

International Sweetener Colloquium

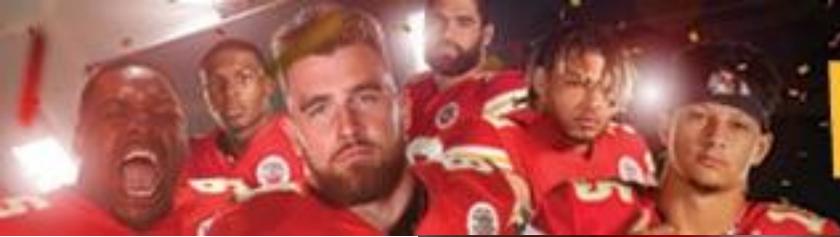
# Corn Sweetener Situation

February 24, 2020

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**WORLD CHAMPIONS**

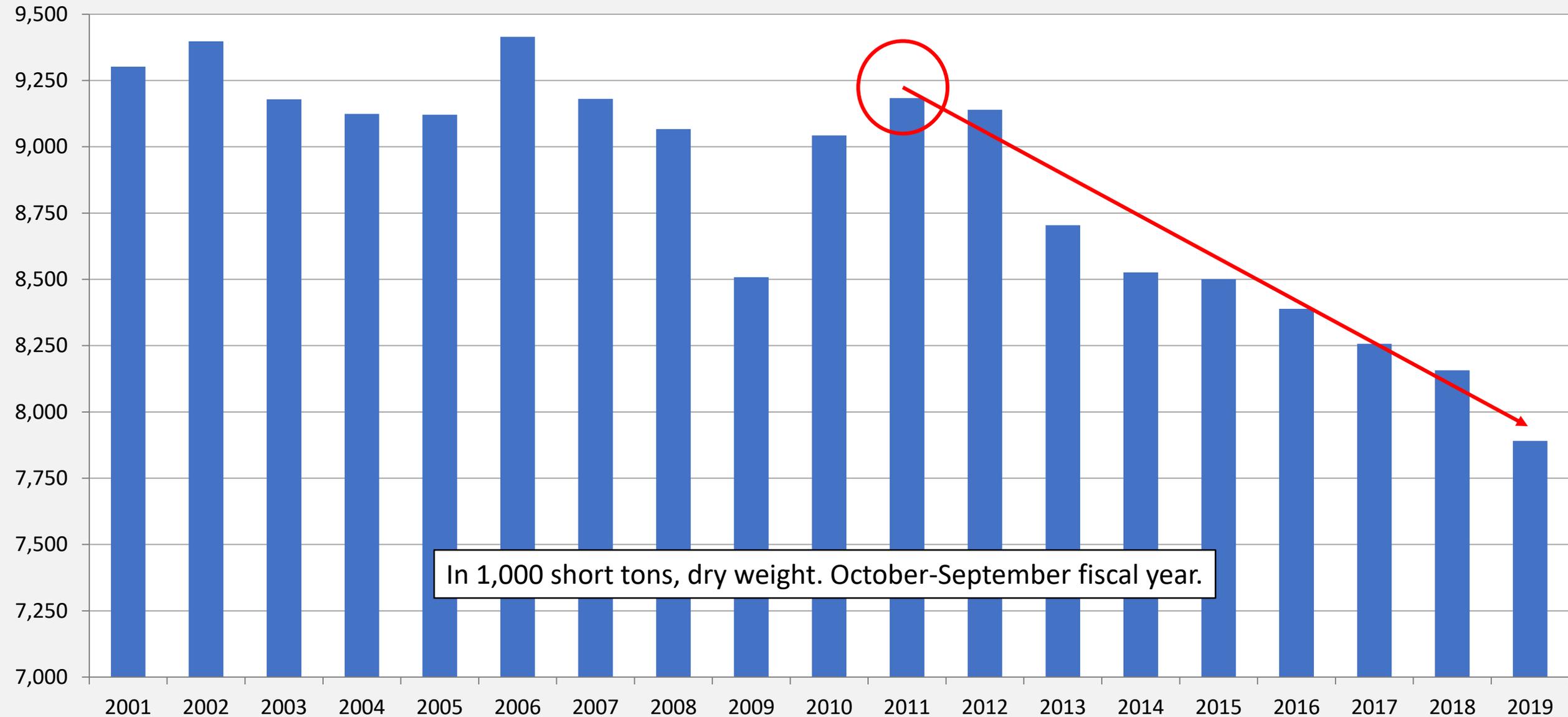
Mahomes  
leads  
Chiefs' rally  
past 49ers  
in Super  
Bowl, 31-20



