

The 2010 Outlook for the U.S. Sugar Market

Presented by Paul Meyers – Connell

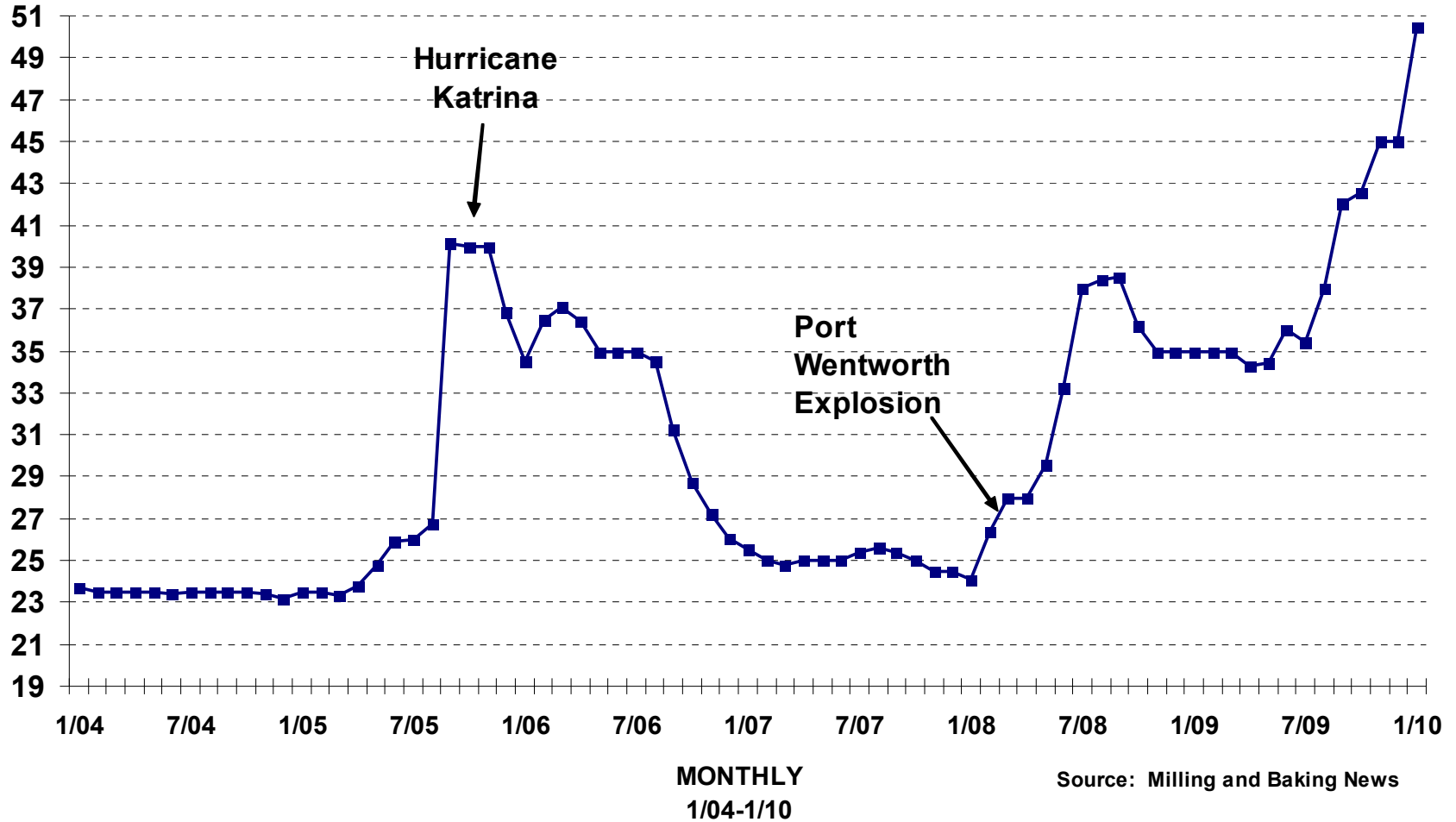
2010 International Sweetener Colloquium

Miami, Florida

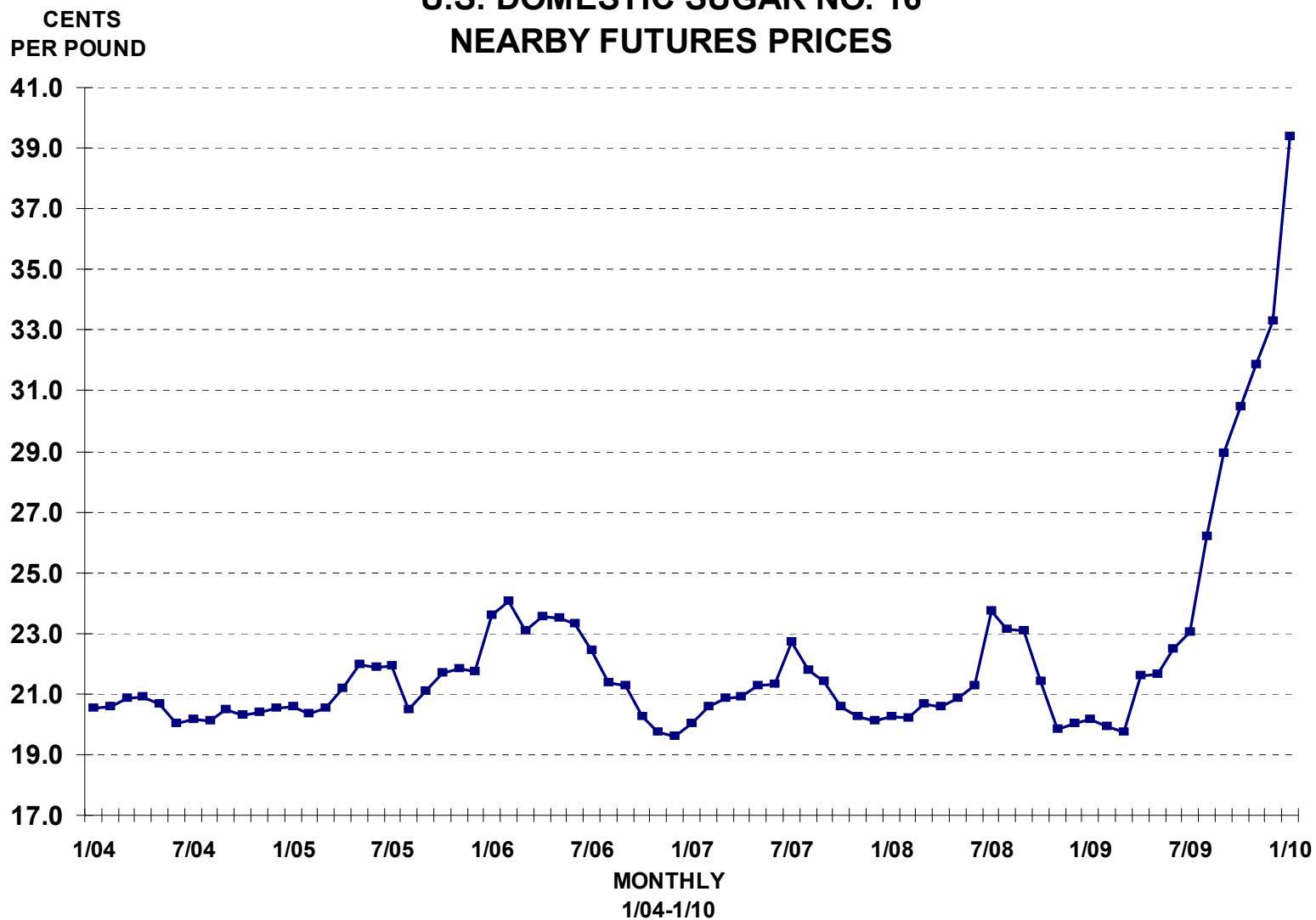
February 22, 2010

U.S. WHOLESALE REFINED BEET SUGAR PRICES, MIDWEST MARKETS

**CENTS
PER POUND**

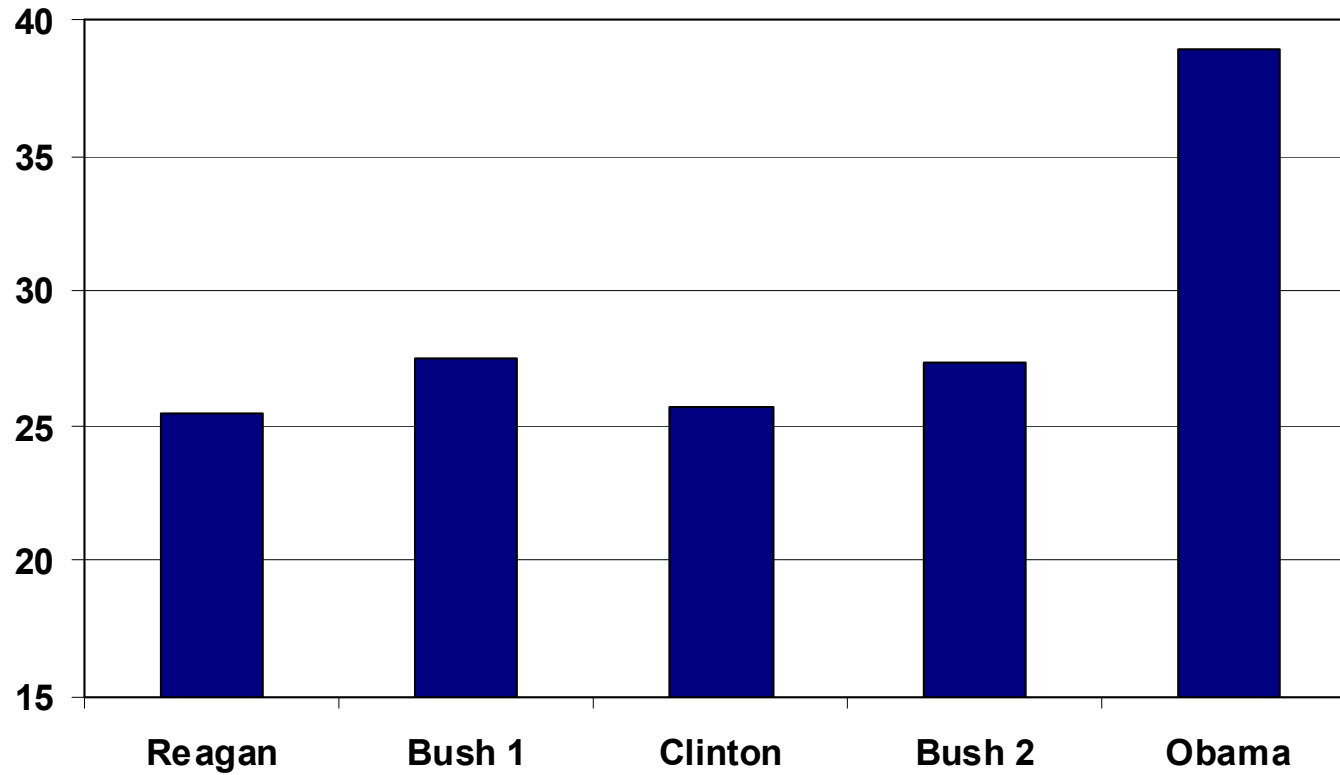


