



Second Annual Louisiana Agricultural Outlook Forum
LSU AgCenter Dean Lee Research Station
Tuesday, January 14, 2025
Alexandria, Louisiana

Sugar Market Outlook



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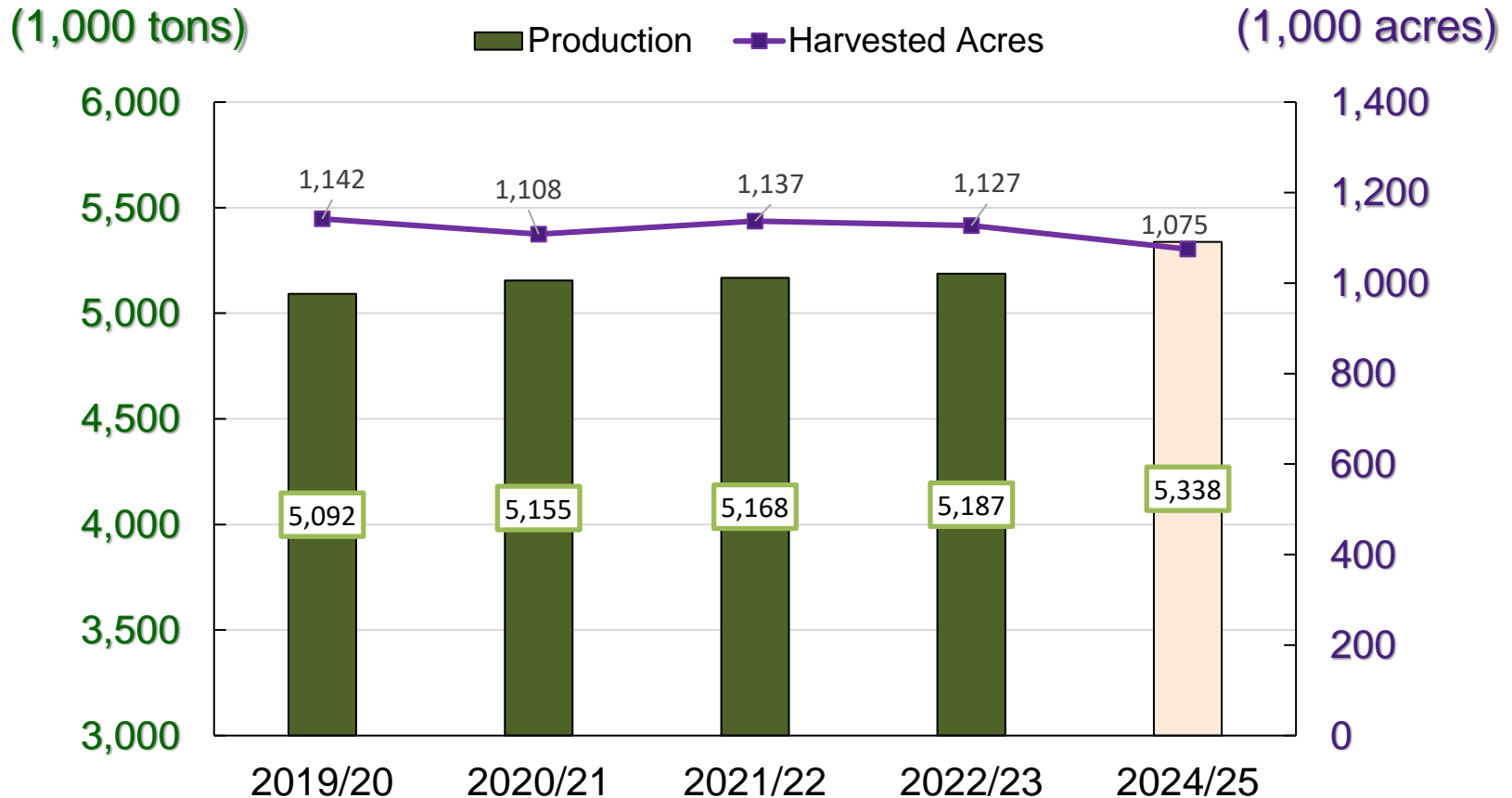
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U.S. Sugarbeet Acreage & Beet Sugar Production

2024 U.S. beet sugar production – 56.2% of total U.S. sugar production

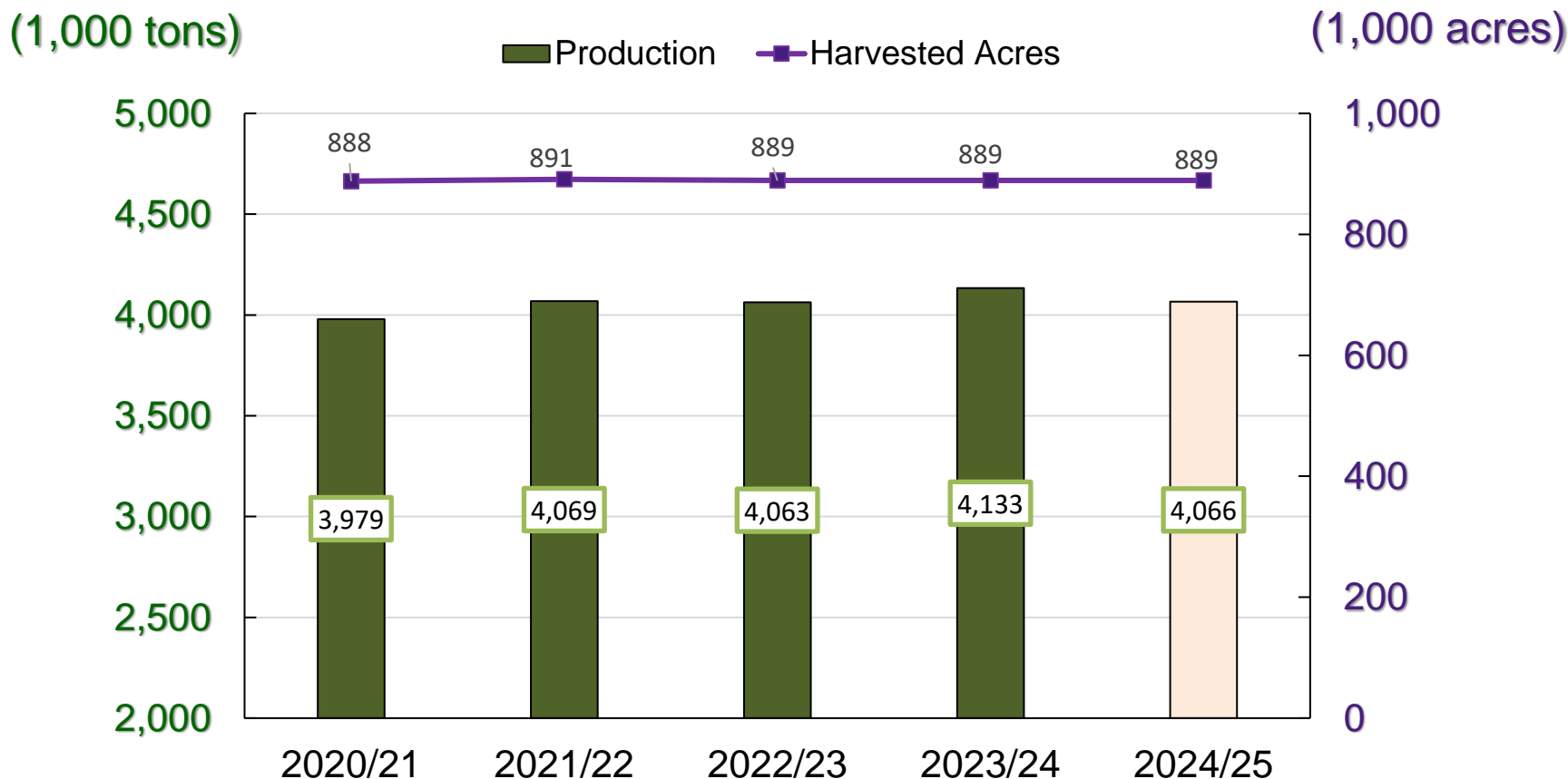
2024 - harvested acreage down 5% (-52,000 acres), production up 2.9% (+151,000 tons)



