

U.S. & World Sweetener Market Outlook



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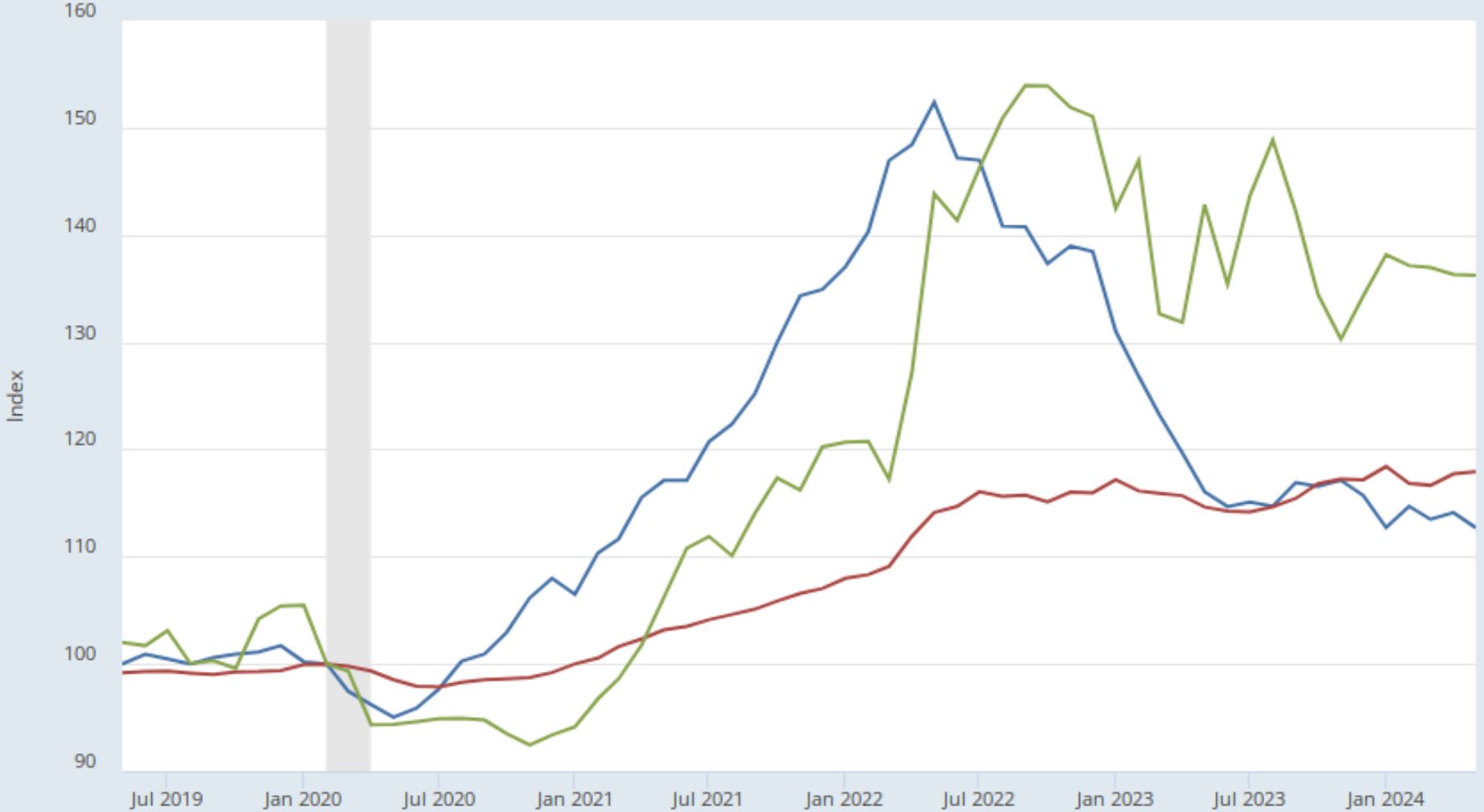
August 2024:

What do we have on the radar?

