

U.S. SUGAR SUPPLY AND USE MODIFICATIONS TO FISCAL YEARS 2003 AND 2004

Under the 2002 Farm Act, the USDA requires sugar processors and refiners to report their sugar sales and sugar stock levels on a monthly basis. The reported stocks have been those owned by the reporting processor or refiner. However, since the inception of the Act, beet processors have transferred title of refined sugar to other entities toward the end of each fiscal year to maximize the use of their allocations, withholding physical delivery until it was needed in the next fiscal year. These were not originally being reported to the USDA as stocks because they had already been marketed. In order to track sugar deliveries for domestic human consumption, the USDA decided to require processors to routinely report actual physical deliveries and sugar they hold for others in their inventory. These delivery and stock data will now be tabulated by USDA starting with the December 2002 *Sweetener Market Data*, and reported along with the sales data. Publishing the delivery data enables the public to more accurately chart the course of underlying sugar demand.

In table 1, stocks are subdivided into those owned by cane and beet processors and cane refiners ("Processor/Refiner Stocks"), and refined beet stocks that were transferred in title during the period but still held under the physical control of beet processors for later delivery ("Stocks Held for Others"). Table 1 data also distinguishes between physical deliveries of refined sugar to the domestic food use sector and sales of refined sugar to the domestic food use sector (title to the sugar must transfer to qualify as a charge against a processor's allocation, but delivery is not required).