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SUGAR OUTLOOK

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2006/07 U.S. SUGAR SUPPLY AND USE[1]

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Basis for projecting 2006/07 supply and demand:

- Beginning stocks are taken from 2005/06 ending stocks in the February 2006 *World Agricultural Supply and Demand Estimates* (WASDE) report.

- Beet sugar production is taken from processor projections, compiled by the Farm Service Agency. Cane sugar is based on 2005/06 acreage and yield, adjusted for trends and residual hurricane damage from 2005/06.

- Tariff rate quota (TRQ) imports are assumed to total the minimum under World Trade Organization commitments and other current trade agreements. Other program imports are projected based on trends. Non-program imports are projected from trends (molasses and syrups) and other analyses (high-tier imports from Mexico).

- Exports and domestic use are projected from trends and macroeconomic factors affecting overall food demand.

Key results for 2006/07:

- Compared with a year earlier, beginning stocks increase due to higher imports in 2005/06.

- Production of beet sugar increases in response to anticipated prices, which were above average during first-half in 2005/06. Cane sugar production increases, but remains hampered by residual impacts from multiple years of poor growing conditions.

- Imports are projected to total 1.78 million short tons, raw value, including 100,000 tons of high-tier sugar imports from Mexico.

- Total use increases 50,000 tons, as higher domestic consumption more than offsets lower exports.

- Ending stocks total 1.3 million tons, or 12.5 percent of use.

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[1]Approved by the World Agricultural Outlook Board.

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U.S. Sugar Supply and Use 1/

Item	2004/05	2005/06 January	2005/06 February	2006/07 Projection
	1,000 short tons, raw value			
Beginning stocks	1,897	1,347	1,347	1,661
Production 2/	7,877	7,593	7,589	8,280
Beet sugar	4,611	4,435	4,458	4,750
Cane sugar	3,266	3,158	3,131	3,530
Florida	1,693	1,455	1,428	1,800
Hawaii	258	260	260	250
Louisiana	1,157	1,263	1,263	1,300
Texas	158	180	180	180
Imports	2,096	2,770	3,090	1,776
TRQ 3/	1,404	2,140	2,590	1,356
Other program 4/	500	325	325	245
Other 5/	192	305	175	175
Total supply	11,870	11,710	12,026	11,717
Exports	259	175	175	100
Deliveries	10,215	10,215	10,190	10,315
Food	10,046	10,050	10,050	10,150
Other 6/	169	165	140	165
Miscellaneous 7/	49	0	0	0
Use, total	10,523	10,390	10,365	10,415
Ending stocks	1,347	1,320	1,661	1,302
Stocks to use ratio	12.8	12.7	16.0	12.5

1/ Fiscal years beginning Oct 1. Historical data are from FSA, "Sweetener Market Data" except imports (U.S. Customs Service, Census Bureau). 2/ Projections for 2006/07 based on processor projections of beet sugar production compiled by the Farm Service Agency and cane sugar output estimated by Interagency Commodity Estimates Committee for sugar. 3/ Actual arrivals under the tariff rate quota (TRQ) with late entries, early entries, and TRQ overfills assigned to the fiscal year in which they actually arrived. The 2006/07 TRQ assumes minimum imports under current trade agreements with shortfall at 40,000 tons. 4/ Includes sugar under the re-export and polyhydric alcohol programs. 5/ Includes high-tier and other. 6/ Transfers to sugar-containing products for reexport, and for nonedible alcohol and feed. 7/ Residual statistical discrepancies.