

## NOTES FROM THE JANUARY 2010 SMD REPORT

- 1) **New Cane Refiner.** A new cane refiner recently began reporting to the Farm Service Agency, retroactively beginning with the month of October, 2009. Since the new cane refiner had beginning stocks, receipts, imports, deliveries, and ending stocks, etc., all of the statistics for every month in FY 2010 have been revised.
  
- 2) **Repeat Notice of Sugar Import and Deliveries Revision.** (The January SMD continues a revision made pursuant to this note in the December 2009 Sweetener Market Data report.) The December 2009 Sweetener Market Data (SMD) is revised herein because the previously reported estimates of raw and refined sugar imports, and sugar food use deliveries by non-reporters were incorrect. The procedure implemented in October 2009 for estimating these items, discussed in the September 2009 Sweetener Market Data, estimates trader (non-reporter) imported sugar sales to refiners by subtracting cane processors' raw sugar sales from cane refiners' raw sugar purchases. We assumed that reported raw sugar purchases would always be higher than raw sugar sales, the difference being the raw sugar sales by traders (non-reporters). Unfortunately, the reporting to USDA by cane processors of raw sugar sales does not coincide perfectly with the reporting to USDA by refiners of their raw sugar purchases from cane processors. For December 2009, reported raw sugar sales by cane processors were much larger, 84,026 tons, than reported raw sugar purchases by cane refiners. Thus, for December 2009, our new method estimated a negative number for trader (non-reporter) raw sugar sales, an unreasonable result. This negative number falsely reduced raw sugar imports, increased refined sugar imports, and increased food use deliveries. The revision reported today is the result of modifying our process to prevent the use of a negative estimate of trader (non-reporter) raw sugar sales.

However, the Farm Service Agency is still not satisfied with the modified algorithm to estimate trader (non-reporter) sugar sales in the SMD and will continue to examine other modifications to the current process.

- 3) **FY 2009 Beet Production Revision.** In order to be consistent with both historical and current year data series, beet production for FY 2009 has been revised to restore the treatment of beet thick juice as 'sugar'. For an explanation of the revision see the paragraph entitled "Beet Production" on page III at: [http://www.fsa.usda.gov/Internet/FSA\\_File/sep09\\_smd\\_write\\_up\\_changes.pdf](http://www.fsa.usda.gov/Internet/FSA_File/sep09_smd_write_up_changes.pdf). These changes are displayed in "FY 2009: Yearly Sweetener Market Report" found at: <http://www.fsa.usda.gov/FSA/webapp?area=home&subject=ecpa&topic=dsa>. The FY 2009 beet production history has also been updated in the Historical Sweetener Marketing Data under "Production" found at: <http://www.fsa.usda.gov/FSA/webapp?area=home&subject=ecpa&topic=dsa-hs>. As a result, the "Fiscal Year (FY) to Date Summary found on page v. of this issue of the SMD compares FY 2010 beet production-to date, to the revised estimates.