U.S. DOMESTIC SUGAR NO. 16 NEARBY FUTURES PRICES



Average Midwest Refined Beet Sugar Prices Under Various Administrations

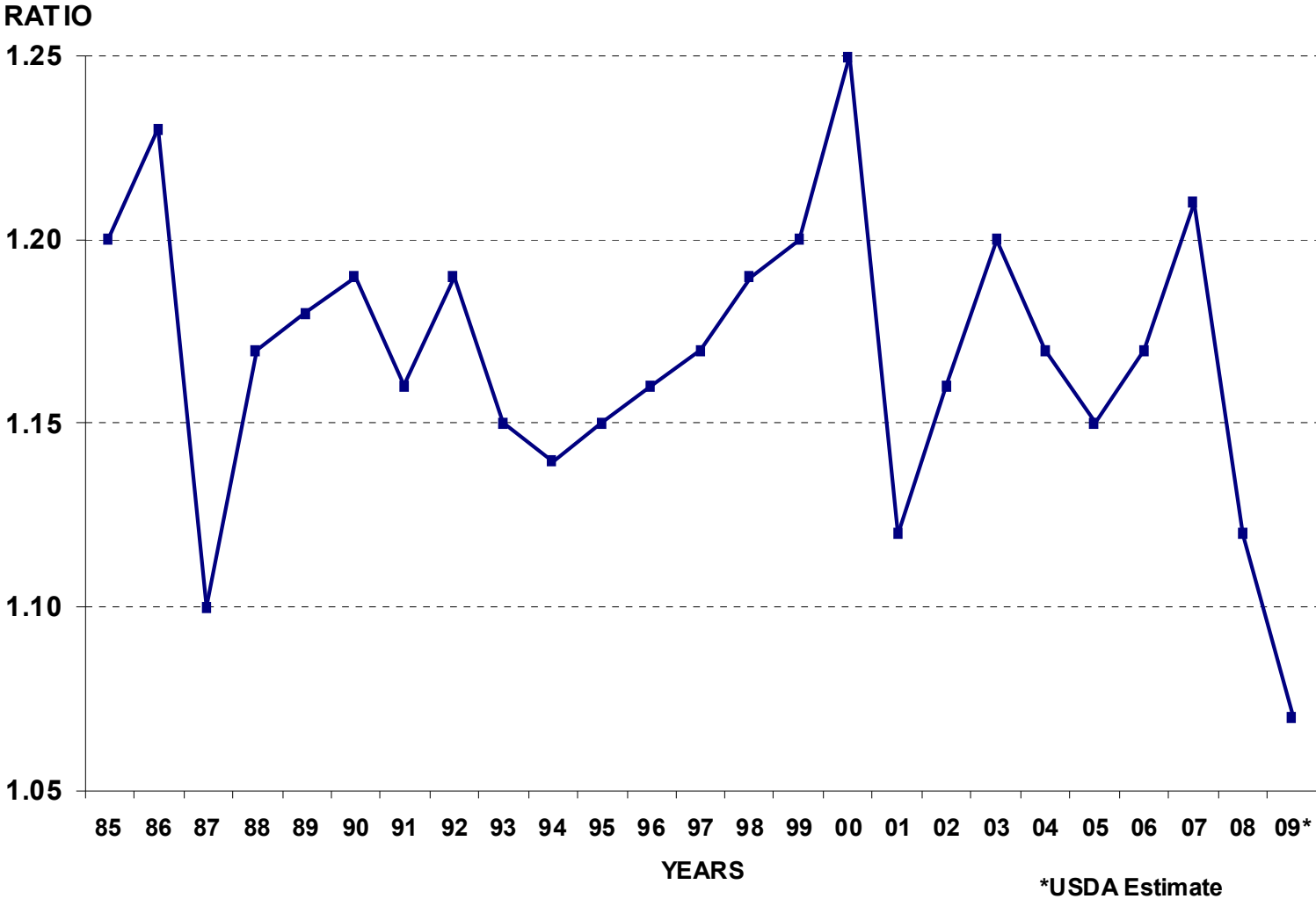
Cents per pound



**Percentage of Months Midwest Refined Beet Sugar
Prices Averaged Above 34 Cents
Under Various Administrations**

<u>Administration</u>	<u>Percentage of Months above 34 cents per pound</u>
Reagan	2
Bush 1	0
Clinton	0
Bush 2	19
Obama	100

RATIO OF TOTAL U.S. SUGAR SUPPLIES TO PREVIOUS YEAR'S USE



U.S. SUGAR SUPPLY/DEMAND

	<u>2007/08</u>	<u>2008/09*</u>	<u>2009/10*</u>	
			<u>Connell</u>	<u>USDA</u>
	-----thousand short tons, raw value-----			
Beg. Stocks	1,799	1,660	1,451	1,451
U.S. Production				
Beet	4,721	4,166	4,450	4,500
Cane	3,431	3,318	3,475	3,472
Total	8,152	7,484	7,925	7,972
Imports				
Quota	1,354	1,370	1,257 1/	1,257 1/
Quota Exempt	572	310	360	360
Mexico	694	1,402	500	540
Total	2,620	3,082	2,117	2,157
Total Supply	12,571	12,226	11,493	11,580
Exports	203	137	150	150
Domestic Use	10,708	10,638	10,700	10,375
Total Use	10,911	10,775	10,850	10,525
Ending Stocks	1,660	1,451	643	1,055
Total S/U Ratio	15.2%	13.5%	5.9%	10.0%

*Connell estimates.