1. Commodity prices remain volatile due to geopolitics + weather risk + supply chains
2. Oil prices have remained flat or fallen
3. World producers have responded to higher prices and increased output
4. Prices have weakened, dollar has strengthened
5. U.S. sugar situation is stronger + more reliable – better supply chain, more investments, good program management



— Producer Price Index by Industry: General Freight Trucking, Long-Distance Truckload: General Freight Trucking, Long-Distance, Truckload, Feb 2020=100
— Producer Price Index by Industry: Line-Haul Railroads, Feb 2020=100
— Producer Price Index by Industry: Deep Sea Freight Transportation: Deep Sea Freight Transportation Services, Feb 2020=100



Sea freight still up 36%
Rail freight up 18%
Trucking freight up 11%

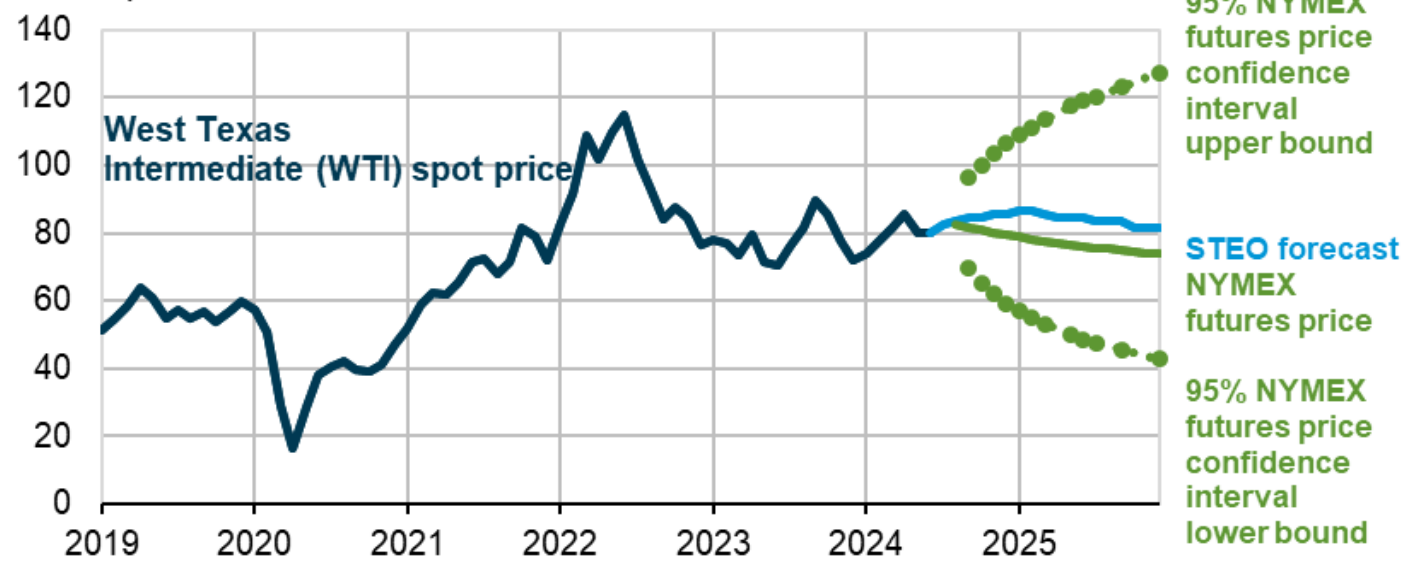
Source: U.S. Bureau of Labor Statistics myf.red/g/1pS0k