U.S. Sugarcane Acreage & Cane Sugar Production

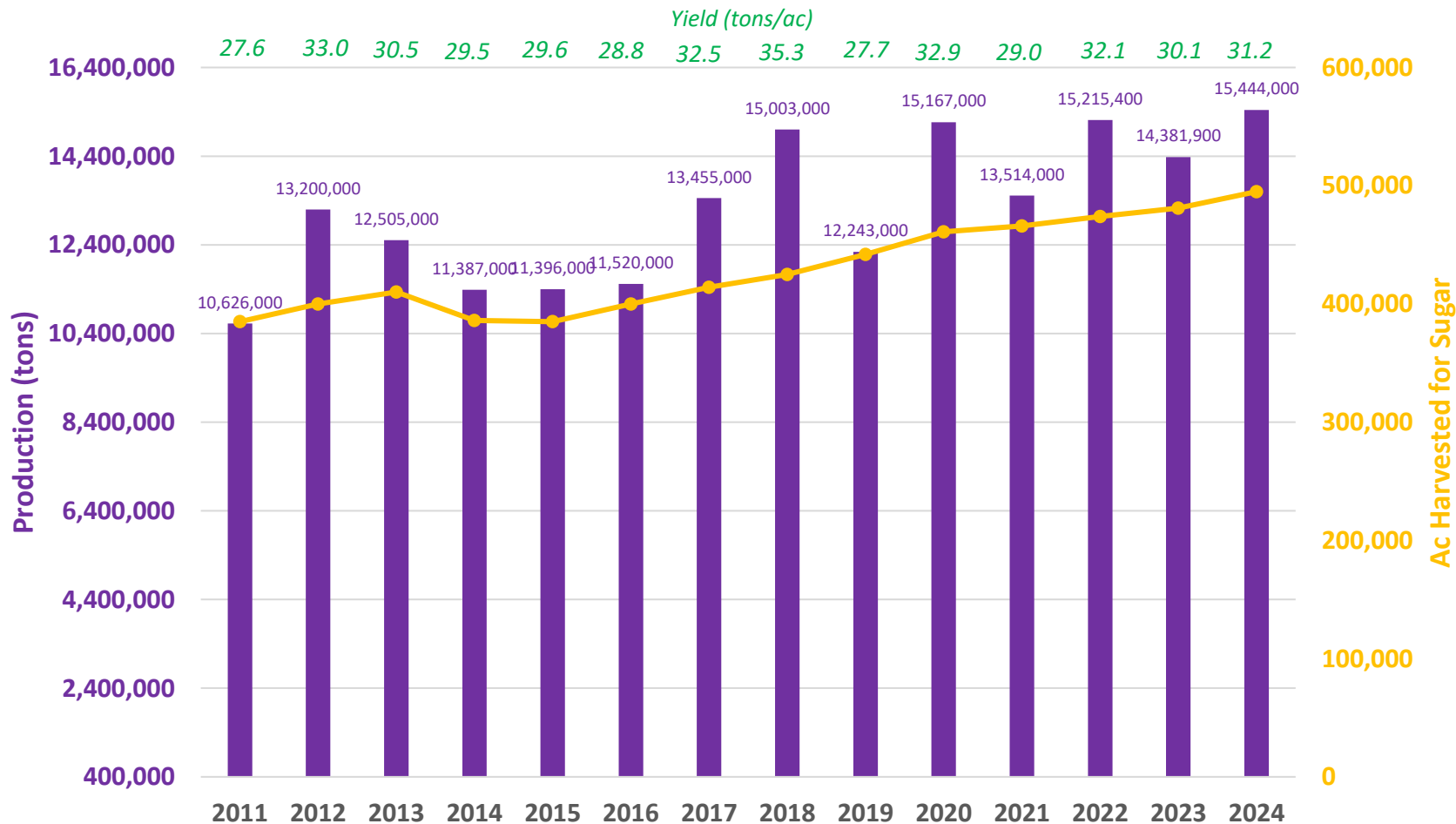
2024 U.S. cane sugar production – 43.8% of total U.S. sugar production

2024 - harvested acreage constant, production down 1.6% (-67,000 tons)



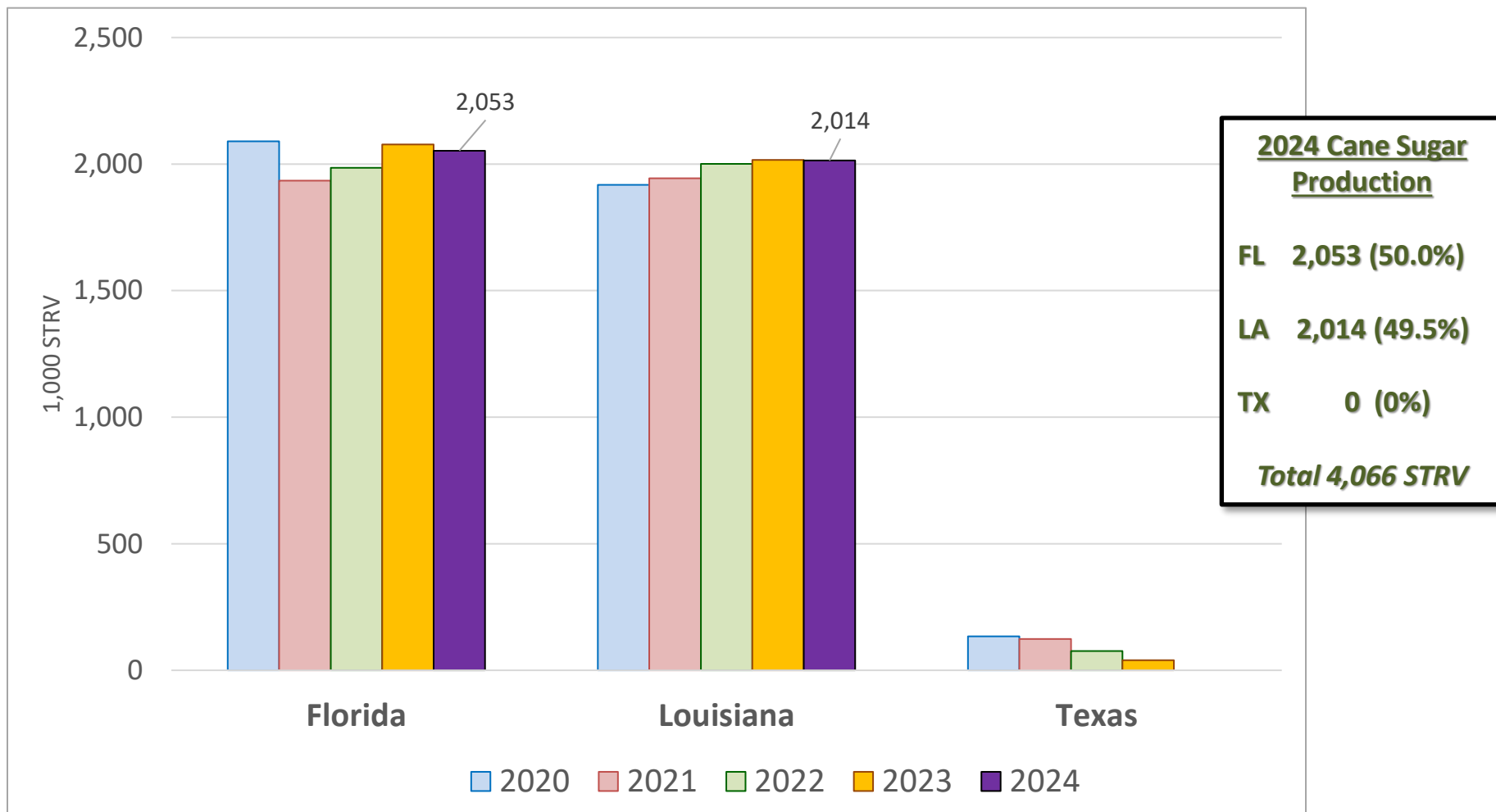
Louisiana Sugarcane Production and Harvested Acres

Historical summary



Five-year Production Summary for Sugarcane

Florida production down (1.2%); Louisiana production stable in 2024



U.S. Sugar Supply and Use

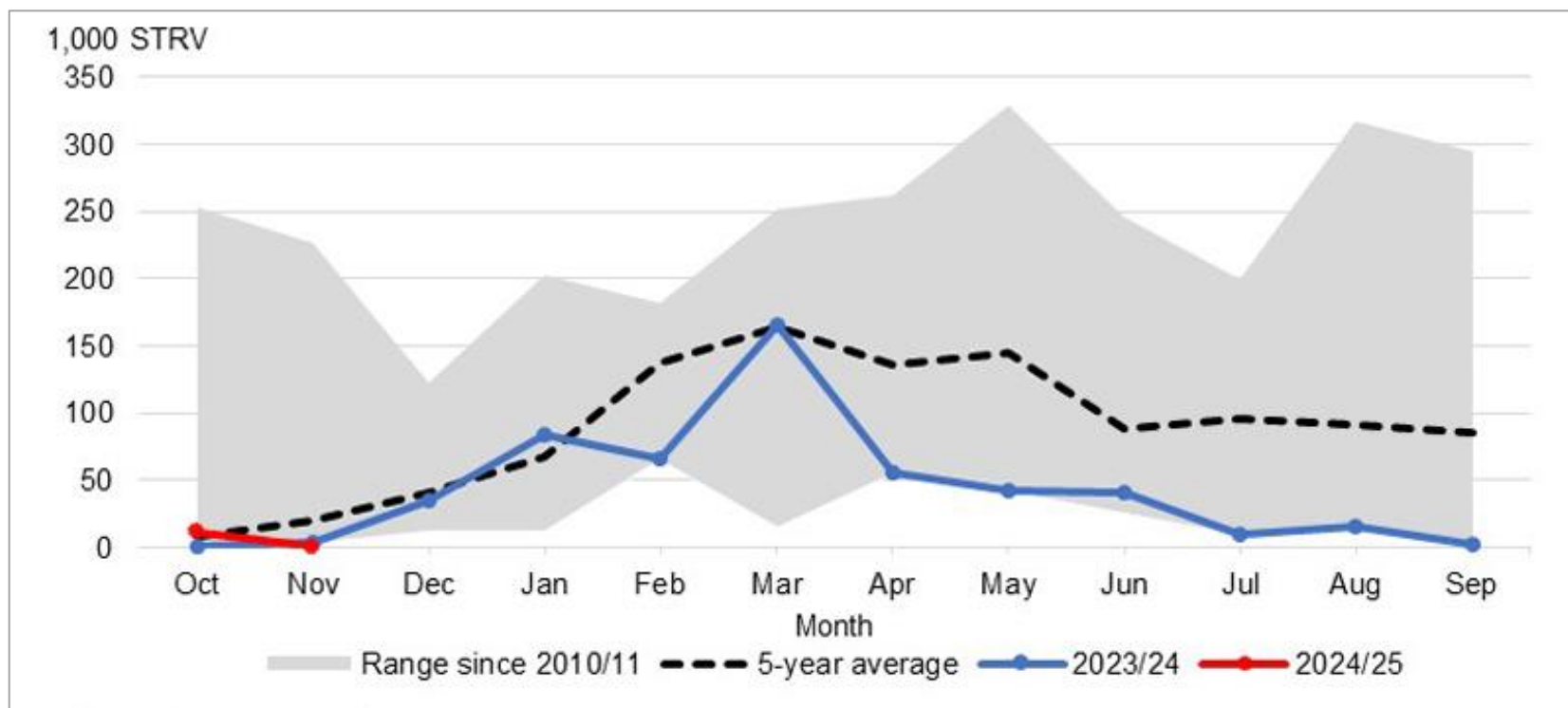
2023/24 and 2024/25 Marketing Year Comparison

