



U.S. Sugar Policy: New Program Parameters

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**Thanks to the One
Big Beautiful Bill
Act, a strengthened
safety net will keep
it sweet in America**




AMERICAN
SUGAR
ALLIANCE

Increase Loan Rates

- 
- The loan rates available to sugar producers had not meaningfully increased in 40 years while the costs of growing crops and producing sugar are up dramatically.
 - Loan rate increases:
 - ~~19.75~~ 24.00¢/lb for raw cane sugar
 - ~~25.40~~ 32.77¢/lb for refined beet sugar

Improve Program Administration

- 
- To ensure timely deliveries, TRQ shortfalls will be quickly reassigned to other countries that have sugar available to ship.
 - Unfilled beet sugar marketing allotments will be reallocated to other cooperatives earlier in the year to provide greater certainty for growers and users.

Thanks to congressional leaders for making sure sugar program improvements were included!

What comes next?

Farming is risky and getting riskier (Title XI)

Still need protection for weather disasters

Farming sustainably (Title II)

Less disruption to limited natural resources

Doing More with Less (Title VI)

Increasing productivity and ability to meet long-range climate challenges

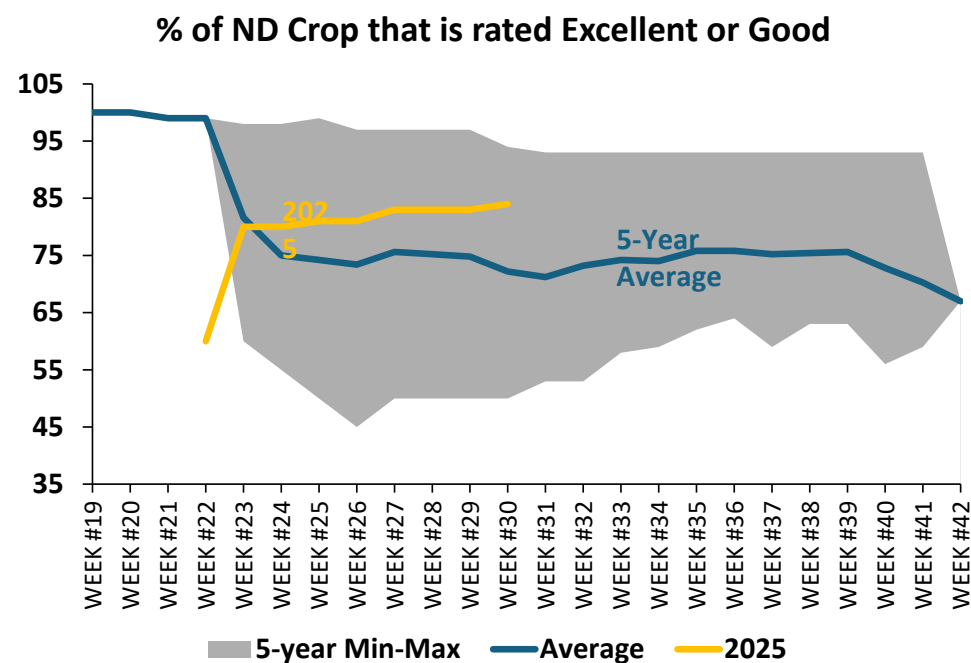
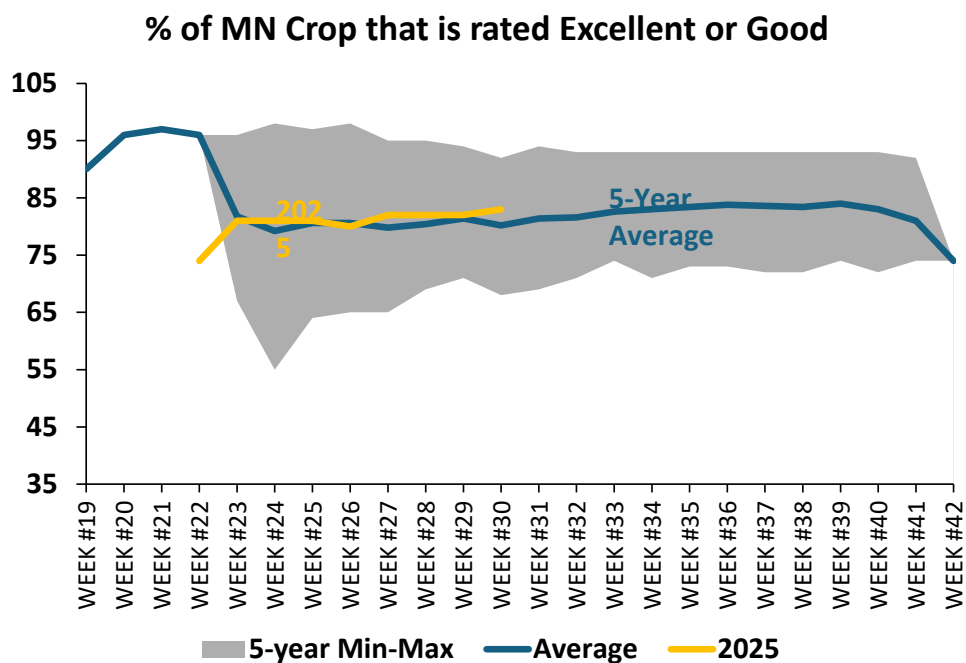