Shipping costs remain persistently elevated

West Texas Intermediate (WTI) crude oil price and NYMEX confidence intervals

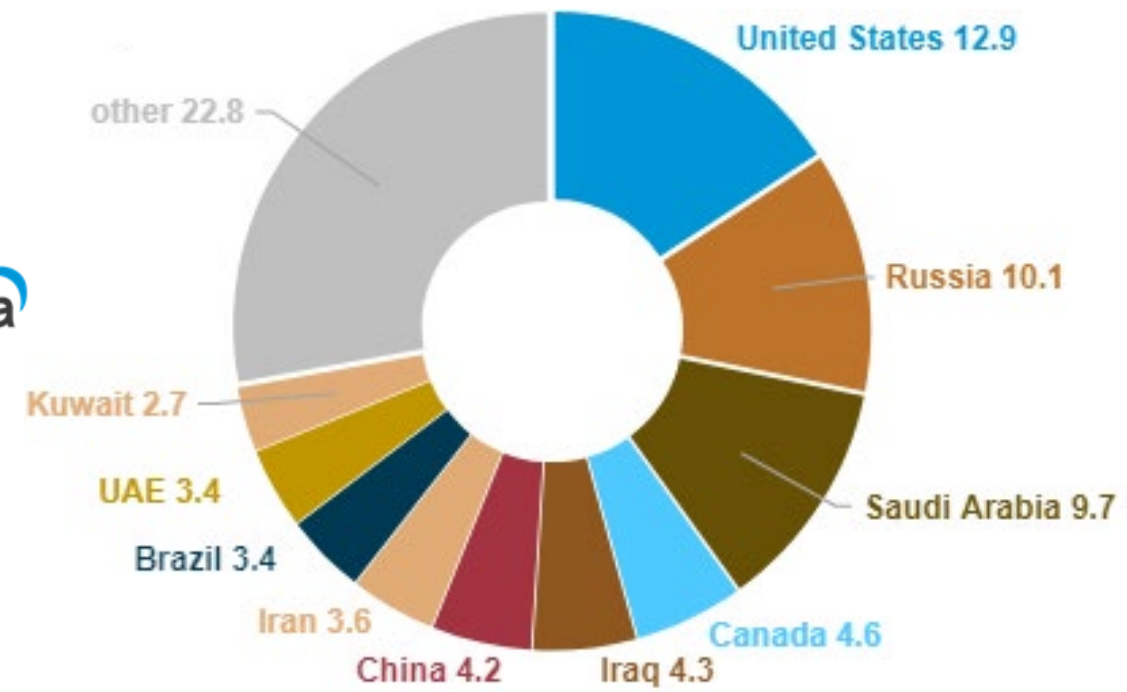
dollars per barrel



Data source: U.S. Energy Information Administration, Short-Term Energy Outlook, July 2024, CME Group, Bloomberg, L.P., and Refinitiv an LSEG Business

Note: Confidence interval derived from options market information for the five trading days ending July 3, 2024. Intervals not calculated for months with sparse trading in near-the-money options contracts.

Crude prices moderating into 2025, settling around \$80



Some commodity prices seem to be normalizing

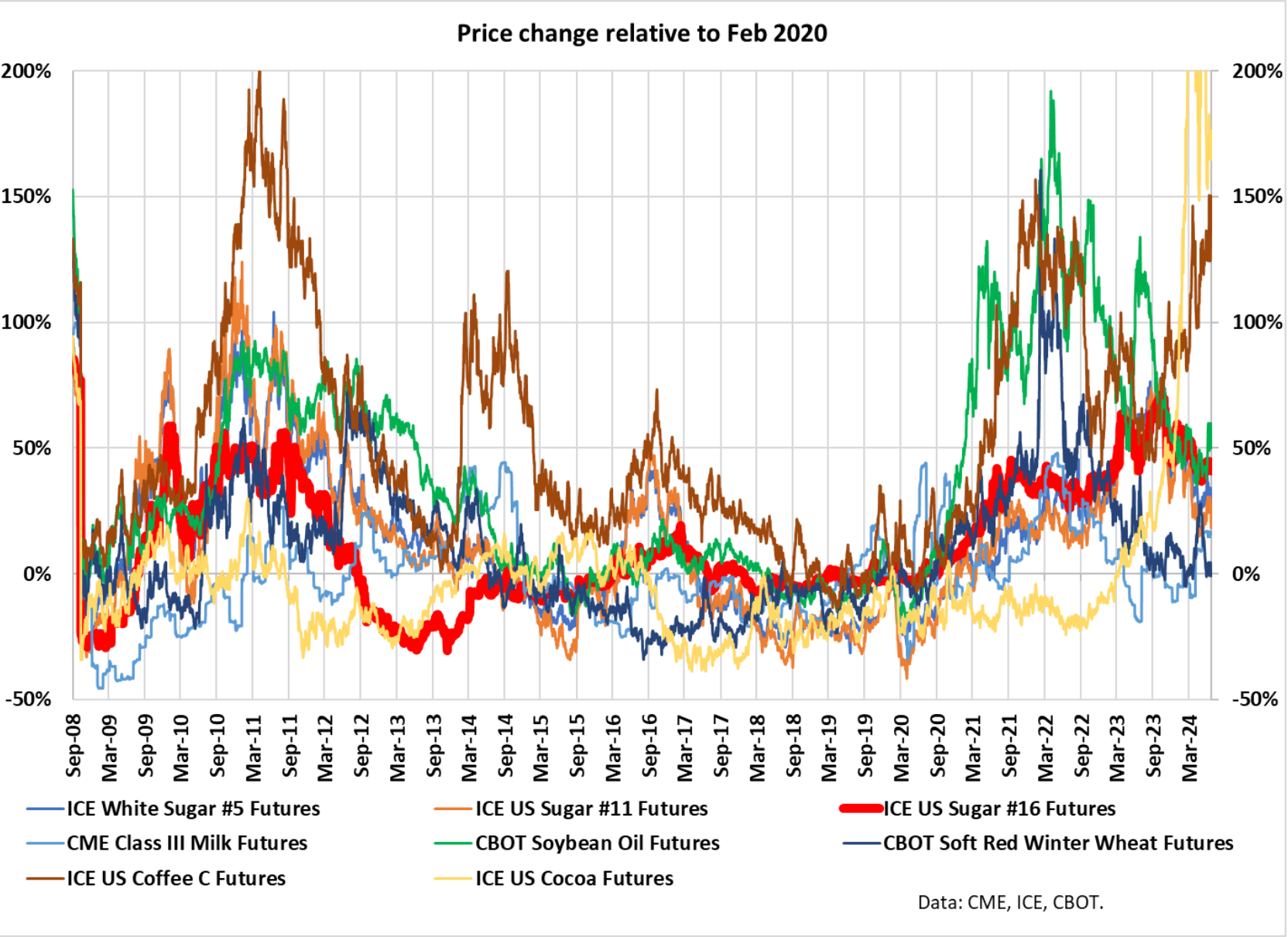
A simple coffee chocolate cake...