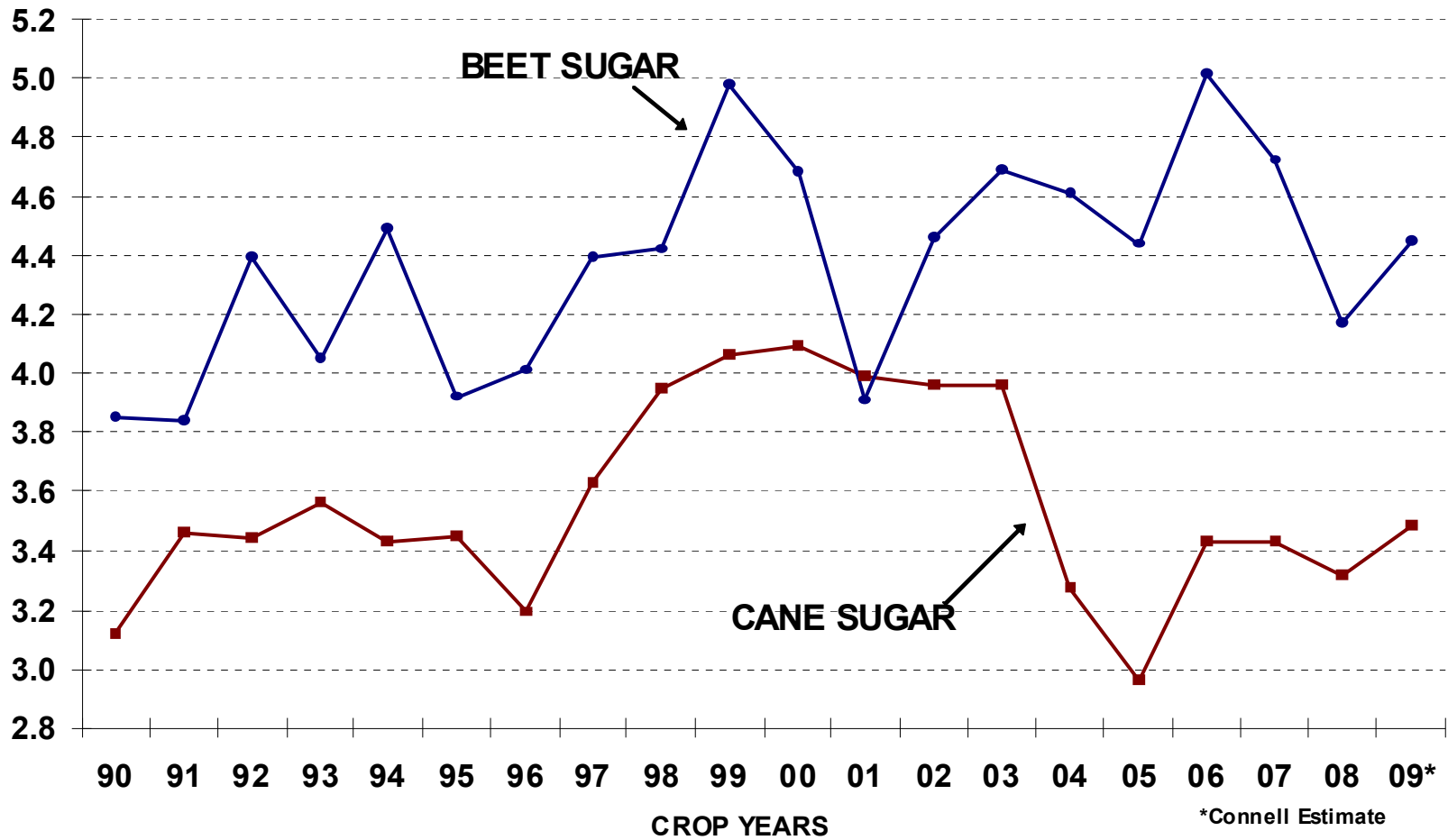
1/ Assumes a quota shortfall of 200 thousand tons.