U.S. Sugar Production

SEVERAL GOOD
YEARS OF
PRODUCTION
AND ANOTHER
GOOD YEAR
LINING UP

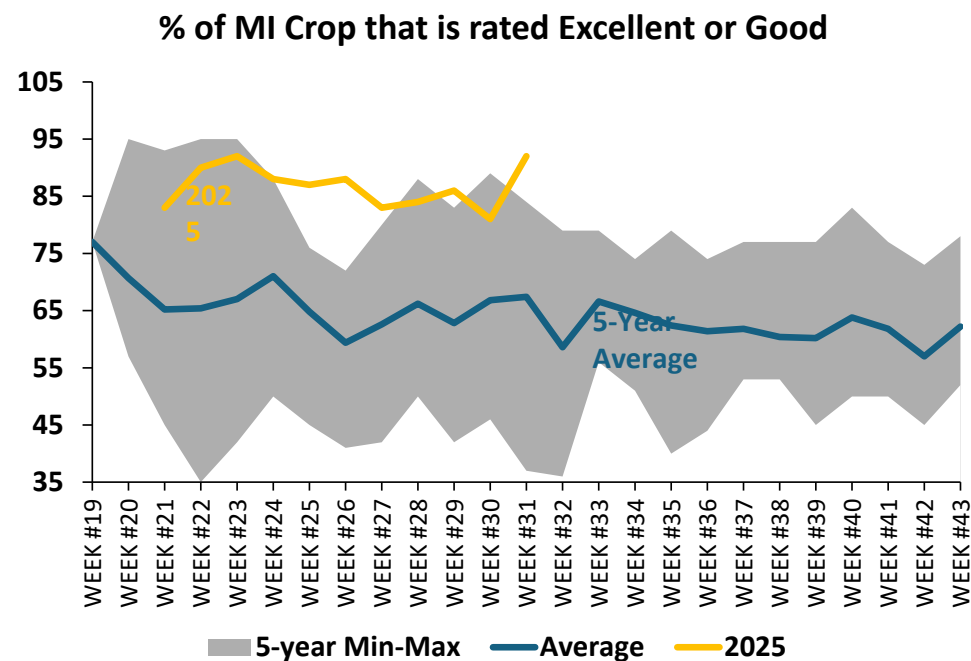
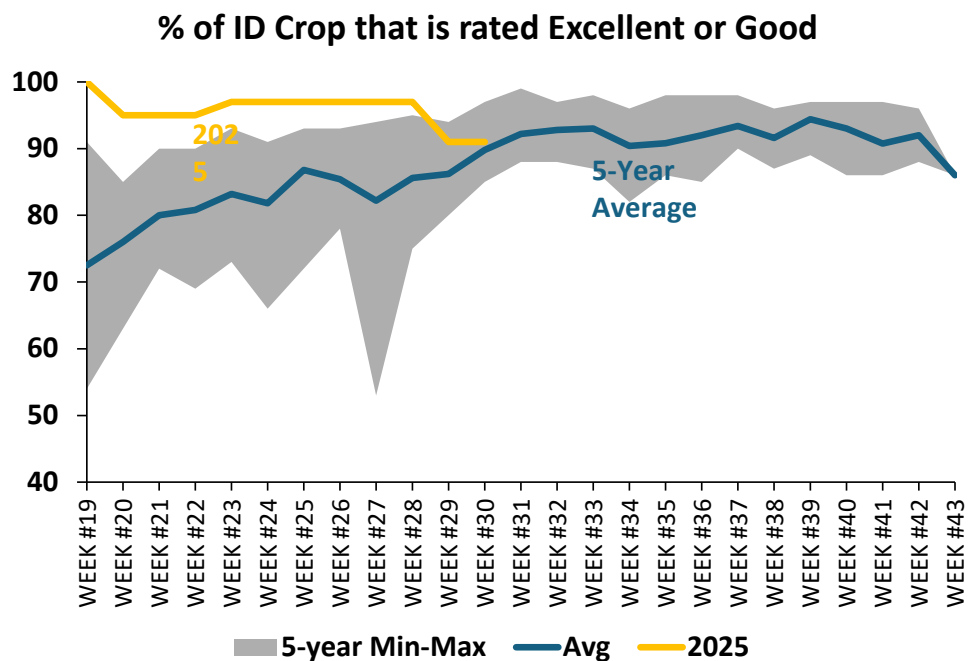


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Record planting last year and good planting this year