Others remain volatile



Sugar is known as one of the most volatile world commodities



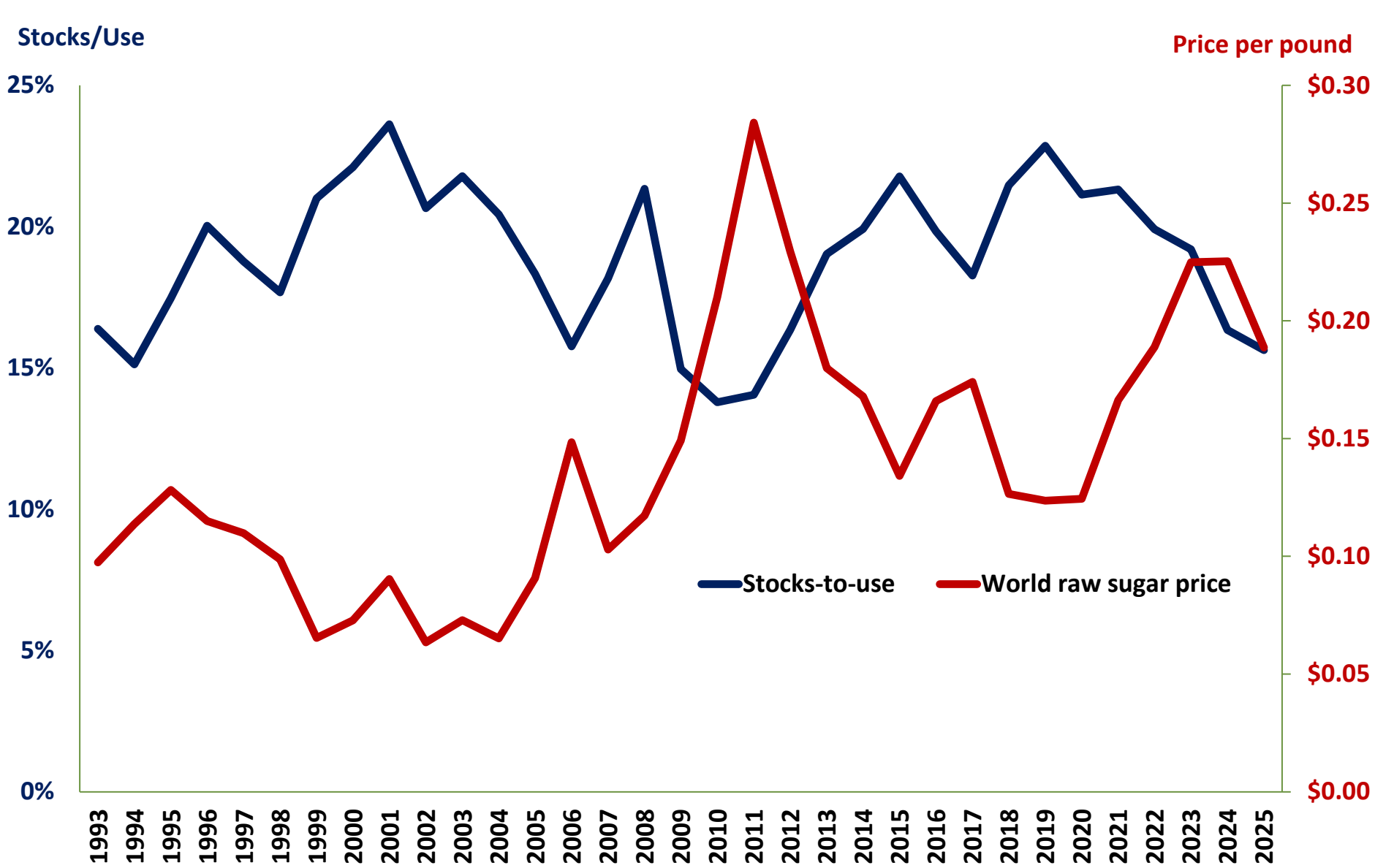
Cocoa & coffee prices up 165% and 137% since 2/2020

