

MARKET SNAPSHOT
SUGAR BEETS

Dec. 31, 2018



Executive Summary

Drivers in the sugar beet industry include late-harvest yields, sugar content and decreasing ending stocks.

- Strong yields and high sugar content on late-harvested sugar beets were common in much of Idaho.
- Beet sugar content in many parts of the Northwest was higher than average.
- Decreased sugar imports and lower national sugar beet production will reduce ending stocks.

12-Month Profitability Outlook



Northwest FCS' 12-month outlook is for profitable returns to sugar beet growers for the 2018-19 crop. Northwest sugar beet producers should benefit from strong yields, sound sugar content and lower ending stocks.

Northwest Situation

In eastern **Montana**, overall sugar content averaged around 18 percent. The Sidney area saw slight delays in harvest due to rain, snow and cold temperatures, but produced yields around 33 tons per acre.

In the Billings area, overall sugar content came in just under 17.5 percent. Yields were reduced from last year at about 31 tons per acre with wide variations in part due to some instances of significant hail damage.

In **Idaho**, early harvested beets paid well after factoring in price premiums, which fueled optimism for a strong harvest on the remainder of the crop. In many areas this was

realized through strong yields and high sugar content.

Around Blackfoot, growers tallied yields around 40 tons per acre with 18 percent sugar, and some as high as 20 percent. Near American Falls, similarly high yields were seen, with growers attributing increased yields to Roundup-Ready technology. In Burley, yields in the high 30s with sugar content of 17 to 18 percent were common. The Idaho Falls area saw record yields of 40 tons and sugar content over 19 percent.

Twin Falls-area producers harvested an exceptional crop with yields of 40 tons and 19

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percent sugar; some reaped yields as high as 50 tons to the acre. In the Treasure Valley of Idaho, producers harvested around 50 tons per acre and 17 percent sugar, slightly higher than average.

US Situation

U.S. beet sugar production is projected down due to slightly reduced harvested acreage and a decline in yields from 31.7 tons to 30.5 tons. This decrease comes despite earlier projected increases in national yield per acre from 31.7 tons to 32.8 tons.

U.S. cane sugar production is projected to rise slightly year over year, with production decreases in Florida and Texas offset by increased production in Louisiana. Louisiana producers increased acreage and generated exceptionally high yields. Overall U.S. sugar production is projected down 3.8 percent.

Imports of sugar into the U.S. are projected down 6.0 percent to 3.08 million short tons raw value (STRV). This decrease in imports includes an 8.4 percent decline in Mexican imports and a decrease in tariff rate quota (TRQ) imports. Mexican imports have been adjusted down through the U.S. Department of Commerce and the Mexican government's June 2017 amended suspension agreements.

A 7.2 percent decline in sugar beet production and a small increase in sugarcane production has total U.S. production down 3.8 percent year over year. This combines with decreased imports leaving total sugar supply in the U.S. down 3.3 percent over last year. Total use is down 1.5 percent with ending stocks projected down 284,000 STRV, or 14.6 percent over last year.

US sugar forecasts

	2017-18 (projected STRV*) 000s	2018-19 (projected STRV) 000s	Year-over- year change	Direction
Beginning stocks	1,876	1,948	3.8%	↑
Production	9,293	8,941	-3.8%	↓
Beet sugar	5,279	4,900	-7.2%	↓
Cane sugar	4,014	4,041	0.7%	↑
Imports	3,277	3,080	-6.0%	↓
Tariff rate quota	1,663	1,564	-6.0%	↓
Other programs	326	350	7.4%	↑
Other	1,287	1,165	-9.5%	↓
Mexico	1,223	1,120	-8.4%	↓
Total supply	14,445	13,969	-3.3%	↓
Exports	170	35	-79.4%	↓
Deliveries	12,185	12,270	0.7%	↑
Food	12,048	12,125	0.6%	↑
Other	137	145	5.8%	↔
Miscellaneous	142	0	-100.0%	↓
Total use	12,497	12,305	-1.5%	↓
Ending stocks	1,948	1,664	-14.6%	↓
Stocks-to-use ratio	15.6	13.5	-13.5%	↓

Source: [World Agricultural Supply and Demand Estimates](#). Dec. 11, 2018. *STRV = Short Tons, Raw Value

Mexico Sugar Forecast

With slight increases in production and higher beginning stocks than last year, total sugar supply in Mexico is up 3.8 percent from a year

ago. Increased supply and 15.2 percent higher exports result in Mexico's ending stocks being forecast down 4.7 percent.

Mexico sugar supply and use and high fructose corn syrup imports

	2017-18 (est. MTAW*) 000s	2018-19 (projected MTAW) 000s	Year-over-year change	Direction
Beginning stocks	1,002	1,395	39.2%	↑
Production	6,010	6,025	0.2%	↑
Imports	204	70	-65.7%	↓
Total supply	7,216	7,490	3.8%	↑
Domestic use	4,723	4,893	3.6%	↑
Exports	1,099	1,266	15.2%	↑
Total use	5,822	6,159	5.8%	↑
Ending stocks	1,395	1,330	-4.7%	↓

Source: [World Agricultural Supply and Demand Estimates](#). Dec. 11, 2018. *MTAW = Metric Ton, Actual Weight

Additional Information

Northwest FCS Business Management Center
www.northwestfcs.com/Resources/Industry-Insights

American Crystal Sugar Company
www.crystalsugar.com

American Sugar Alliance
www.sugaralliance.org

American Sugarbeet Growers Association
www.americansugarbeet.org

Snake River Sugar Company
www.srcoop.com

The Sugar Association
www.sugar.org

USDA Sugars and Sweeteners Briefing Room
www.ers.usda.gov/topics/crops/sugar-sweeteners/

Western Sugar Cooperative
www.westernsugar.com

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