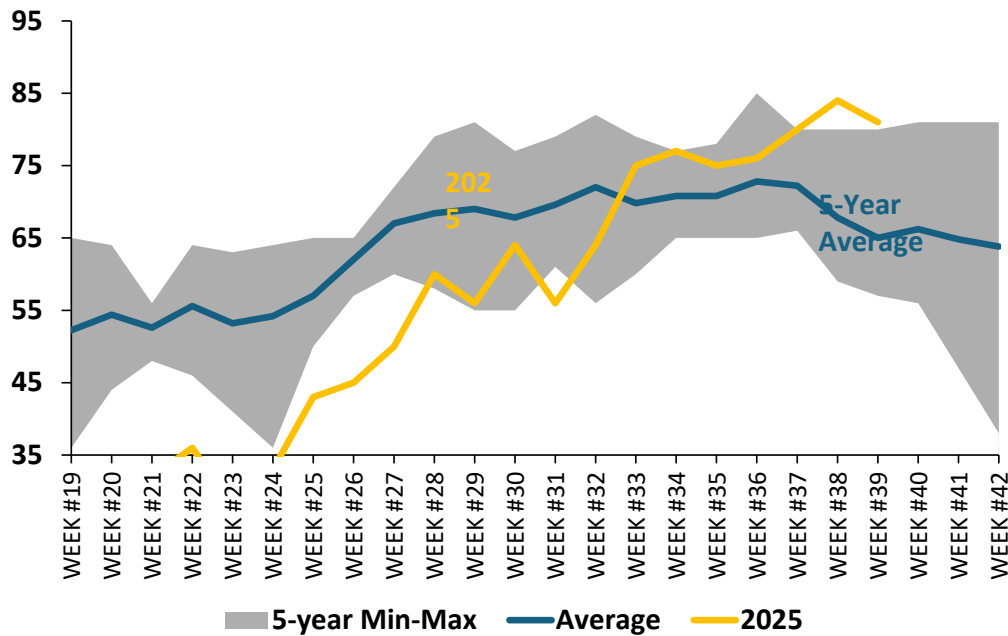




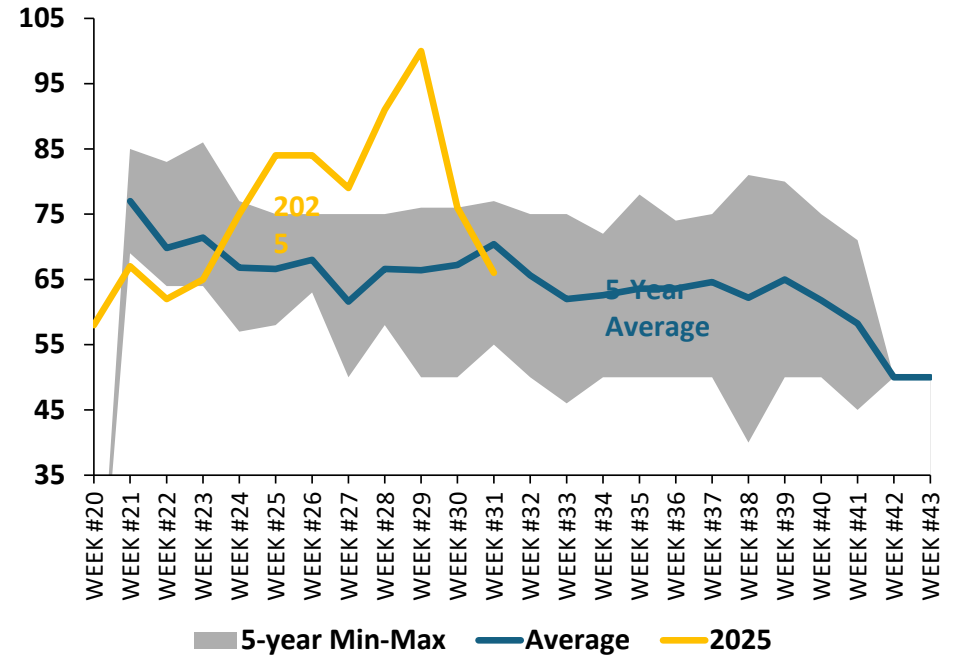
Record planting last year and good planting this year



% of LA Crop that is rated Excellent or Good



% of CO Crop that is rated Excellent or Good



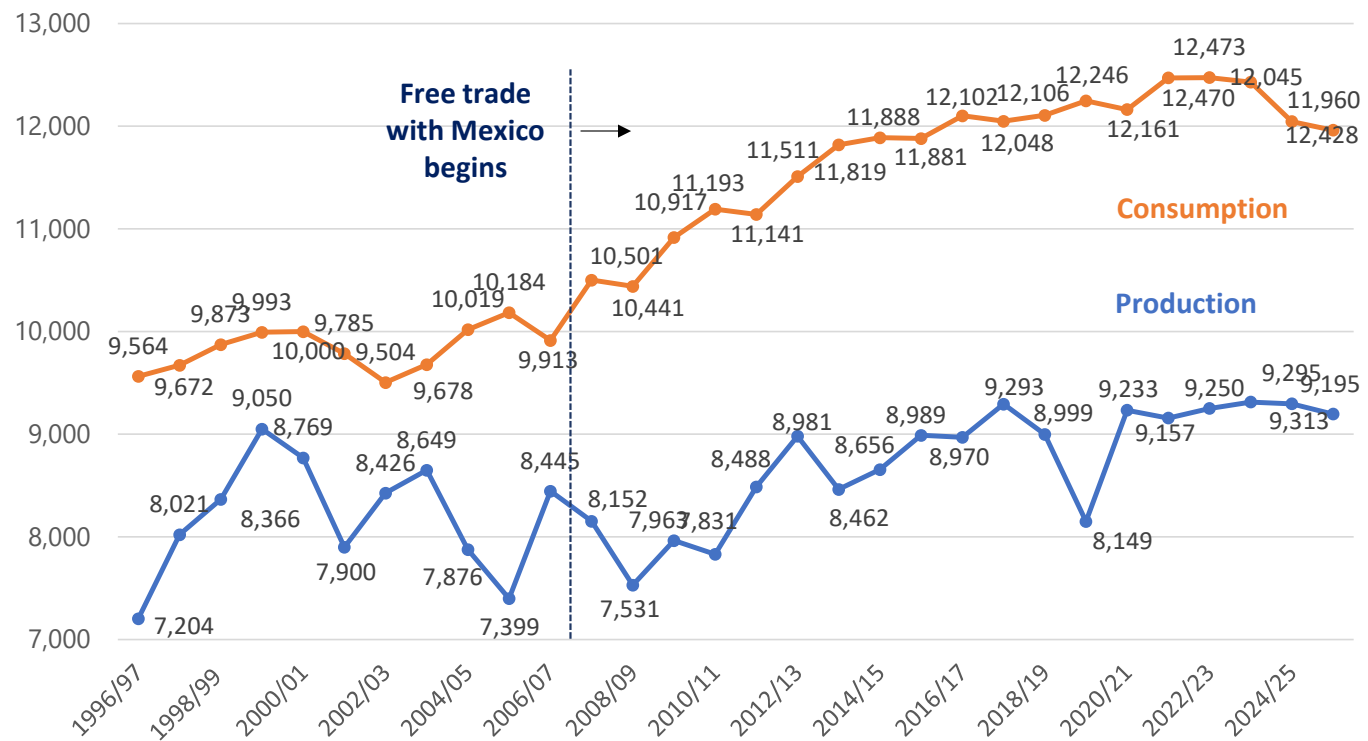
Record planting last year and good planting this year





U.S.-grown
sugar crops
meet about
75% of U.S.
demand

U.S. PRODUCTION & CONSUMPTION



Data: USDA, 2024/25 forecast; 2025/26 projection. Consumption = domestic food use

What is driving decreases in demand?

- High prices for retail food items – but returning to a more normal CPI
- Record cocoa prices – still high
- GLP-1's – still seeing data come in showing impacts
- MAHA – role for real sugar in diets
- Tariff/economy uncertainty – increasing recognition of (un)fair-trade practices
- Imports of SCP's – comes with strong dollar

Quarterly earnings reports:

HERSHEY'S : North America Confectionery segment net sales were \$2,300.1 million in the first quarter of 2025, a **decrease of 15.0%** versus the same period last year.

Mondelēz International : “Our US biscuit business experienced **lower consumption**, driven by ongoing **consumer confidence declines**, resulting in lower frequency and value-seeking behavior.”

Coca-Cola : North American unit case **volume declined 3%**.