**USDA 2009/10 U.S. SUGAR PRODUCTION ESTIMATES
AND 2009/10 U.S. SUGAR CARRYOVER STOCKS ESTIMATES**

Date	U.S. Sugar Production Estimates			U.S. 2009/10 Sugar Carryover Stocks Estimates
	Beet Sugar	Cane Sugar	Total Sugar	
	-----thousand short tons, raw value-----			
May 12	4,550	3,525	8,075	289
June 10	4,550	3,475	8,025	459
July 10	4,650	3,375	8,025	359
August 12	4,850	3,425	8,275	709
September 11	4,700	3,325	8,025	844
October 9	4,700	3,325	8,025	836
November 10	4,400	3,313	7,713	1,016
December 10	4,400	3,313	7,713	1,016
January 12	4,400	3,437	7,837	1,140
February 9	4,500	3,472	7,972	1,055

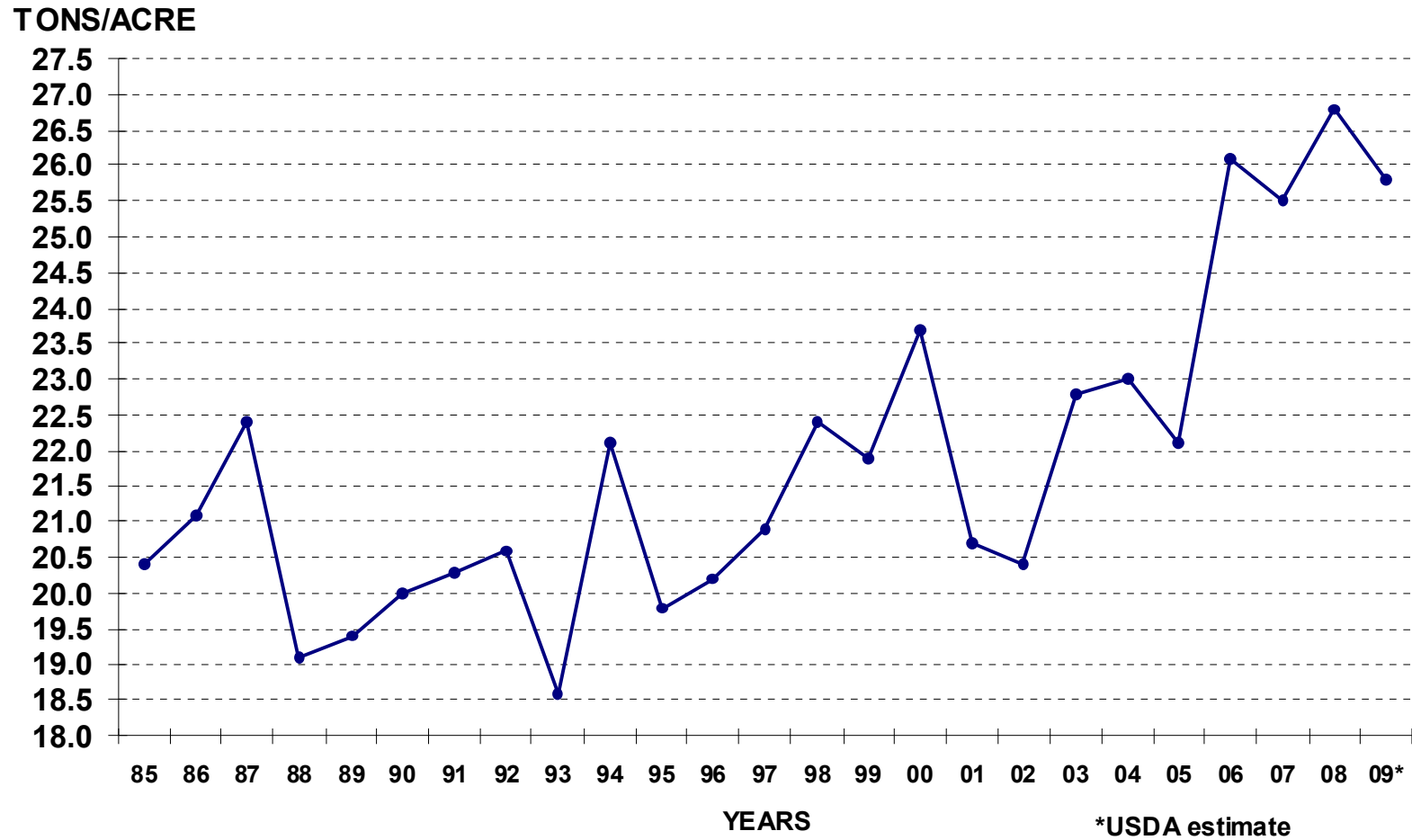
MILLION TONNES
RAW VALUE

U.S. SUGAR PRODUCTION 1/

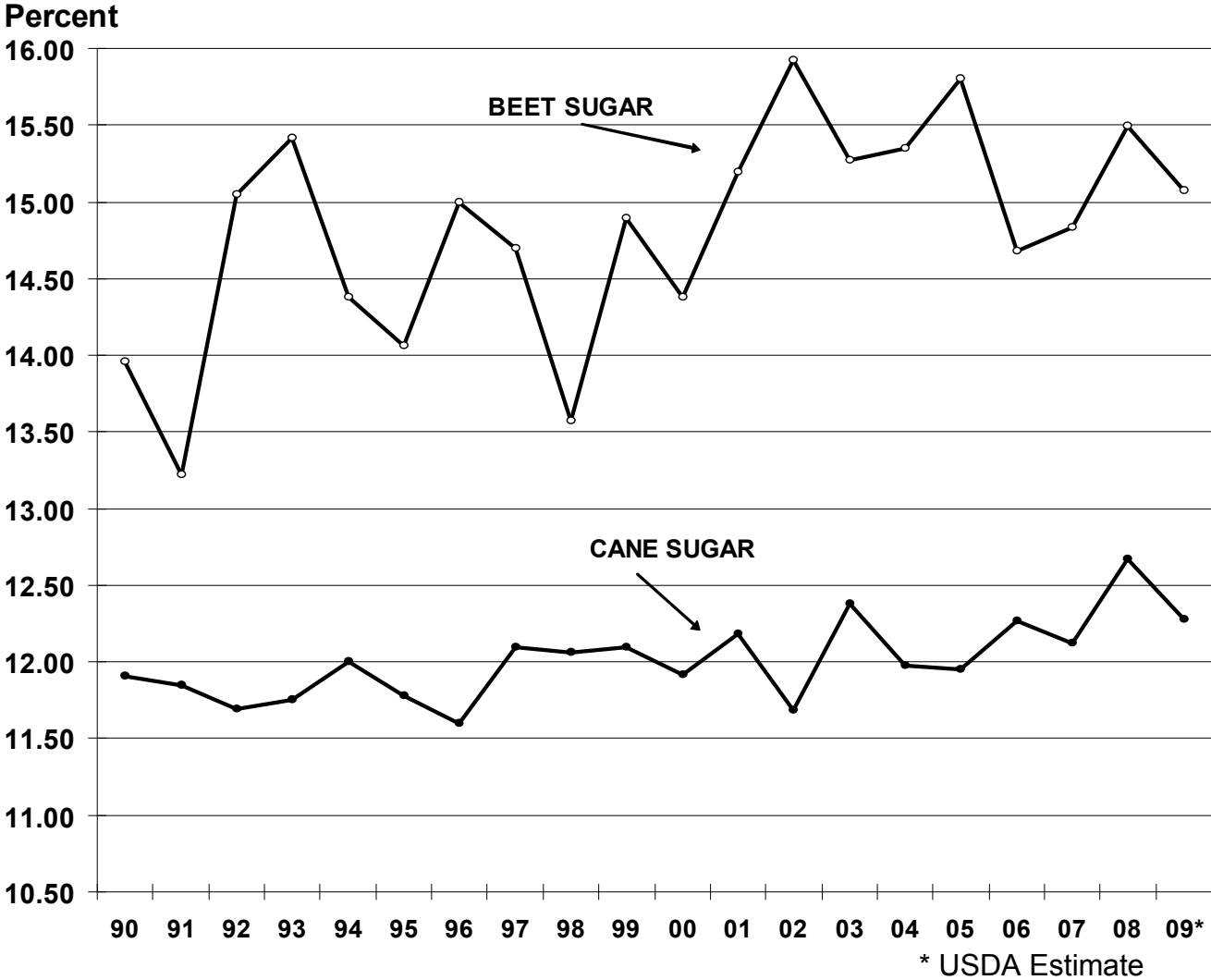


*Connell Estimate
1/ Includes Puerto Rico.