Total U.S. Beet & Cane Sugar	2023/24 (1,000 tons)	2024/25 (1,000 tons)	Percent Change
Beginning stocks	1,843	2,123	+15.2%
Production	9,305	9,404	+1.1%
Imports	3,811	2,966	-22.2%
Total Sugar Supply	14,959	14,494	-0.1%
Domestic use	12,506	12,455	-0.4%
Exports	249	100	-59.8%
Total Sugar Use	12,836	12,555	-2.2%
Ending stocks	2,123	1,939	-8.7%
Stocks-to-Use Ratio	16.5%	15.4%	

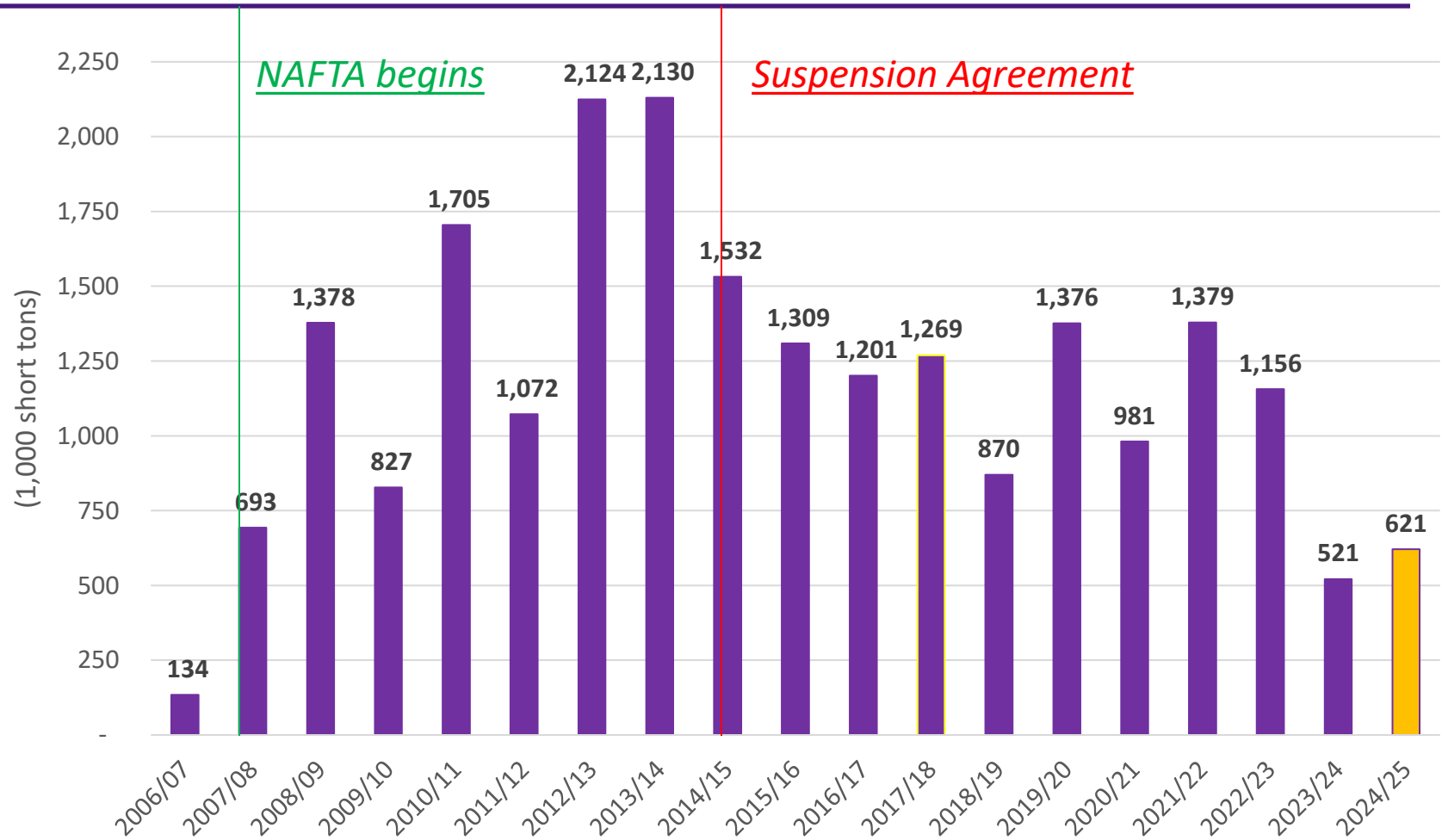
Sugar imports from Mexico: 2020/21 – 968,000 Tons; 2021/22 – 1.379 mil. Tons; 2022/23 – 1.156 mil. Tons; 2023/24 – 521,000 Tons; 2024/25 – 621,000 Tons

Monthly U.S. Sugar Imports from Mexico

2010/11 to 2024/25 FY comparison

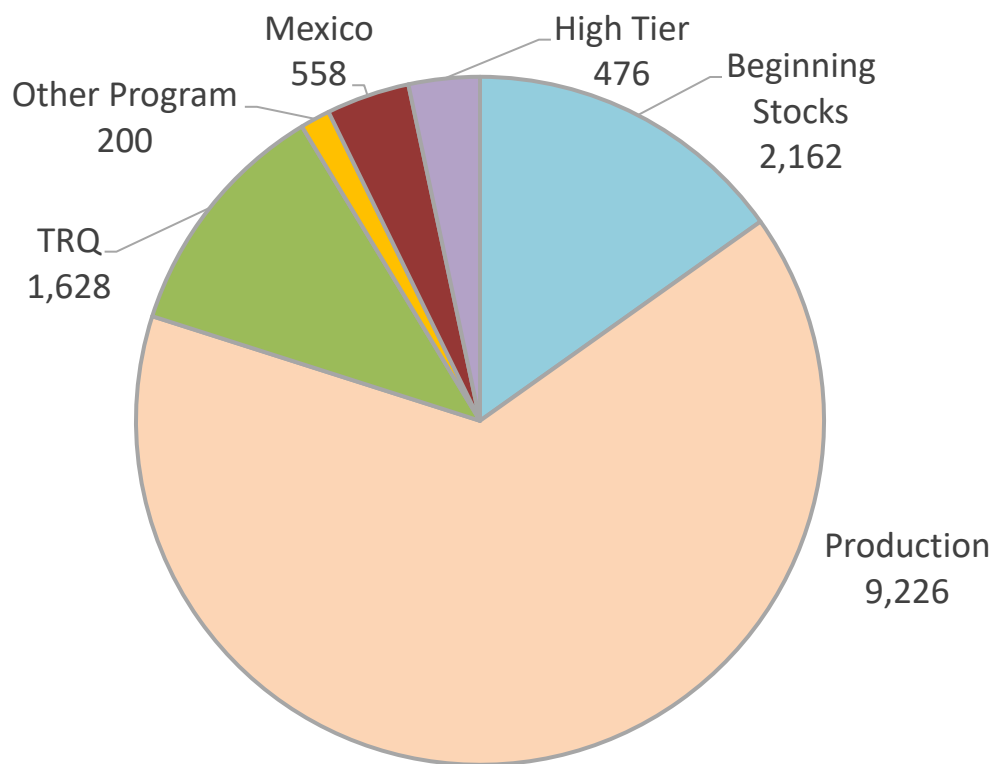


Mexican Sugar Exports to the United States



Calculation of U.S. Sugar Needs

Per terms of the U.S./Mexico Suspension Agreement – December 2024 est.