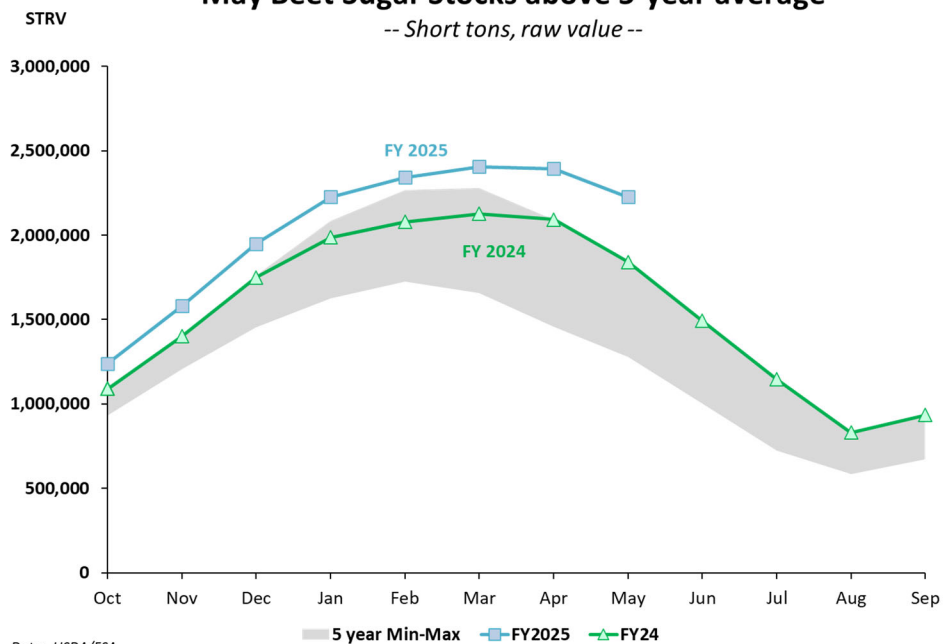
Kellanova : North Americas reported and organic **net sales decreased by 4%** during the first quarter, as **volume declined amidst further softening of snacking and frozen categories**.

General Mills : North America Retail segment third-quarter net sales for were down **7.0%**. “Our third-quarter organic **net sales finished below our expectations**, driven largely by greater-than-expected retailer inventory headwinds and a **slowdown in snacking categories**.”

KK Kellogg Co : Reported first quarter net sales were \$663 million, a 6.2% decline year-over-year...**and volume was down 8.6%**. The decrease in organic net sales was driven by a reduction in retailer inventory...as well as **weaker than expected consumption trends**.

May Beet Sugar Stocks above 5-year average

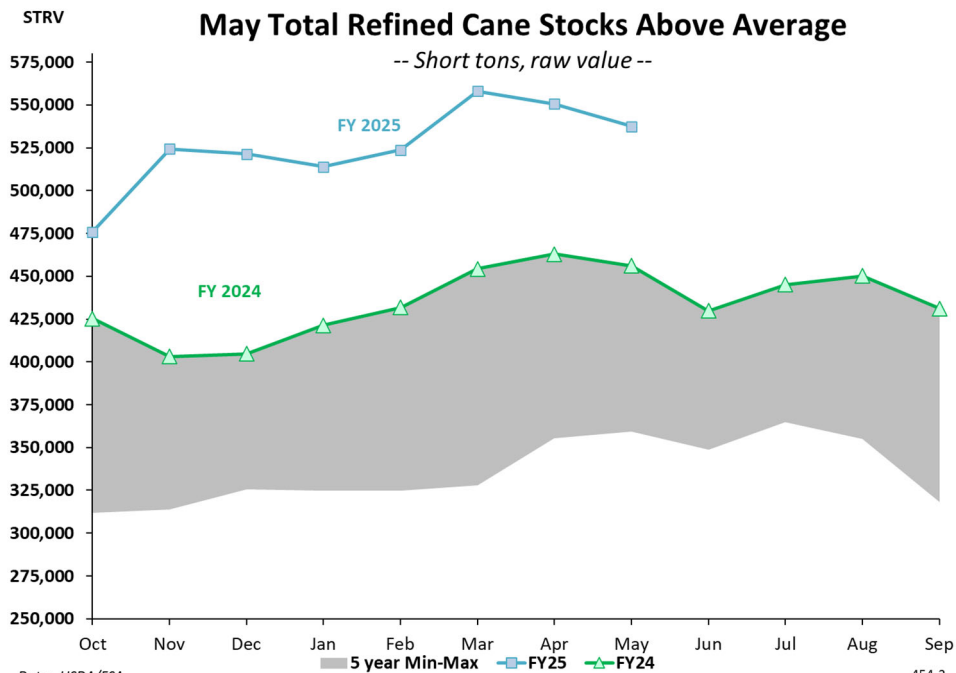
-- Short tons, raw value --



Data: USDA/FSA.

May Total Refined Cane Stocks Above Average

-- Short tons, raw value --



Data: USDA/FSA.

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Stocks remain significantly above the previous 5-year range for refined beet and cane stocks



Improvements to the balance sheet

- Updating demand estimates in the WASDE calculations.
- Fully accounting for Mexico's sugar exports to the U.S.
 - Fall raws
 - Molasses
- Implementing the OBBB provisions and accounting for them in the S&D.
- Maintaining WTO minimums until at least April 1.