	ICE White Sugar #5	ICE US Sugar #11	ICE US Sugar #16	ICE US Cocoa	CME Class III Milk	CBOT Soybean Oil	CBOT Soft Red Winter Wheat	ICE US Coffee C
9/2008 - 7/2024								
Volatility (monthly)	7.3%	9.3%	5.0%	8.7%	9.4%	7.2%	9.0%	9.0%
Annualized Volatility	25.4%	32.2%	17.5%	30.3%	32.5%	24.8%	31.1%	31.3%
7/2022 - 7/2024								
Volatility (monthly)	7.0%	8.3%	5.0%	13.0%	8.6%	9.3%	8.5%	9.8%
Annualized Volatility	24.3%	28.6%	17.2%	44.9%	29.9%	32.1%	29.4%	33.9%

World sugar markets have been as volatile or more than others over the past 15 years



... but the sugar program has tempered price volatility in the U.S.



Global stocks to use (STU) low, but price suggests that stocks are growing

Data: USDA/FAS, May 2024; 2024/25 forecast, Barchart estim for 2024/25 price.

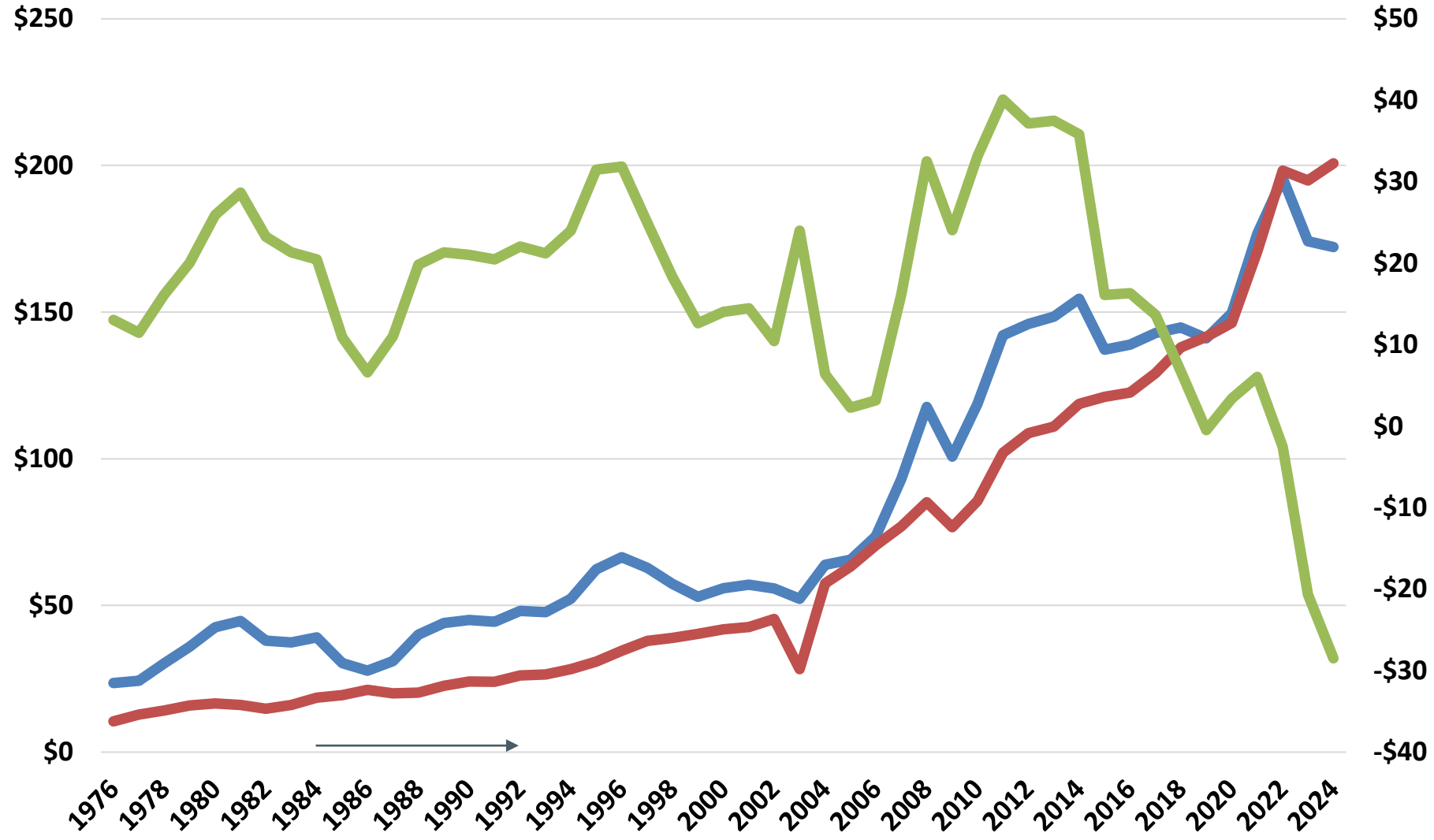


Low STU? → world prices have been falling

Imports and Exports

Agriculture Trade Balance (billions)

Balance



Imports of sugar valued at about \$3 billion or about 1.5% of imports

Data: USDA.

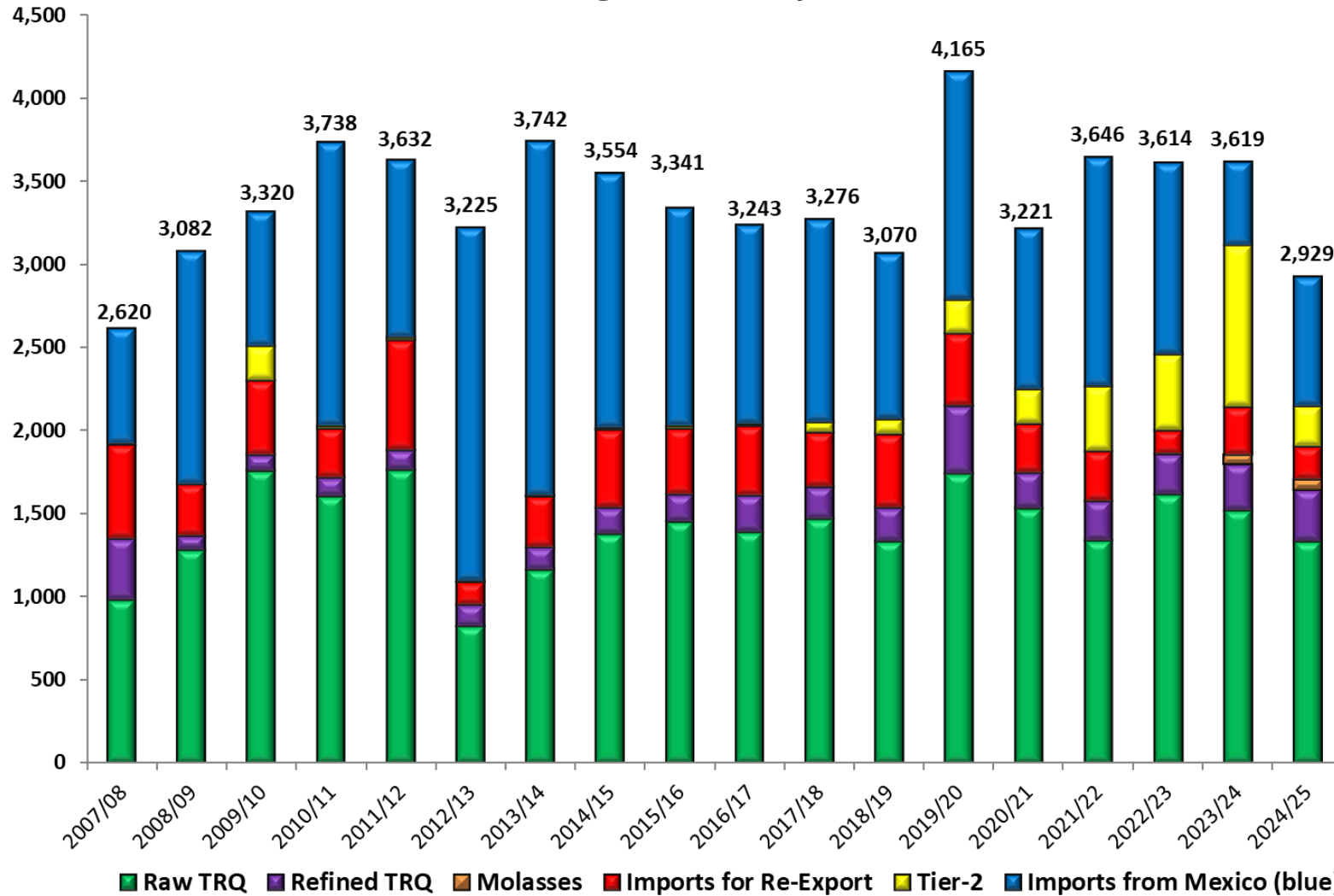
— Exports (LHS) — Imports (LHS) — Balance (RHS)