# Corn Sweetener Market Overview

- **Production continues multi-year decline**
  - 42% HFCS leading way down
  - 55% HFCS decline slowed by bottlers and exports
  - Dextrose/Glucose joining in decline after years of increase
- **Mexico remains key export outlet for U.S. HFCS**
- **Refiners continue to adjust (reduce) capacity**
- **Prices continue to edge higher**

# Total Annual HFCS Production

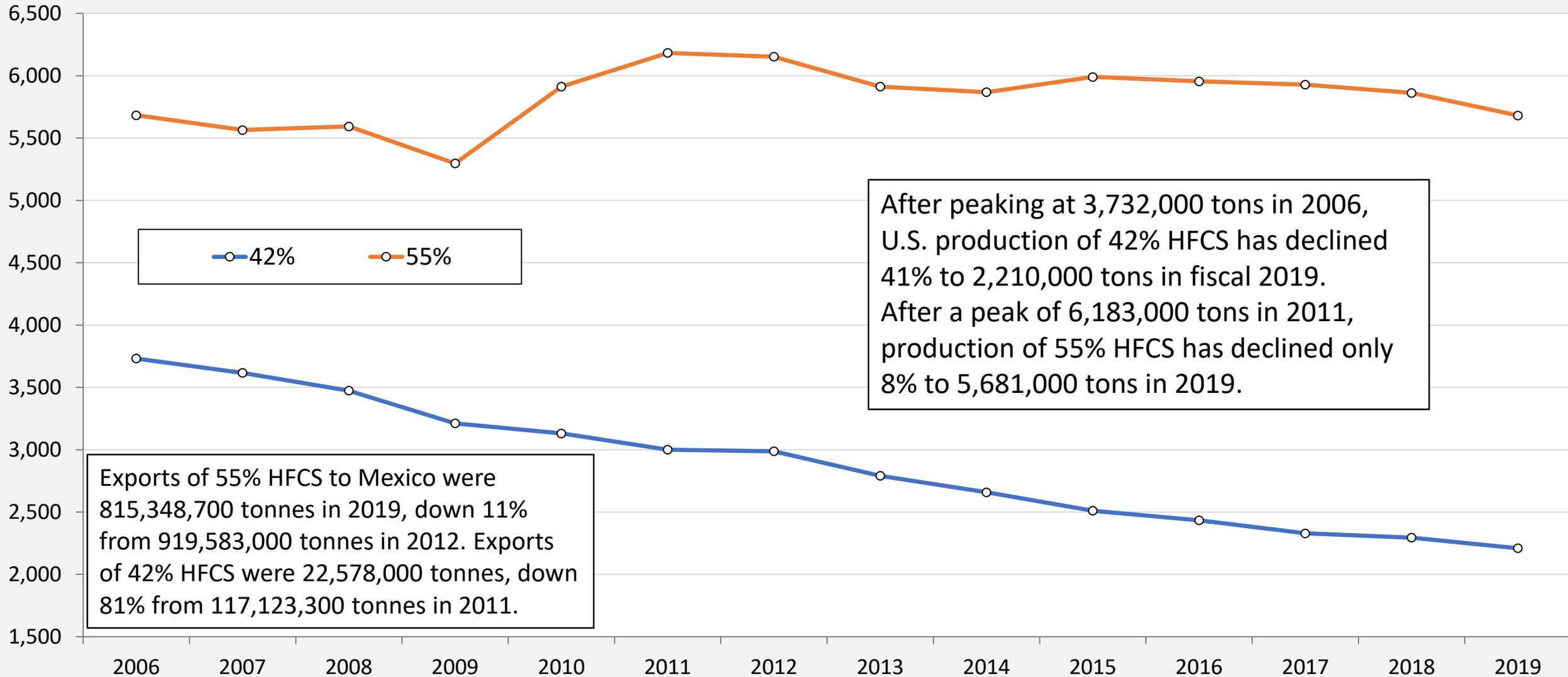


In 1,000 short tons, dry weight. October-September fiscal year.