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World Agricultural Supply and Demand Estimates

Office of the
Chief Economist

Agricultural Marketing Service
Farm Service Agency

Economic Research Service
Foreign Agricultural Service

WASDE - 662

Approved by the World Agricultural Outlook Board

July 11, 2025

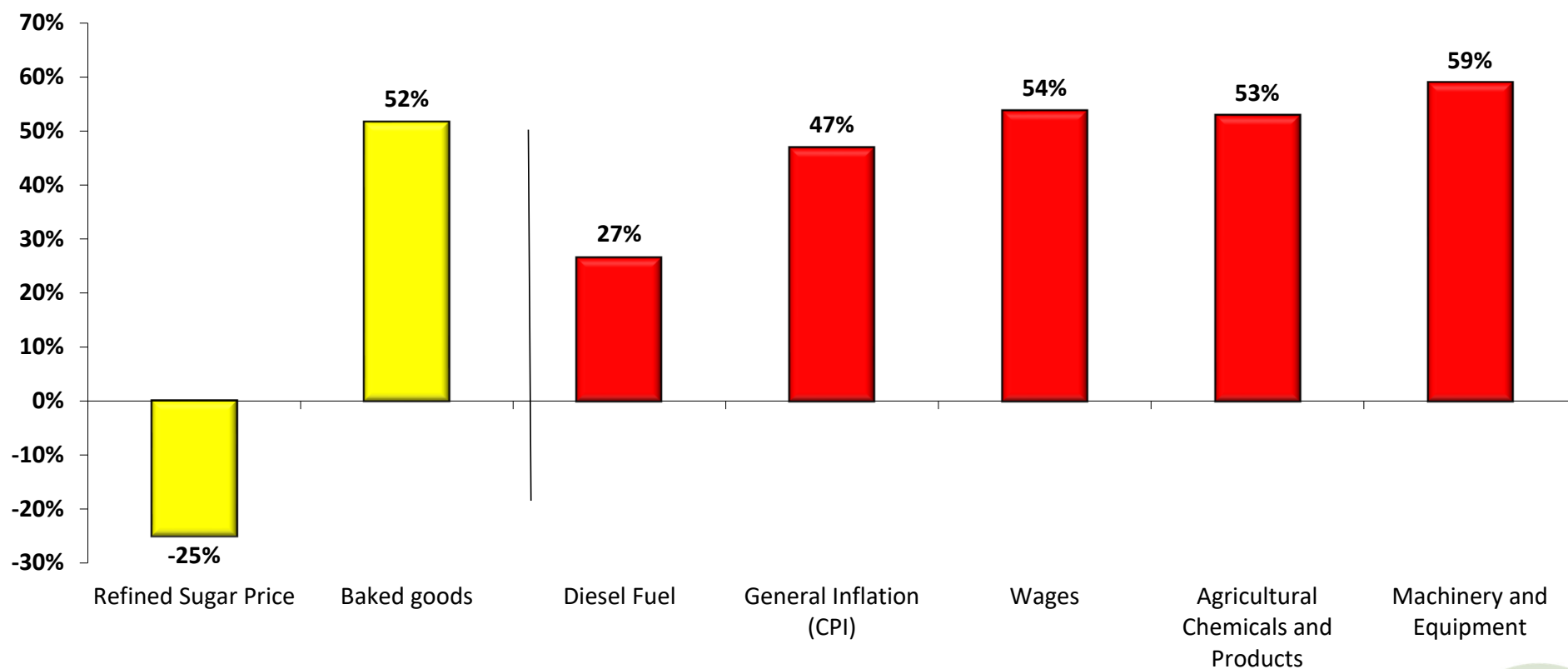
U.S. Sugar Supply and Use 1/

	2023/24	2024/25 Est.	2025/26 Proj. Jun	2025/26 Proj. Jul
	<i>1,000 Short Tons, Raw Value</i>			
Beginning Stocks	1,843	2,131	2,045	2,132
Production 2/	9,313	9,295	9,254	9,195
Beet Sugar	5,172	5,322	5,150	5,097
Cane Sugar	4,141	3,973	4,104	4,098
Florida	2,079	1,929	2,016	2,010
Louisiana	2,022	2,045	2,088	2,088
Texas	40	0	0	0
Imports	3,840	2,956	2,474	2,481
TRQ 3/	1,788	1,533	1,419	1,419
Other Program 4/	300	200	200	200
Non-program	1,752	1,224	855	861
Mexico	521	497	669	439
High-tier tariff/other	1,231	727	186	422
Total Supply	14,995	14,382	13,773	13,808
Exports	249	100	100	100
Deliveries	12,534	12,150	12,230	12,065
Food	12,428	12,045	12,125	11,960
Other 5/	106	105	105	105
Miscellaneous	81	0	0	0
Total Use	12,864	12,250	12,330	12,165
Ending Stocks	2,131	2,132	1,443	1,443
Stocks to Use Ratio	16.6	17.4	11.7	13.5

Farm Situation

CHALLENGES AND RISING INPUT COSTS





Input cost data: USDA prices for 2010 and 2025-to-date and U.S. Bureau of Labor Statistics, PPI for 2010 and 2025-to-date.

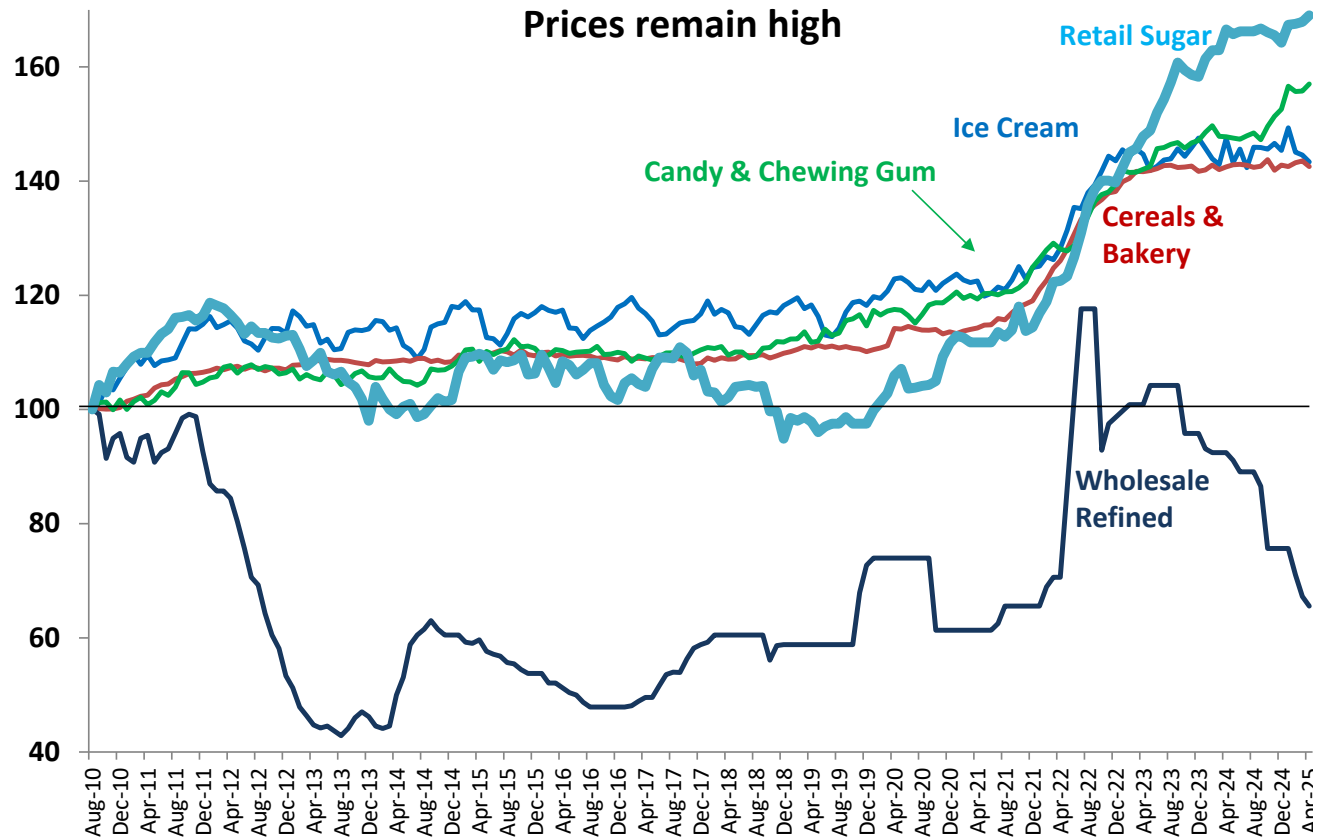
Since 2010: Producer prices for sugar have remained flat while farmers' costs have soared and consumer prices rising