Strong \$ → Trading patterns are still reversed

1000 STRV

U.S. Sugar: Total Imports



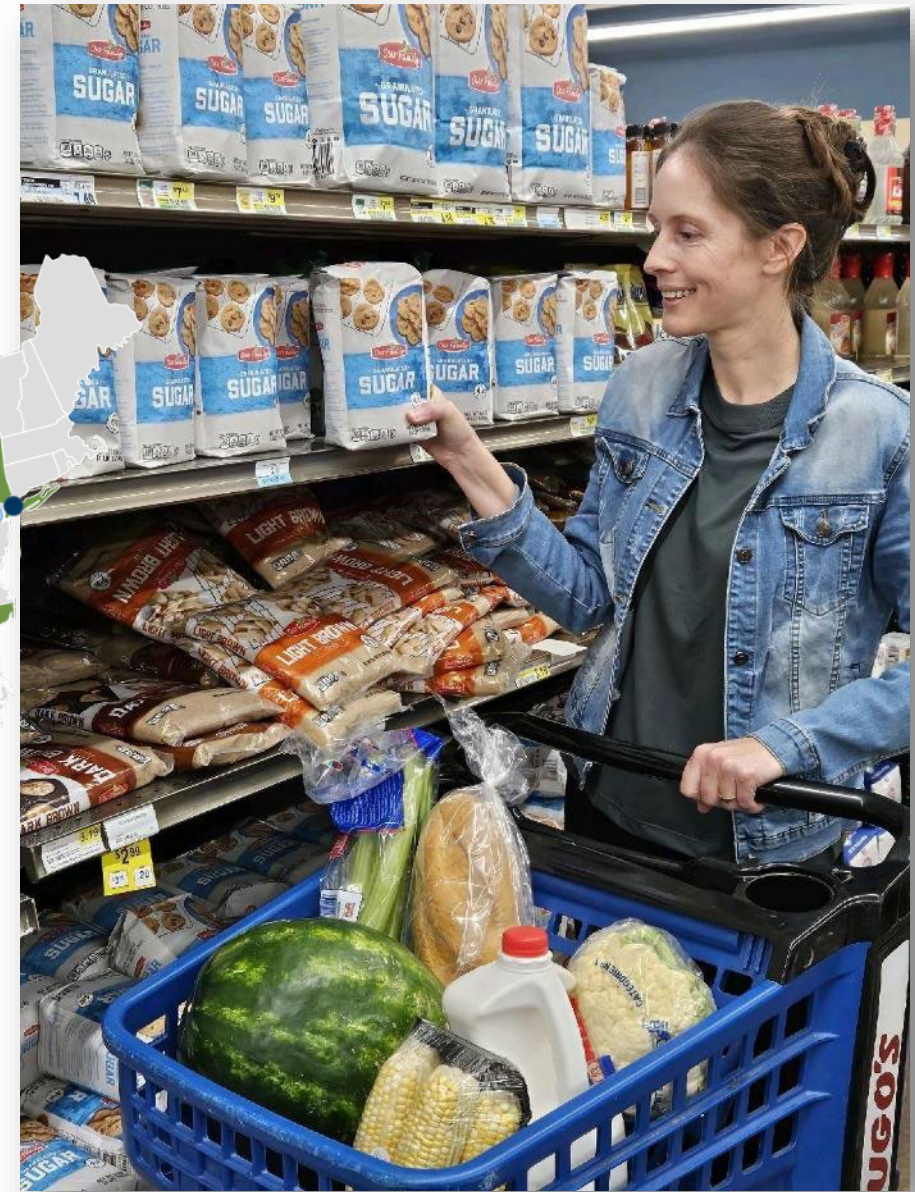
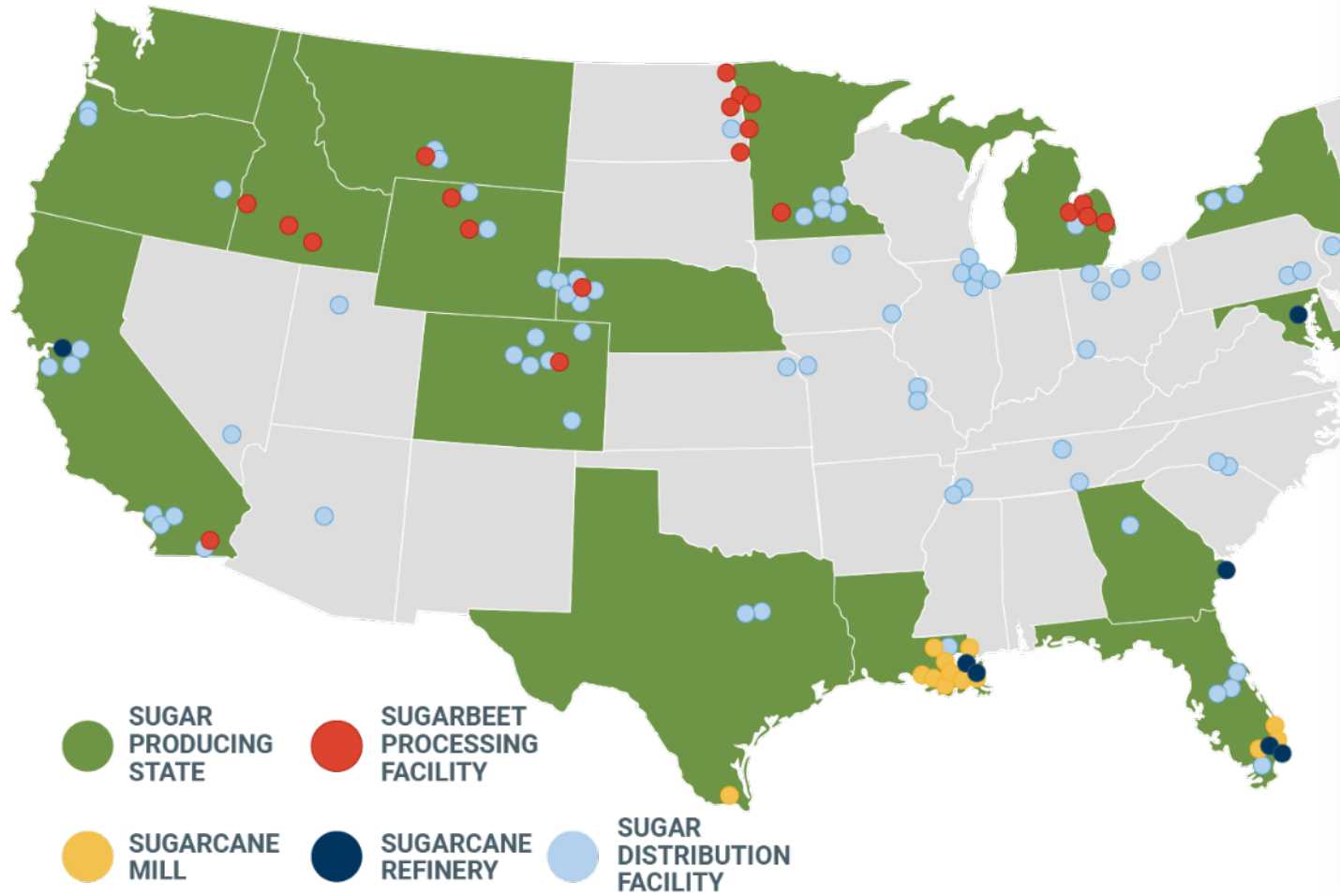
Thanks to USDA
for keeping
program
management on a
steady track and
maintaining stable
levels of imports to
supplement
domestic
production

Data: USDA, 2023/24 forecast; 2024/25 projection.



Imports relatively constant, avg = 3.3 mil tons

Strong supply chain --- production is expected increase and to meet more than 75% of consumption this year



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