Fiscal 2018-19 (Oct.-Sept.) production of 7,891,000 tons was down 3.3% from 2017-18 and has declined 14% since 2010-11. Source: U.S.D.A.

# Annual 42% and 55% HFCS Production

In 1,000 short tons, dry weight. October-September fiscal year. Source: U.S.D.A.



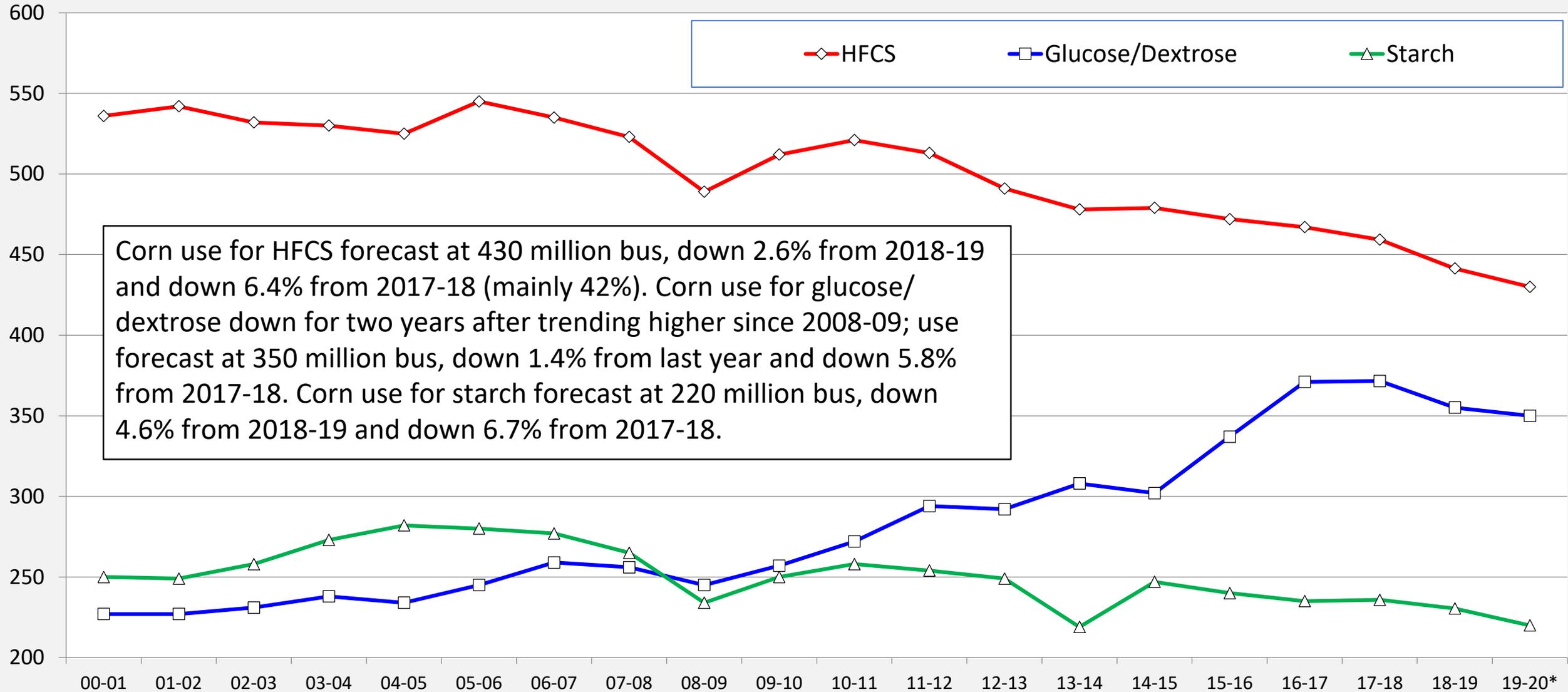
After peaking at 3,732,000 tons in 2006, U.S. production of 42% HFCS has declined 41% to 2,210,000 tons in fiscal 2019. After a peak of 6,183,000 tons in 2011, production of 55% HFCS has declined only 8% to 5,681,000 tons in 2019.