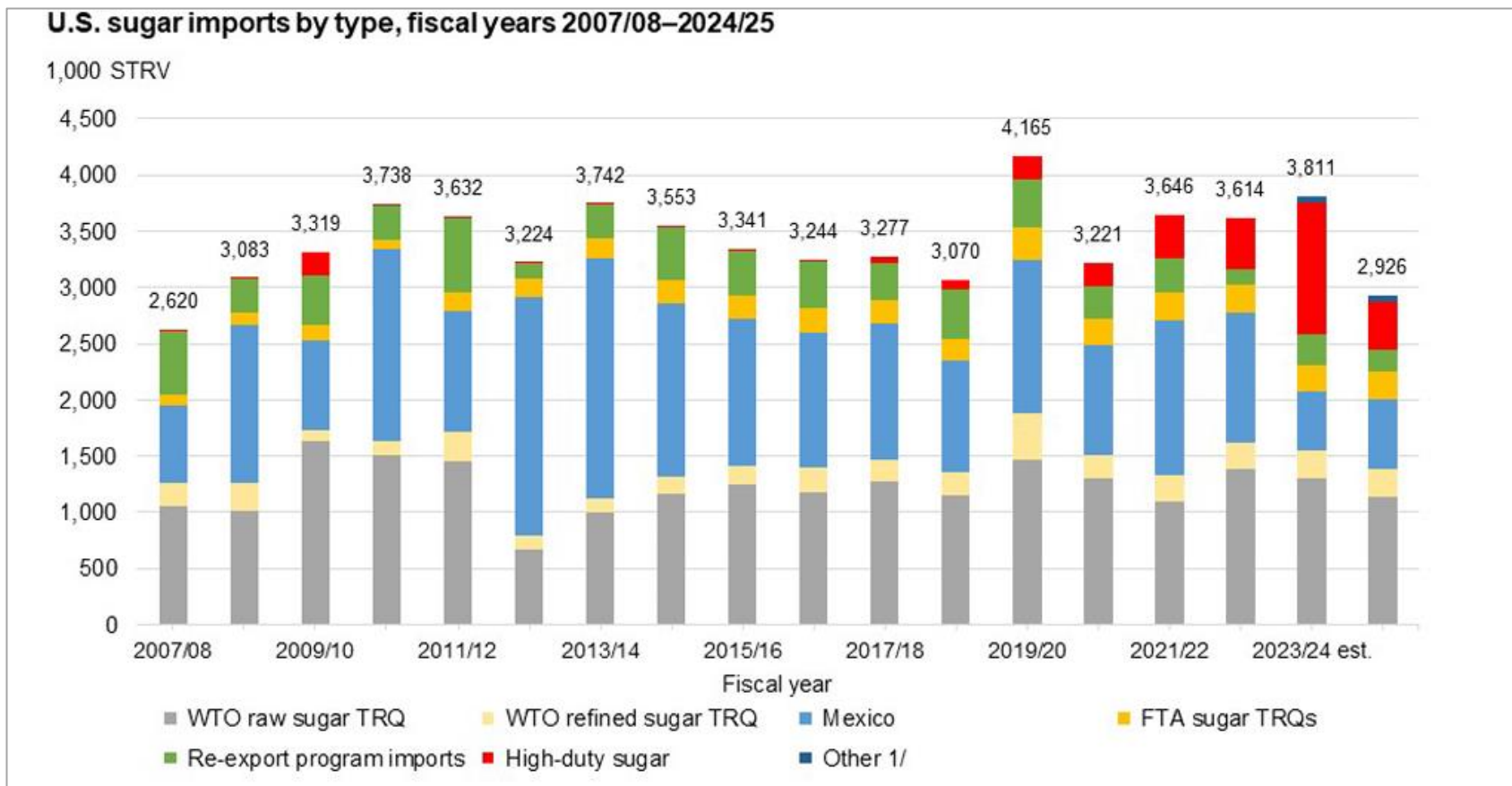


$Total\ U.S.\ Needs = (Total\ Use * 1.135) - BS - Production - TRQ\ Import - Other\ Imports - High\ Tier\ Imports$