There has been a more continual increase over time for most sugar-containing product prices

U.S. Price Changes Since 2010: Wholesale Sugar Down 35% but Retail Sugar and Sweetened Product Prices remain high



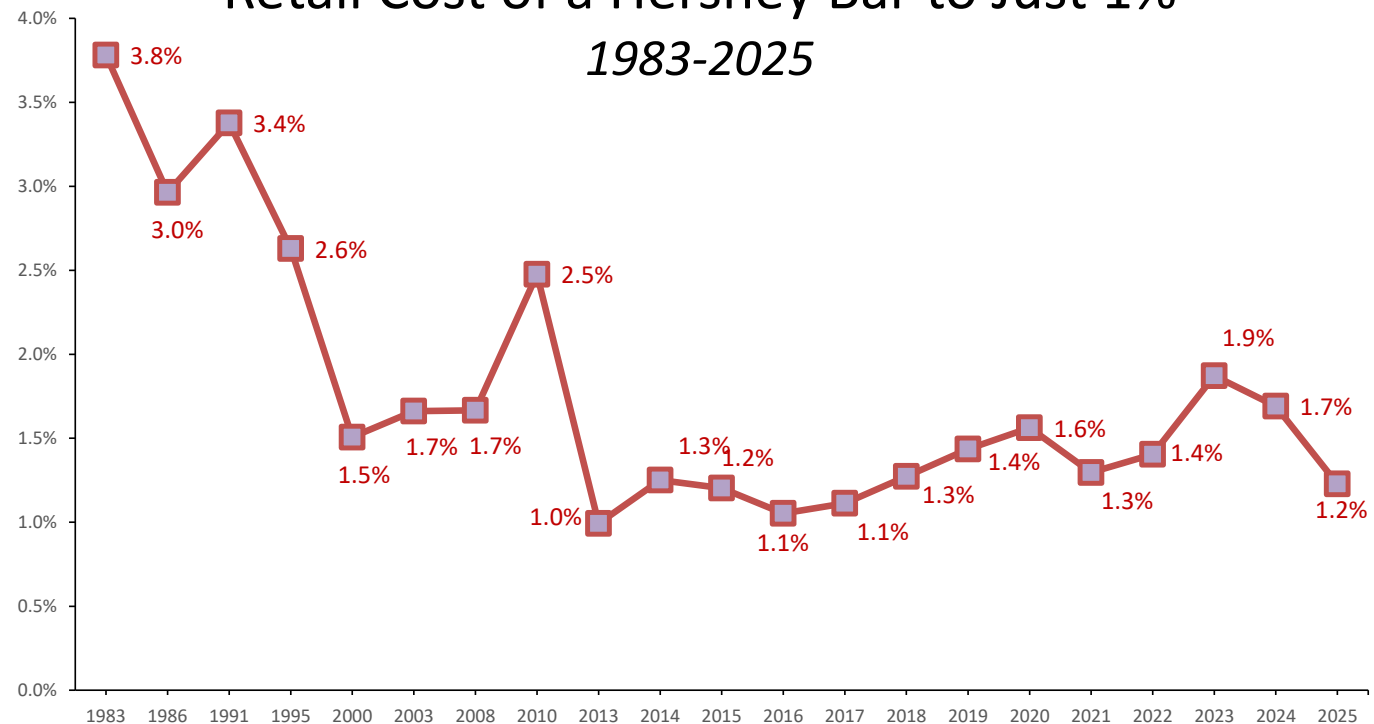
Source: Wholesale sugar - USDA. Retail products - Bureau of Labor Statistics. Monthly average to date.



Sugar is important when making candy, but what is more important?