Exports of 55% HFCS to Mexico were 815,348,700 tonnes in 2019, down 11% from 919,583,000 tonnes in 2012. Exports of 42% HFCS were 22,578,000 tonnes, down 81% from 117,123,300 tonnes in 2011.

Strong exports of 55% HFCS to Mexico have largely offset declines in U.S. 55% consumption and allowed for fairly steady production.

# Corn Used for Sweeteners

In million bus; \*Forecast. Sept.-Aug. marketing year. Source: U.S.D.A. February Feed Outlook.



Corn use for HFCS forecast at 430 million bus, down 2.6% from 2018-19 and down 6.4% from 2017-18 (mainly 42%). Corn use for glucose/dextrose down for two years after trending higher since 2008-09; use forecast at 350 million bus, down 1.4% from last year and down 5.8% from 2017-18. Corn use for starch forecast at 220 million bus, down 4.6% from 2018-19 and down 6.7% from 2017-18.

First quarter (Sept.-Nov.) 2019-20 corn used for HFCS down 3.4% from last year, for glucose/dextrose down 3.5% and for starch down 4.7%.

# Corn Sweetener Prices

Cents/lb or \$/cwt. NOTE: Prices shown reflect sales to small/med. users; large sales lower.

42% HFCS Spot		
	2020	2019
Midwest	25½-26	25-25¾
Northeast	27-27½	26½-27¼
Southeast	27¼-27¾	26¾-27½
South	26¾-27¼	26¼-27
West	27½-28¾	27-28¾

55% HFCS Spot		
	2020	2019
Midwest	32¾-33¾	31¾-32¼
Northeast	34¼-35¼	33¼-33¾
Southeast	34¼-35¼	33¼-33¾
South	34-35	33-33½
West	34¾-35¾	33¾-35¼

Corn Syrup Spot		
	2020	2019
Midwest	36¾-37¼	35¾-36¼
Northeast	39-39½	38-38½
Southeast	39-39½	38-38½
South	40-40½	39-39½
West	41-41½	40¼-40¾

New annual pricing for HFCS and regular corn syrup began Jan. 1 at levels about flat to up \$2 a cwt from 2019.

Forecast use of corn for corn sweeteners and starch in 2019-20 was unchanged from Jan. in the Feb. WASDE. (after being lowered in Jan.). Corn use for HFCS, glucose/ dextrose and starch all continue to decline.

Higher prices based on less capacity, higher operational costs including labor, chemicals and maintenance, higher net corn costs and higher transportation costs incurred by refiners.

Dextrose Spot		
	2019	2018
East	42-42½	40½-41½
Midwest	41-41½	39½-40½
South	43-43½	41½-42½
West	44-44½	42½-43½

New annual pricing began Jan. 1 for dry dextrose, also at higher levels. USDA forecasts lower use of corn for dextrose/glucose in 2019-20.