$$0.558 = (12.555 * 1.135) - 2.162 - 9.226 - 1.628 - 0.200 - 0.476$$

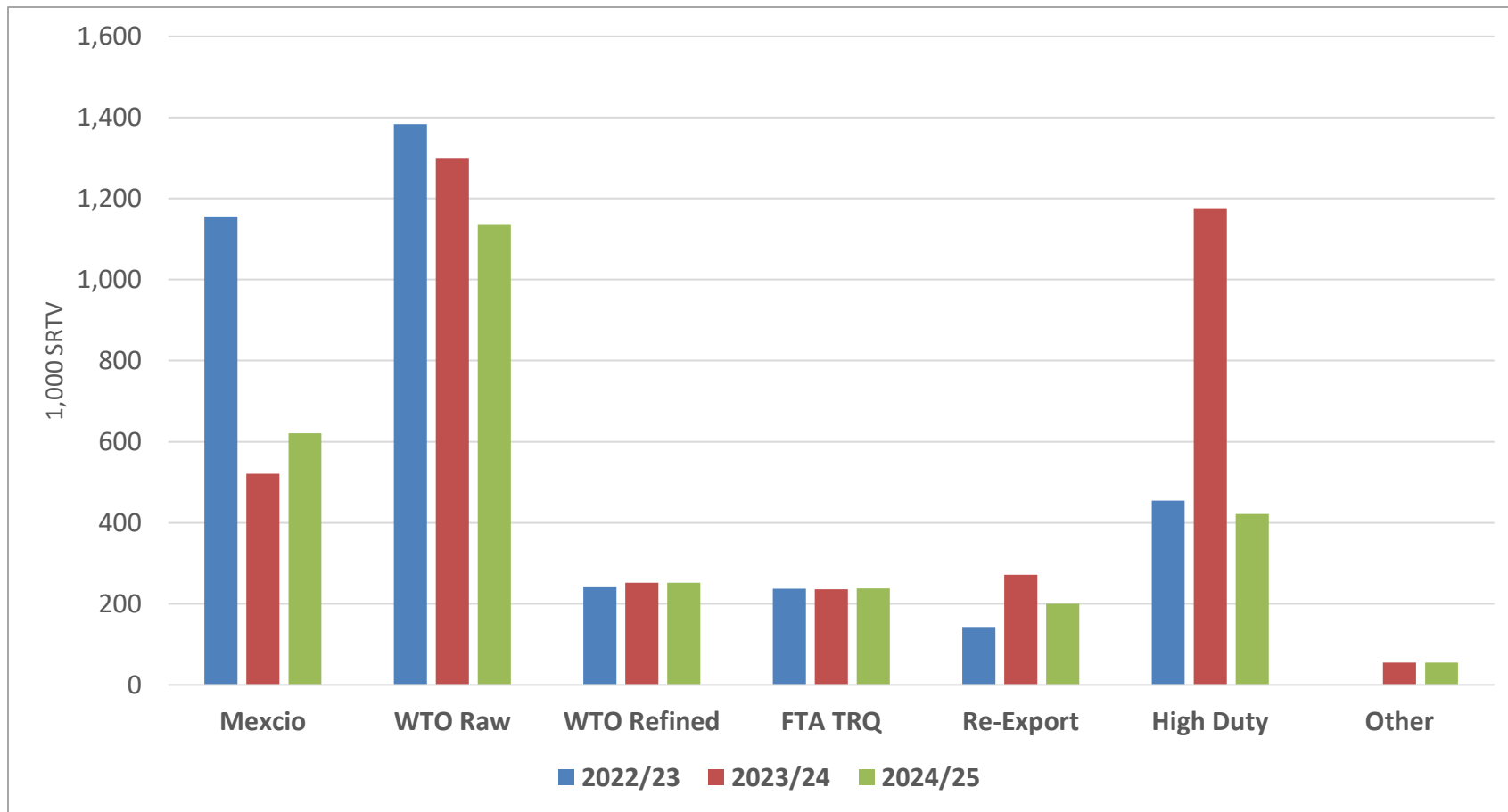
U.S. Sugar Imports, by type

High-tier raw imports largely a response to weather-reduced Mexican imports



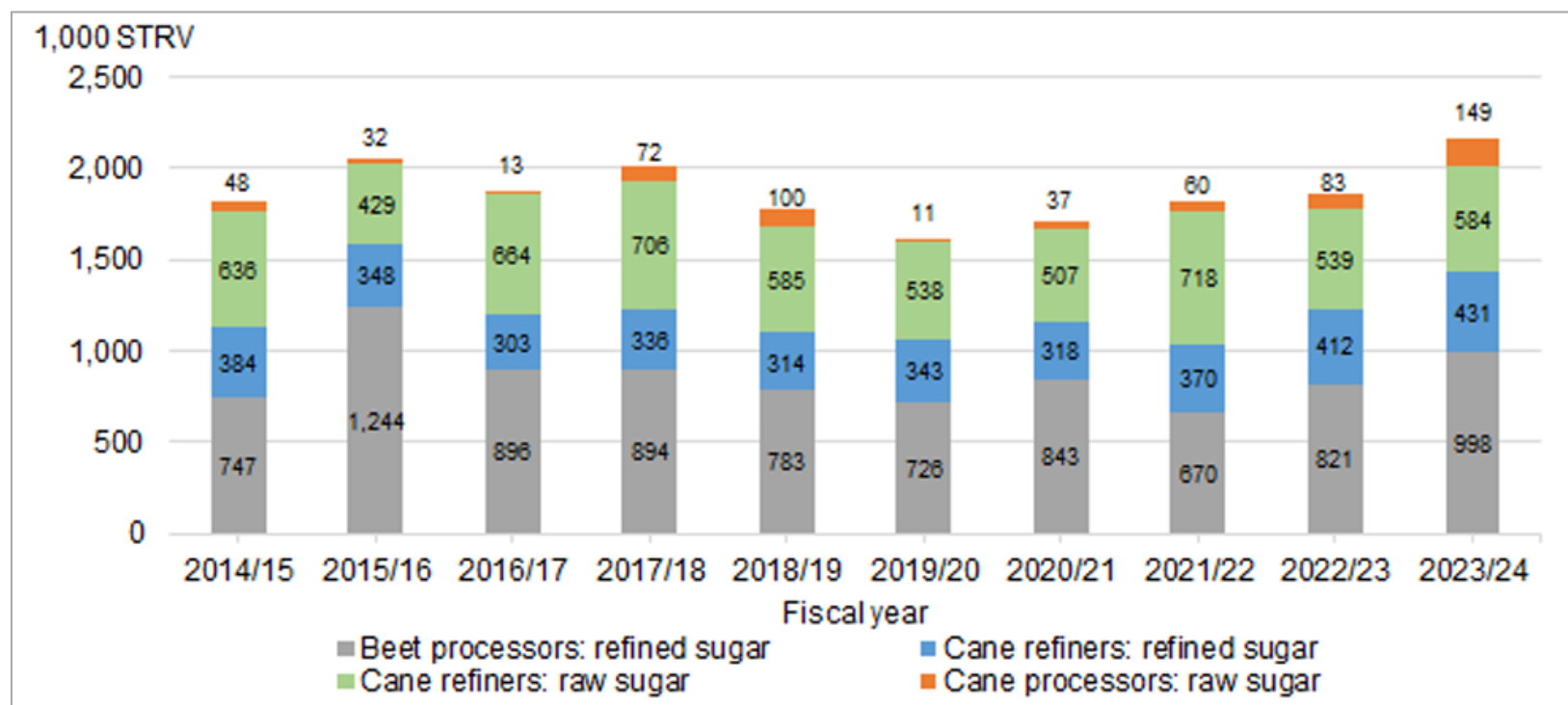
U.S. Sugar Imports, by type

Three-year comparison of import sources



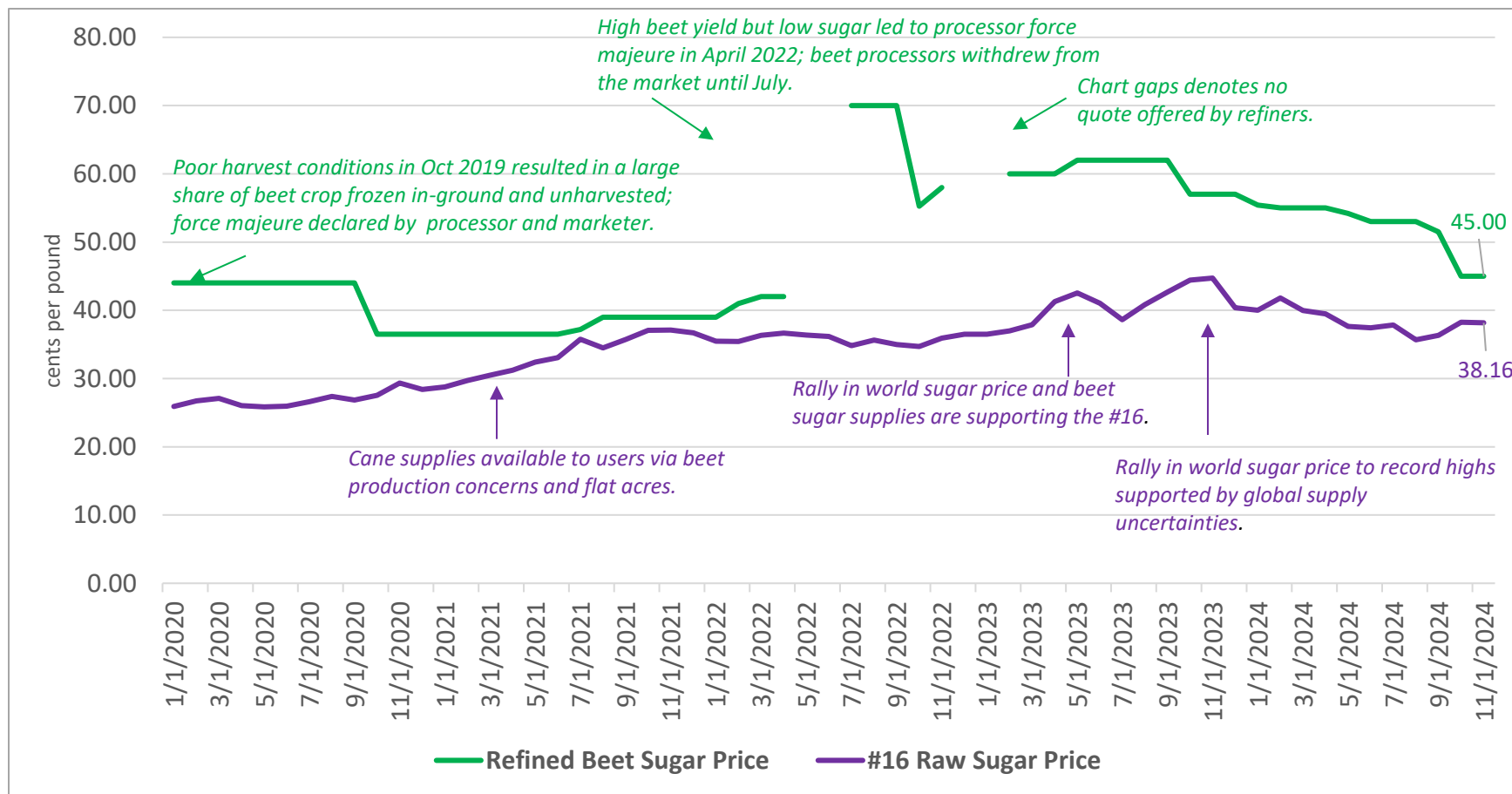
U.S. Sugar Ending Stocks

2014/15 to 2023/24



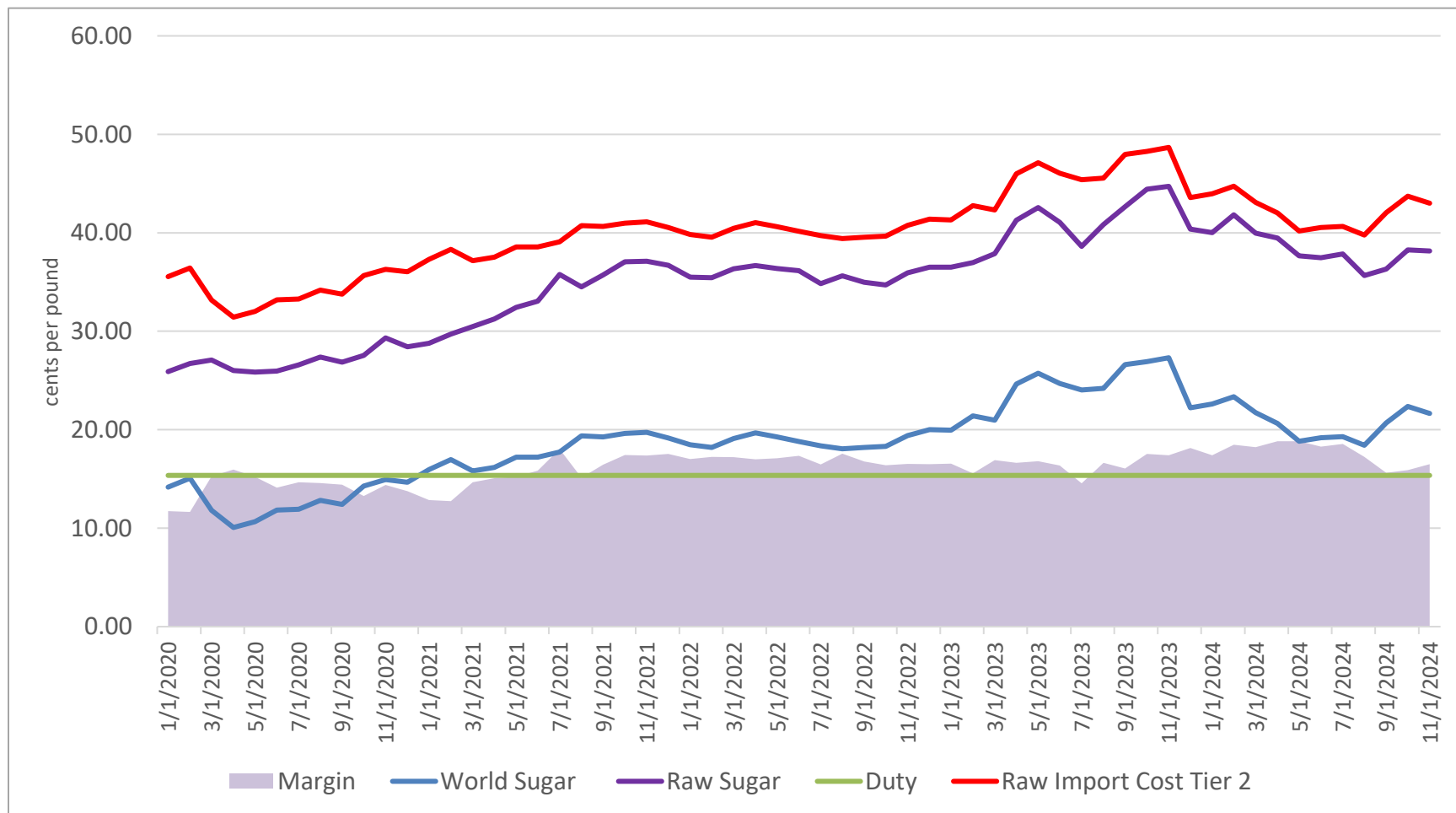
U.S. Refined Beet and Raw Cane Sugar Prices