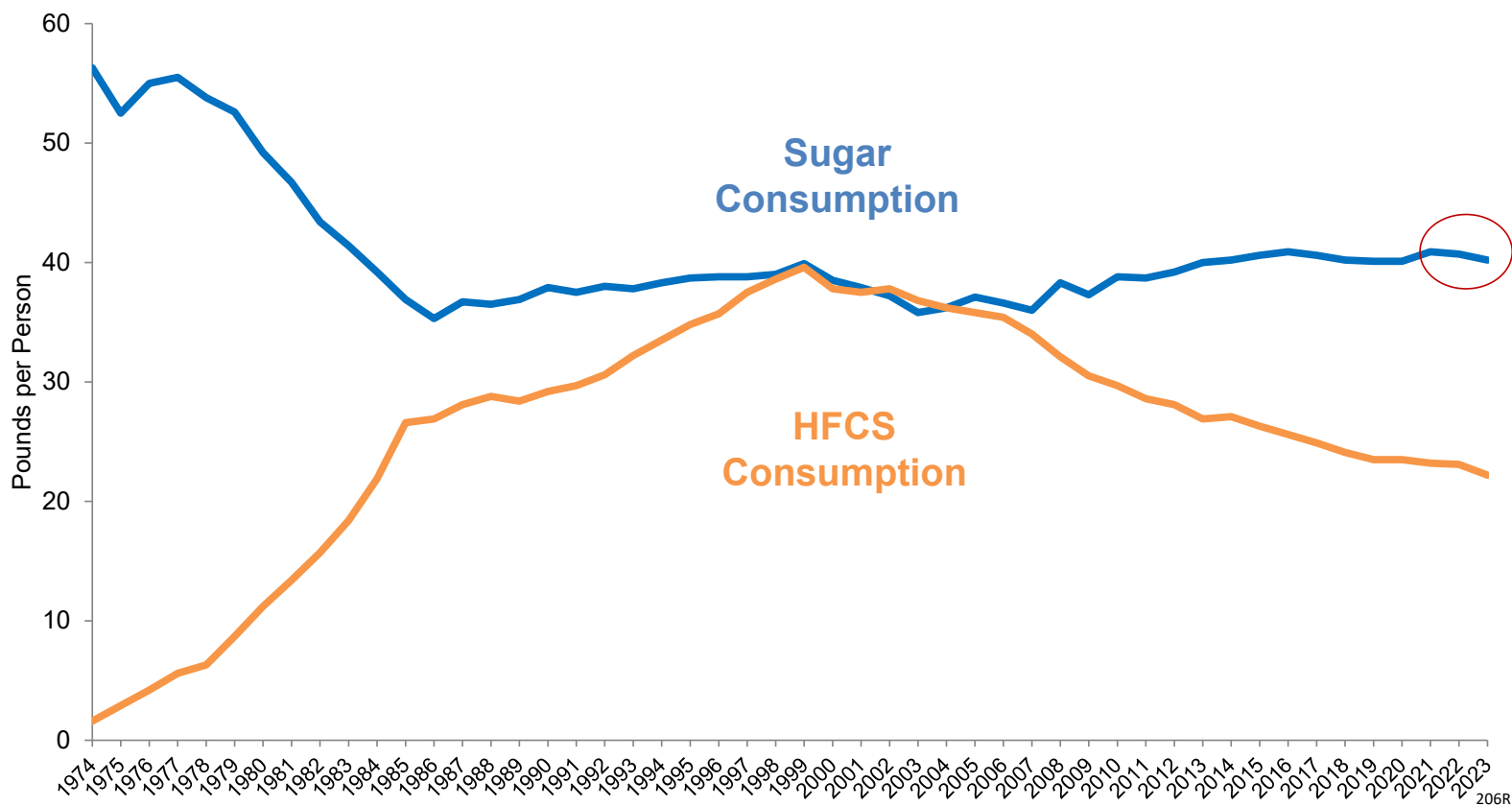
Labor and benefits costs of food companies is about 20% of costs of production – sugar procurement is only about 6%.

Wholesale Sugar Cost Drops from 4% of the Retail Cost of a Hershey Bar to Just 1% 1983-2025



Source: Sugar prices- USDA, wholesale refined sugar, Midwest market, calendar year average. 2025 = Jan-June average.

Hershey bars: Hershey bar index <http://www.foodtimeline.org/foodfaq5.html> (not available for all years) and survey of Safeway market prices; Washington, DC. Based on 44-gram bar with 23/24 grams of sugar. 2010 increase due to temporary global sugar shortage.



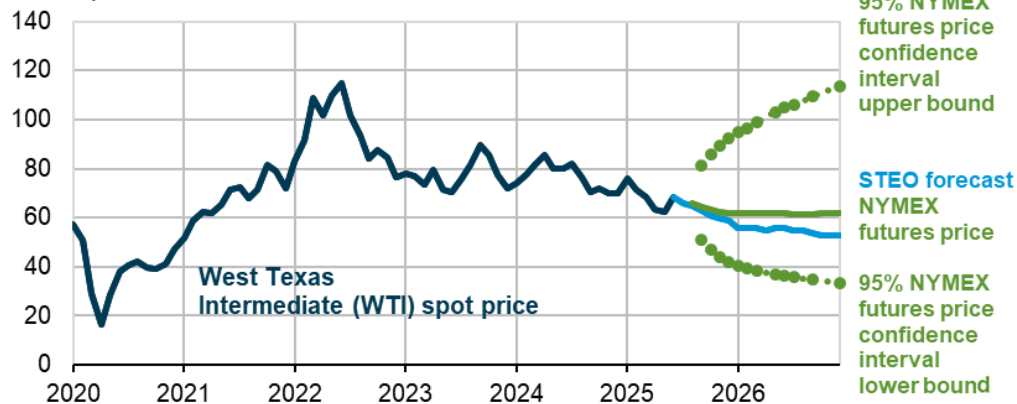
Per capita sugar consumption is relatively flat, suggesting growth is coming mainly from population growth.

Per capita sweetener consumption (pounds per person per year)



