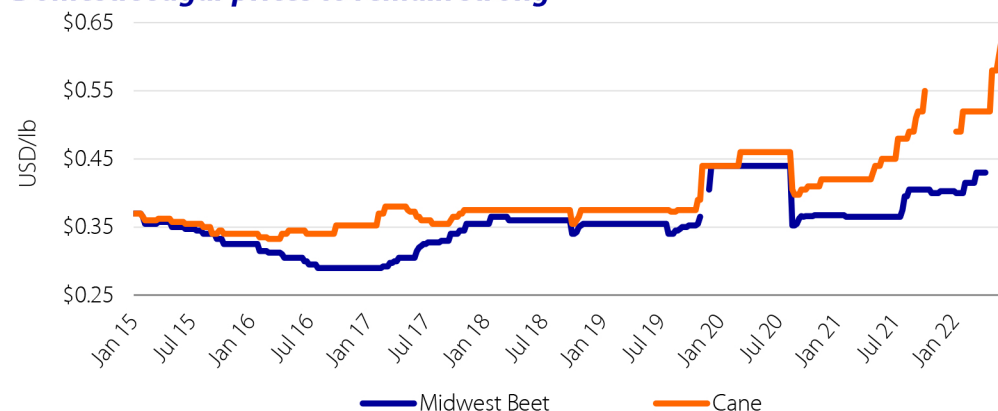


# Sweeteners

## All eyes on beet

- **US sugar users and producers will continue to face tremendous challenges through the upcoming season.** The market is experiencing difficulties on the production side (specifically beets), and consumption will continue to operate under a tight market environment, including complex logistics and high transportation costs.
- **Beets are finally in the ground but...** After several weeks of sowing delays due to wet fields and cold weather, beet farmers have completed their plantings. As we move forward, the weather needs to be almost perfect to achieve relatively 'normal' yields. At this point in time, it is almost impossible to forecast yields accurately, but we believe they are likely to be below the historical trend. In addition, this delay will push back sugar beet production towards the end of the year, creating a production hole around September-October when beet sugar production begins.
- **US cane sugar consumption to remain strong... or the only alternative?** US sugar use, particularly sugar cane is expected to remain robust as sugar beet production is uncertain and off from its normal production cycle due to late plantings. In addition, High Fructose Corn Syrup is getting more expensive due to high corn prices and logistics continue to be very challenging.
- **US sugar prices to remain high** but the probability for prices to go higher is low given the expectation of global sugar prices that are likely to be between USc 18.5 to USc 21/lb though the rest of the year.
- **Mexico has finished its 2021/22 production campaign at 6.1 mt.** This volume is around 400,000 metric tons higher than a year ago. We believe Mexico will be able to fulfill its US export commitments in 2021/22 and during the 2022/23 cycle.

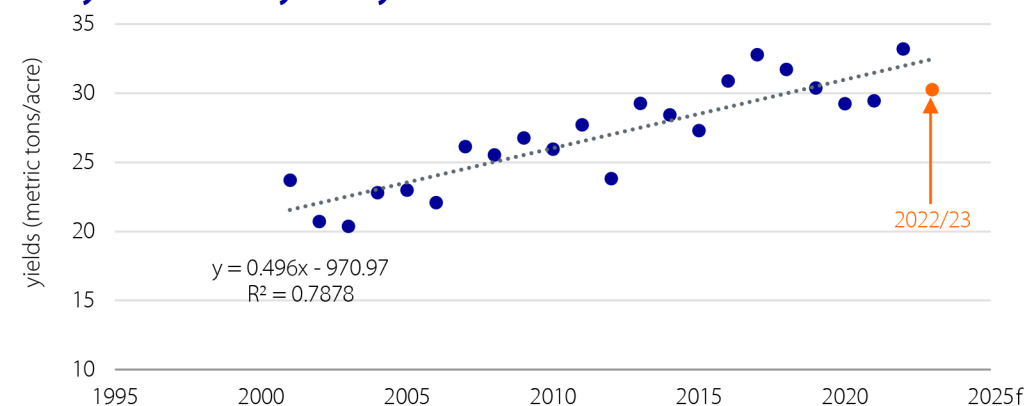
### Domestic sugar prices to remain strong



Source: USDA, Rabobank 2022

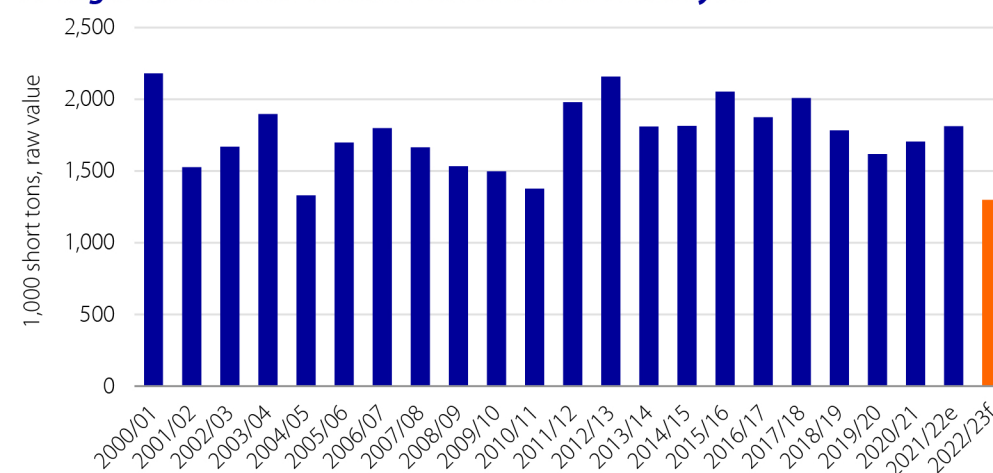
\*No quote available due to lack of spot supplies

### Beet yields are likely to stay below the historical trend



Source: USDA, Rabobank 2022

### US sugar final stocks could be the lowest in recent years



Source: USDA, Rabobank 2022