Historical comparison of the reported MW refined beet and #16 raw prices



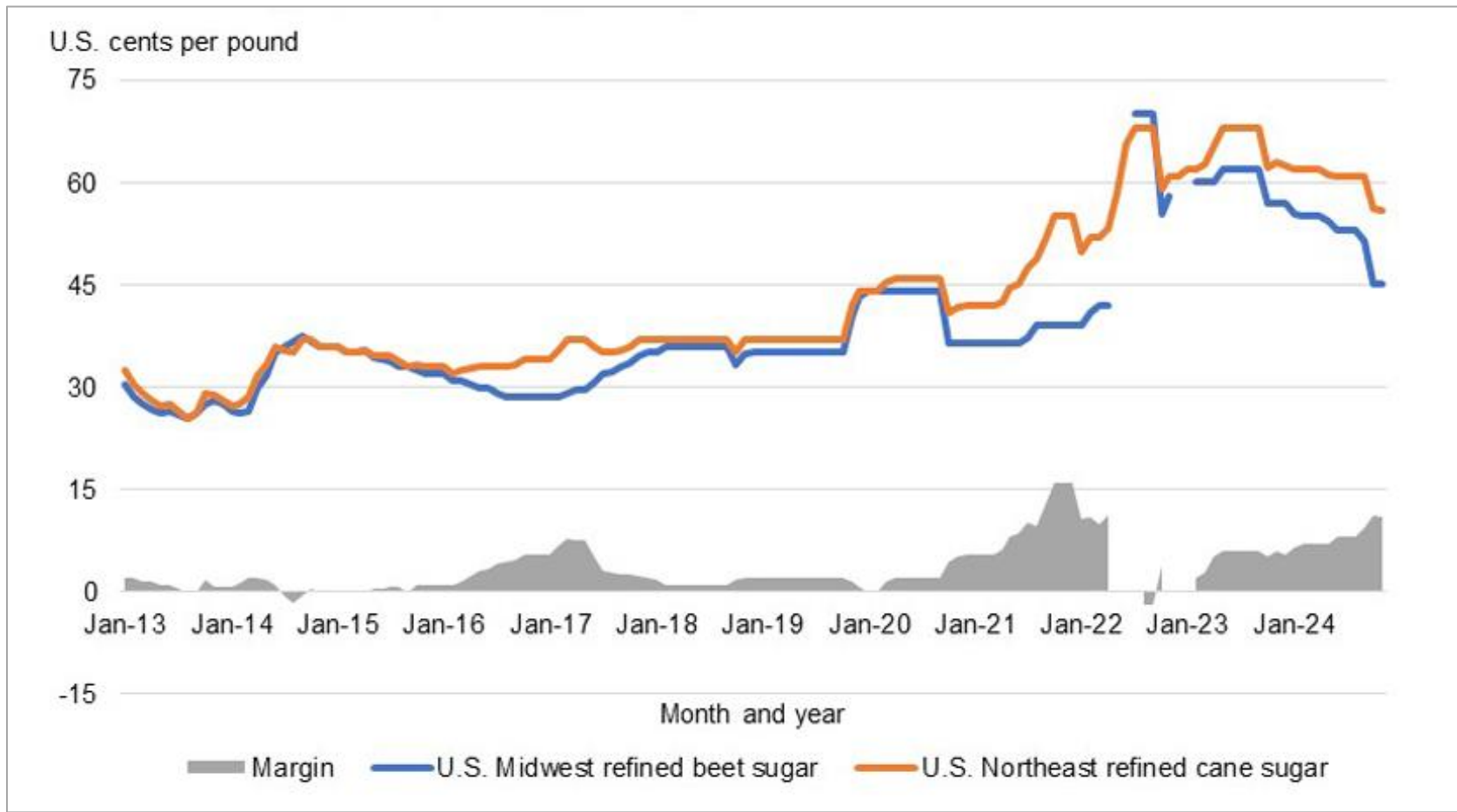
Raw Sugar Pricing Dynamics

World (#11) and U.S. (#16) raw sugar futures performance



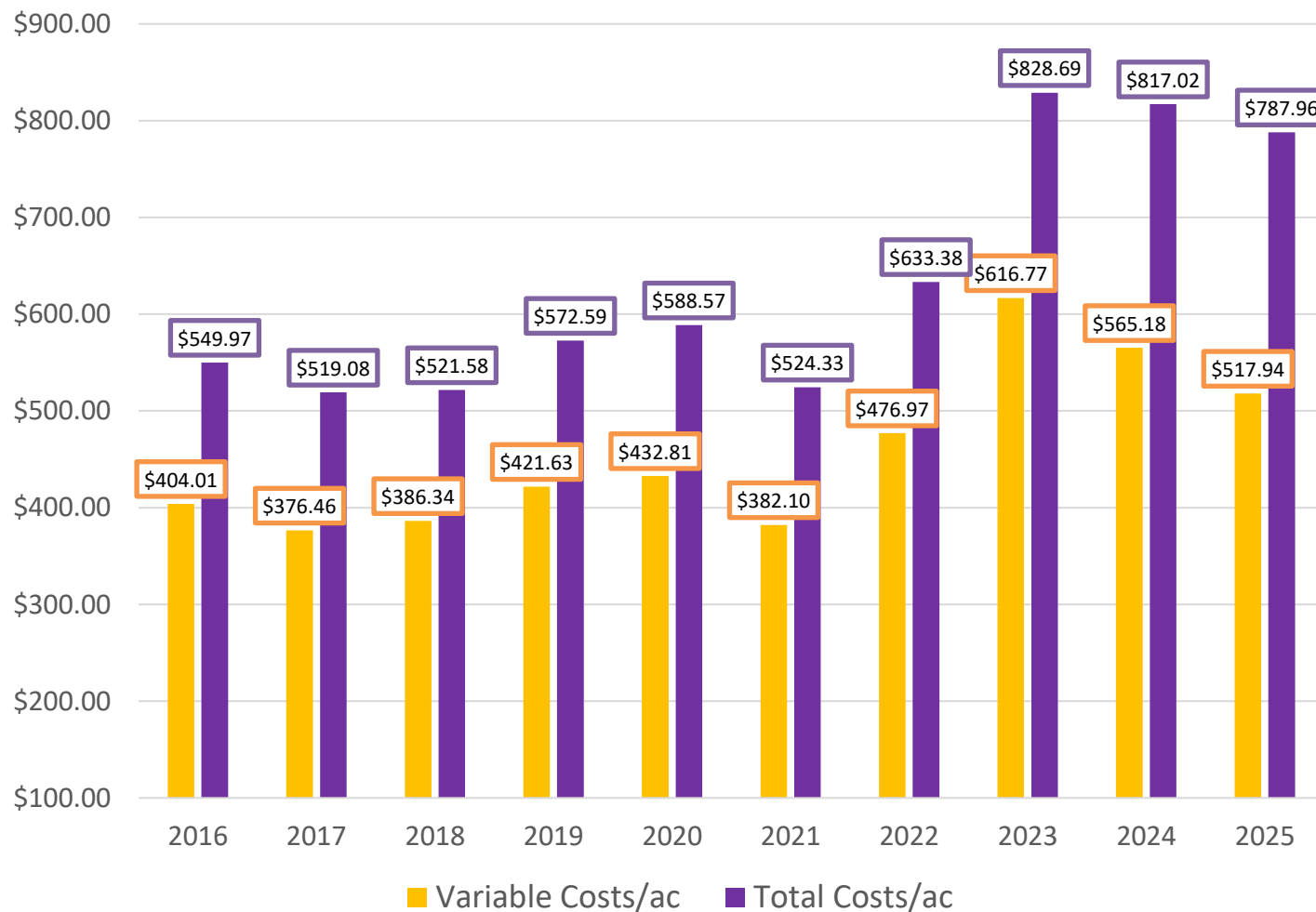
U.S. Refined Sugar Prices

Monthly prices, January 2013 to November 2024



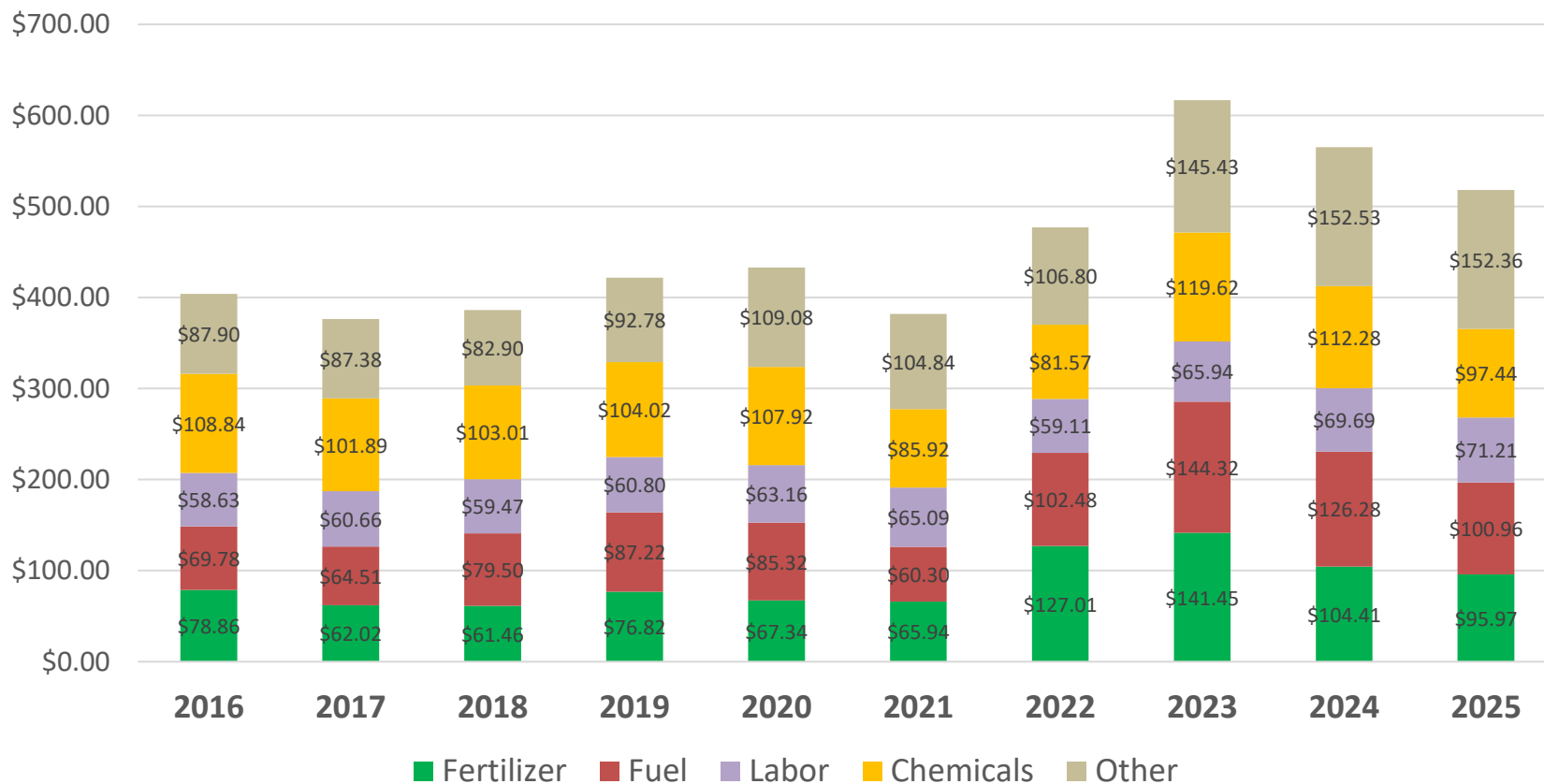
Louisiana Sugarcane Production Costs

Representative 1,000 ac with harvest to 3rd Stubble (previous 10 crop years)



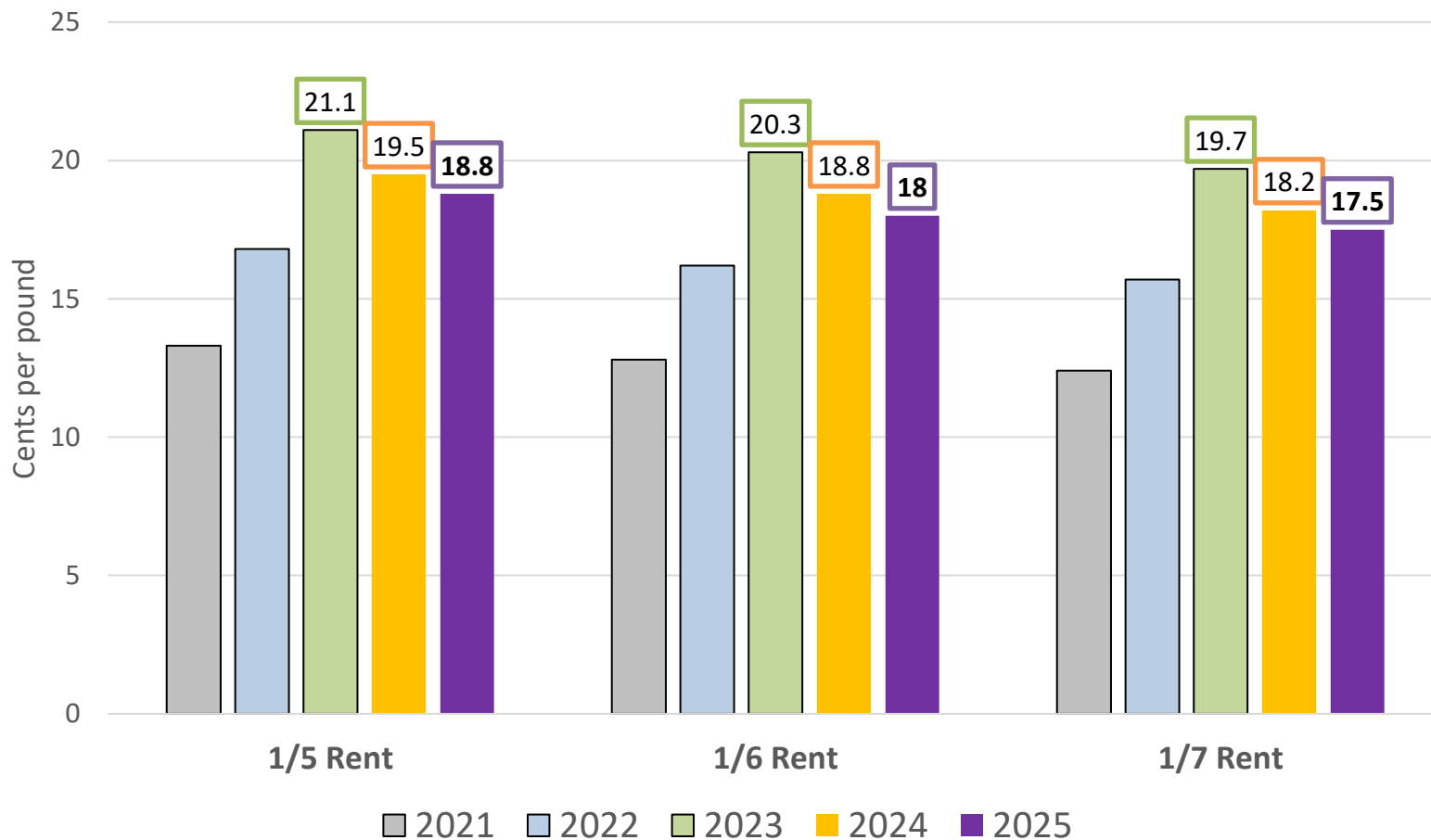
Estimated Direct Expenses for Sugarcane

Representative 1,000 ac with harvest to 3rd Stubble (previous 10 crop years)



Louisiana Sugarcane Production Costs

Breakeven GRW price needed to cost to cover variable costs per acre



Sugarcane Production Costs and Returns Model

Farm planning/decision tool for 2025

2025 Projected Sugarcane Production Farm Costs and Returns Model A Farm Planning/Decision Tool for Louisiana Sugarcane Growers 2025 Crop Year



Worksheet Page	Title / Information
1	Index
2	Costs and Returns Summary
3	Breakeven Analysis Breakeven Raw Sugar Prices Breakeven Sugarcane Yields Breakeven Sugar Recovery Rates
4	Fallow & Seed Cane Fallow Expenses Purchased Seed Cane Expenses Wholestalk Seed Cane Harvest Expenses Billet Seed Cane Harvest Expenses
5	Planting Operations Hand Planting - 1-Row Wholestalk Mechanical Planting - 1-Row Wholestalk Mechanical Planting - 1-Row Billet
6	Field Operations Plant Cane Field Operations First Stubble Field Operations Second Stubble Field Operations Third Stubble and Older Field Operations
7	Harvest Operations Harvest Expenses - 1-Row Combine Harvester Harvest Expenses - 2-Row Wholestalk Harvester