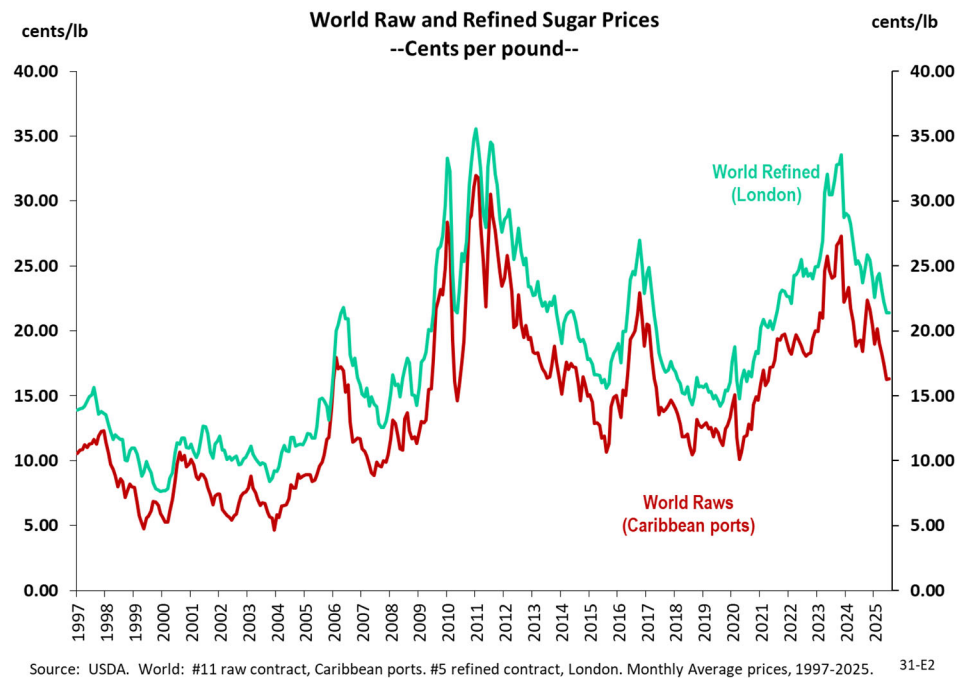
Softening world oil and gasoline prices are providing incentives for increased sugar exports...

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 2025, 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 2, 2025. Intervals not calculated for months with sparse trading in near-the-money options contracts.



Source: USDA. World: #11 raw contract, Caribbean ports. #5 refined contract, London. Monthly Average prices, 1997-2025.

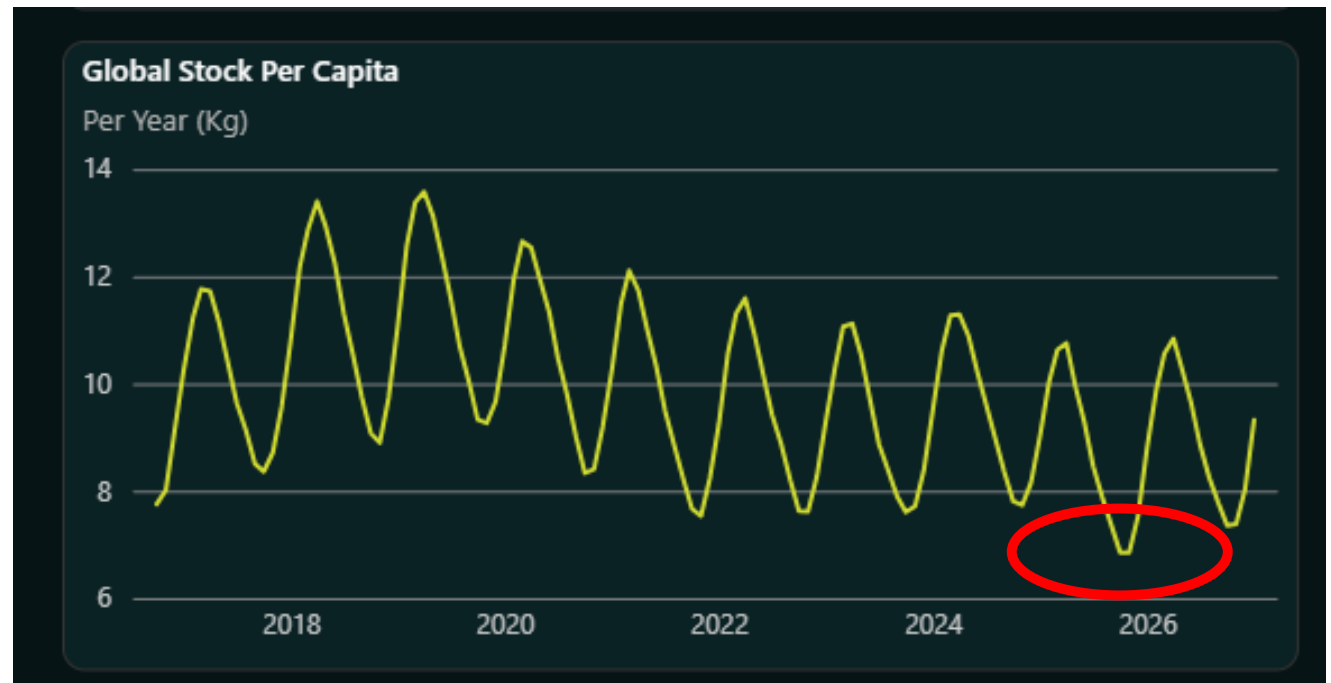
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... and pressuring prices down.





Global stocks per capita are headed for a multi-year low towards the end of 2025, suggesting bulling impacts on prices





Potential tariffs heading into the new marketing year could have larger impacts on sugar than earlier estimates. Brazil & Mexico are typically our top 2 suppliers.

Country	April 2025 Applied Tariffs	August 1 Rate (announced July 31)	WTO	FTAs	TOTAL
Brazil	10%	50%	155,993		155,993
South Africa	30%	30%	24,744		24,744
India	26%	25%	8,606		8,606
Taiwan	32%	20%	12,910		12,910
Thailand	36%	19%	15,061		15,061
Philippines	17%	19%	145,235		145,235
Nicaragua	18%	18%	-	30,360	30,360
Madagascar	47%	15%	7,258		7,258
Mauritius	40%	15%	12,910		12,910
Guyana	38%	15%	12,910		12,910
Fiji	32%	15%	9,682		9,682
Cote d'Ivoire	21%	15%	7,258		7,258
Zimbabwe	18%	15%	12,910		12,910
Malawi	17%	15%	10,758		10,758
Mozambique	16%	15%	13,986		13,986
Congo (DRC)	11%	15%	7,258		7,258
Bolivia	10%	15%	8,606		8,606
Costa Rica	10%	15%	16,137	15,180	31,317
Papua New Guinea	10%	15%	7,258		7,258
Trinidad-Tobago	10%	15%	7,531		7,531

Countries with > 10% tariff total about 544k of quota imports
~40% of total FTA and WTO quota (not including Mexico)

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