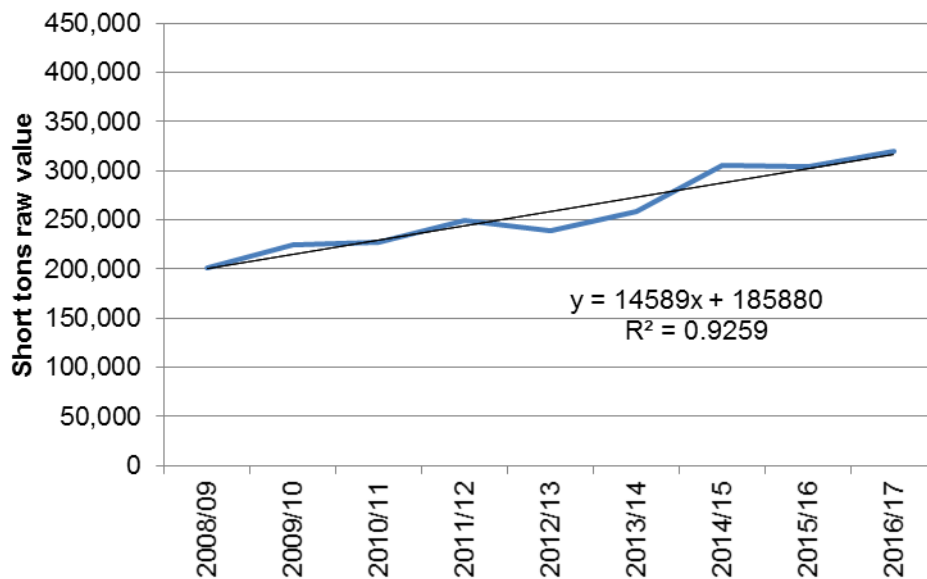
Figure 9
Sugar Re-Export Program transfers by Refiners to SCP and Poly



Source: U.S. Dept. of Agriculture, Foreign Agricultural Service

The sum of exports of sugar in products by SCPs and the sugar used by Poly companies is also shown in the figure 10. This is a far less variable than figure 9, since these are physical transactions (exports) planned well in advance. These exports occur at a fairly regular pace each year, with less dependence on short-run variability in prices and spreads.

Figure 10
Export of sugar by SCP, and use of sugar by Poly



Source: U.S. Dept. of Agriculture, Foreign Agricultural Service

Over the long run, the level of transfers is limited by the sum of actual exports by SCP companies and actual use by Poly companies; unless credits are thus generated, no transfers from Refiners would be possible.

Therefore, to forecast transfers, the more robust method is to use SCP exports and Poly use (Chart 2) as a basis rather than annual transfers (Chart 1). Using this method, the forecast for FY 2017/18 would be 332,000 short tons raw value (STRV), and for FY 2019, 346,000 STRV.

Implications for Total U.S. Deliveries

In Table 1, FY 2017 total U.S. Deliveries are 12.258 million STRV, the sum of Food Use of 12.102 million STRV and 156,000 STRV of “Other.” The “Other” category is sourced from FSA’s SMD, primarily composed of physical transfers of sugar from licensed Refiners to licensed SCP and Poly companies. This differs from the 389,000 STRV of total SCP and Poly licenses generated because it includes only physical deliveries, whereas Table 4 data includes all transfers, whether or not accompanied by a physical delivery.

Table 4
U.S. Sugar Re-Export Program license balances and transactions, fiscal year

Fiscal Year	Refiners transfers to SCP	Sum of SCP exports and	Difference
	and Poly	Poly use	
	<i>Short tons, raw value</i>		
FY 2009	150,021	200,929	50,907
FY 2010	265,266	225,121	-40,145
FY 2011	234,049	227,689	-6,360
FY 2012	196,855	249,141	52,286
FY 2013	275,741	239,213	-36,528
FY 2014	260,314	258,791	-1,524
FY 2015	319,705	304,948	-14,757
FY 2016	294,198	304,096	9,898
FY 2017	388,922	319,487	-69,435
FY 2018 1/		331,770	
FY 2019 1/		346,359	

Source: U.S. Dept. of Agriculture, Foreign Agricultural Service.

1/ Projection based on Lined Trend line of FY 2009-2017.

The quantity of sugar used by U.S. industrial sugar users, which is ultimately made into downstream products that are exported, has been estimated to be in the range of 700,000 to 900,000 STRV per year, with limitations in data resulting in variability of these estimates. Only about one-third of this quantity, or about 300,000 STRV in a given year, utilizes the Re-export Program. In Table 1, the “Other” category of 156,000 STRV does not represent all sugar in products to be exported, and likewise, the Food category of 12.1 million STRV includes sugar that is delivered to domestic food manufacturers who then market and export their products abroad. The USDA reporting requirements for the SMD are that U.S. sugar processors and Refiners separately report physical sugar delivered for food use, transfers under the Program, and alcohol and feed use. These correspond with the “Food” and “Other” categories used in the WASDE U.S. Sugar Supply and Use table. Since licenses can be transferred between program participants with appropriate balances without the physical transfer of sugar taking place, the WASDE figure does not capture all activities occurring under the Re-Export Program.

As a result, with the accounting of physical sugar reported and forecast in the WASDE, sugar that is: received by a domestic food manufacturer; manufactured into a downstream product; and exported using the program to generate a credit on its SCP balance; is recorded as a domestic food delivery. The same is true for a domestically manufactured SCP that doesn’t use the program. This means that a portion of U.S. domestic sugar deliveries for food use accounts for overseas demand for U.S.-made sugar-containing products. The inclusion of the footnote for

Re-Export Program SCP exports and Poly use should provide additional market information about this segment of demand for the U.S. sugar market.

Suggested Citation

McConnell, Michael J., *Sugar and Sweeteners Outlook*, SSS-M-360, U.S. Department of Agriculture, Economic Research Service, August 16, 2018