8	Weighted Average Mill Share Calculator
9	Weighted Average Yield Calculator
10	Weighted Average Land Crop Share Calculator

Developed by Michael A. Deliberto and Brian Hilbun
Department of Agricultural Economics & Agribusiness - Staff Report No. 2025-01 January 2025



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Staff Report No. 2025-01

January 2025

2025 Projected Sugarcane Production Farm Costs and Returns Model A Farm Planning/Decision Tool for Louisiana Sugarcane Growers



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Baton Rouge, Louisiana 70803

The 2025 Projected Sugarcane Farm Costs and Returns Model was developed to assist sugarcane producers in planning for the 2025 crop year. The model is an Excel spreadsheet which allows sugarcane producers to enter projected sugarcane acreage of plant cane, first stubble, second stubble, and third stubble; associated projected yield levels per acre (tons); raw sugar and molasses price for the new crop year; and production cost data for 2025 to estimate net returns above variable and total production costs and to easily evaluate the impact of changing sugarcane yields, input prices, and input application rates on net returns per acre. The primary purpose of this model is to serve as a producer farm planning and decision tool to project and evaluate the impact on net returns above variable and total production costs from sugarcane production for the 2025 crop year. Calculations for the weighted average of yield, mill share, and land rent are provided within the model so that producers can examine an overall average economic performance for the farm.

The model also includes entry cells for whole farm fixed expenses to estimate projected net returns above all sugarcane farm production costs. This model can be used in conjunction with the *2025 Projected Sugarcane Costs and Returns* published by the LSU Agricultural Center. Both serve as farm management tools that allow producers to document their management strategies and production goals by providing a detailed economic analysis of how those strategies can be better managed to increase farm profitability.

Worksheet # 1: Projected Sugarcane Farm Costs and Returns Model Index

Worksheet page one of this Excel model serves as an index or table of contents to identify the production, income and expense worksheet pages included in the model. Pages within model allow for entry of sugarcane production expenses for fallow land, purchased seed cane, farm propagated seed cane, planting operations (hand, mechanical, wholestalk, billet), field operations for plant cane and stubble cane, and harvest operations (billet or wholestalk). Titles on expense worksheet tables match those used in the *2025 Projected Sugarcane Costs and Returns* published by the LSU Agricultural Center A.E.I.R.S. Publication No. 377 which is available via the LSU Agricultural Center or via the internet at:

http://www.lsuagcenter.com/en/crops_livestock/crops/sugarcane/economics

Projected production cost estimates from the 2025 projected costs and returns report are already entered into the model. On each worksheet, the producer can change information, in cells that are highlighted in blue (blue text font), to more closely match an individual farm operation. Those production expense estimates, along with acreage values and yield projections, are then automatically incorporated into calculations of farm costs and returns for an instant determination of overall projected farm profitability (Worksheet # 2) and breakeven production and price values (Worksheet # 3).

¹ Dr. M.A. Deliberto, Assistant Professor and B.M. Hilbun, Research Associate
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Projected Whole Farm Sugarcane Costs and Returns for the 2025 Crop Year									
Total Farm Acres		1,000.0		Dollars	Number	Total	Dollar	Value	
Total Acres Harvested for Sugar		760.6		Per	of	Dollar	Value	Per	Value
Raw Sugar Price per Pound		\$0.380		Acre	Acres	Value	Per	Acres	Pound
Molasses Price per Gallon		\$0.65							of
Total Sugarcane Production (tons) =		25,463							
Total Raw Sugar Production (lbs) =		5,881,907							
				(\$/acre)	(acre)	(\$)	(\$/acre)	(\$/lb of sugar)	
Gross Value of Production:									
Sugar:	tons/acre	sugar/ton	sugar/acre						
Plant Cane	38.0	231	8,778	3,335.64	160.6	535,704	535.70	0.380	
1st Stubble	37.2	231	8,593	3,265.42	200.0	653,083	653.08	0.380	
2nd Stubble	30.8	231	7,115	2,703.62	200.0	540,725	540.72	0.380	
3rd Stubble	28.8	231	6,653	2,528.06	200.0	505,613	505.61	0.380	
Older Stubble	0.0	0	0	0.00	0.0	0	0.00	0.000	
					760.6				
Total Market Value of Sugar Production						\$2,235,125	\$2,235.12	\$0.380	
Molasses:									
Gal. Mol./Cwt. Sugar		3.0							
Gallons of Molasses		176,457	--	--		\$114,697	\$114.70	\$0.020	
Total Market Value of Sugar & Molasses						\$2,349,822	\$2,349.82	\$0.400	
				Dollars	Number	Total	Dollar	Value	
				Per	of	Dollar	Value	Per	Value
				Acre	Acres	Value	Per	Acres	Pound
Mill Charge									of
Sugar	Cane Share	39.0%	--	--		871,699	871.70	0.148	
Molasses	Molasses Share	50.0%	--	--		57,349	57.35	0.010	
Total Mill Charge						\$929,047	\$929.05	\$0.158	
Net Returns to Land and Producer						\$1,420,775	\$1,420.77	\$0.242	
Land Share (Share Basis)									
Sugar	Cane Share	16.7%	--	--		227,692	227.69	0.039	
Molasses	Molasses Share	16.7%	--	--		9,577	9.58	0.002	
Total Land Charge						\$237,269	\$237.27	\$0.040	
Net Returns to Producer						\$1,183,505	\$1,183.51	\$0.201	
Producer Income									
Sugar and Molasses			--	--		1,183,505	1183.51	0.201	
Other Income			--	--		0			
Other Income			--	--		0			
Other Income			--	--		0			
Total Producer Income						\$1,183,505	\$1,183.51	\$0.201	
Variable Production Expenses:									
Fallow Field & Seedbed Preparation Operations		\$159.95	200.0			31,990			
Cultured Seed Cane		\$751.58	3.3			2,480			
Hand Planting Seed Cane		\$250.76	3.3			828			
Harvesting Wholestalk Seed Cane		\$103.42	39.4			4,075			
Harvesting Billet Seed Cane		\$146.93	0.0			0			
Mechanical Planting Wholestalk Seed Cane		\$217.35	196.7			42,753			
Mechanical Planting BilletSeed Cane		\$190.28	0.0			0			
Plant Cane Field Operations		\$301.17	200.0			60,234			
1st Stubble Field Operations		\$348.28	200.0			69,657			
2nd Stubble Field Operations		\$327.92	200.0			65,584			
3rd Stubble Field Operations		\$327.92	200.0			65,584			
Older Stubble Field Operations		\$364.78	0.0			0			
Combine Harvest for Sugar		\$229.65	760.6			174,672			
Wholestalk Harvest for Sugar		\$148.12	0.0			0			
Other Expenses		\$0.00	0.0			0			
Other Expenses		\$0.00	0.0			0			
Total Variable Production Expenses						\$517,857	\$517.86	\$0.088	
Net Returns Above Variable Production Expenses						\$665,649	\$665.65	\$0.113	
Fixed Expenses (total from table below)						\$251,839	\$251.84	\$0.043	
Net Returns Above Total Production Expenses						\$413,810	\$413.81	\$0.070	

Breakeven Raw Sugar Prices for 2025

Mill Share	39.0%	Average sugar per ton CRS (lbs/ton)	231	Selected Yield Levels				
Land Share	16.7%							
Grower Share	50.8%							
				- 10%	- 5%	Projected 2025 Yield	+ 5%	+ 10%
Cane yield per harvested acre (tons)				30.1	31.8	33.5	35.2	36.8
Cane yield per total farm acre (tons)				22.9	24.2	25.5	26.7	28.0
Sugar yield per harvested acre (lbs)				6,960	7,347	7,733	8,120	8,507
Sugar yield per total farm acre (lbs)				5,294	5,588	5,882	6,176	6,470
-----cents per lb.-----								
Breakeven Raw Sugar Price to Recover: 1/								
Variable (Direct) Production Expenses				19.25	18.24	17.33	16.50	15.75
Total Production Expenses				28.61	27.11	25.75	24.53	23.41

1/ Estimation of breakeven sugar prices excludes molasses payment.

Breakeven Sugarcane Yields (Tons/ Acre) for 2025

Mill Share	39.0%	Average sugar per ton CRS (lbs/ton)	231	Selected Raw Sugar Price Levels				
Land Share	16.7%							
Grower Share	50.8%							
				- 10%	- 5%	Projected 2025 Price	+ 5%	+ 10%
Raw sugar price (\$/pound)				\$0.342	\$0.361	\$0.380	\$0.399	\$0.418
-----tons per total farm acre-----								
Breakeven Yield/Total Farm Acre to Recover: 1/								
Variable (Direct) Production Expenses				12.9	12.2	11.6	11.1	10.6
Total Production Expenses				19.2	18.2	17.3	16.4	15.7
-----tons per harvested acre-----								
Breakeven Yield/Harvested Acre to Recover: 1/								
Variable (Direct) Production Expenses				17.0	16.1	15.3	14.5	13.9
Total Production Expenses				25.2	23.9	22.7	21.6	20.6

1/ Estimation of breakeven sugar prices excludes molasses payment.

Breakeven Sugar Recovery (CRS) for 2025

Mill Share	39.0%	Cane yield per harvested acre (tons)	33.5	Selected Yield Levels				
Land Share	16.7%	Cane yield per total farm acre (tons)	25.5					
Grower Share	50.8%							
				- 10%	- 5%	Projected 2025 Price	+ 5%	+ 10%
Raw sugar price (\$/pound)				\$0.342	\$0.361	\$0.380	\$0.399	\$0.418
-----pounds of sugar per ton of cane-----								
Breakeven Sugar Recovery (CRS) to Recover: 1/								
Variable (Direct) Production Expenses				117	111	105	100	96
Total Production Expenses				174	165	157	149	142

1/ Estimation of breakeven sugar prices excludes molasses payment.



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U.S. /Mexico Suspension Agreement on Sugar



- Contains a variety of time and volume limits that are designed to preclude imports of sugar from Mexico from oversupplying the U.S. market, while also allowing Mexico to supply 100% of unmet U.S. sugar needs.
- **Agreement requires all imports of refined sugar (>99.5) from Mexico to be sold in the U.S. market at or above 28 cents per pound, and imports of all raw sugar from Mexico be sold at or above 23 cents per pound (ex-mill Mexico or FOB Mexican plant).**
 - *FOB prices are equated to a U.S. delivered value and does not include a transpiration cost estimate from Mexico to the U.S. (~ +2 cents per pound)*
- The projection of Mexico sugar exports to the United States is based on the larger of the Target Quantity of U.S. Sugar Needs from this *WASDE* report or the effective Export Limit previously calculated by the U.S. Department of Commerce.