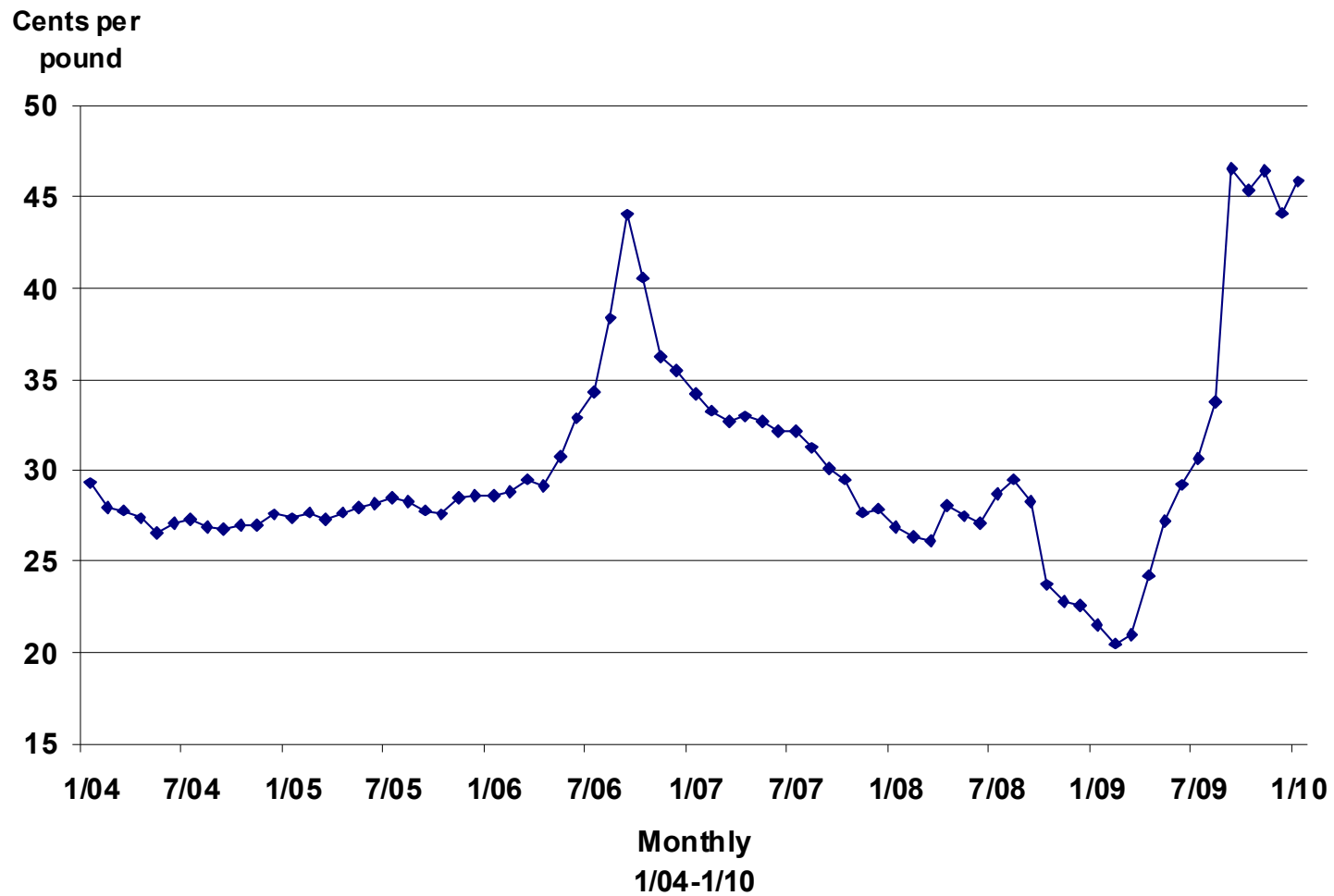
U.S. SUGARBEET YIELD PER HARVESTED ACRE



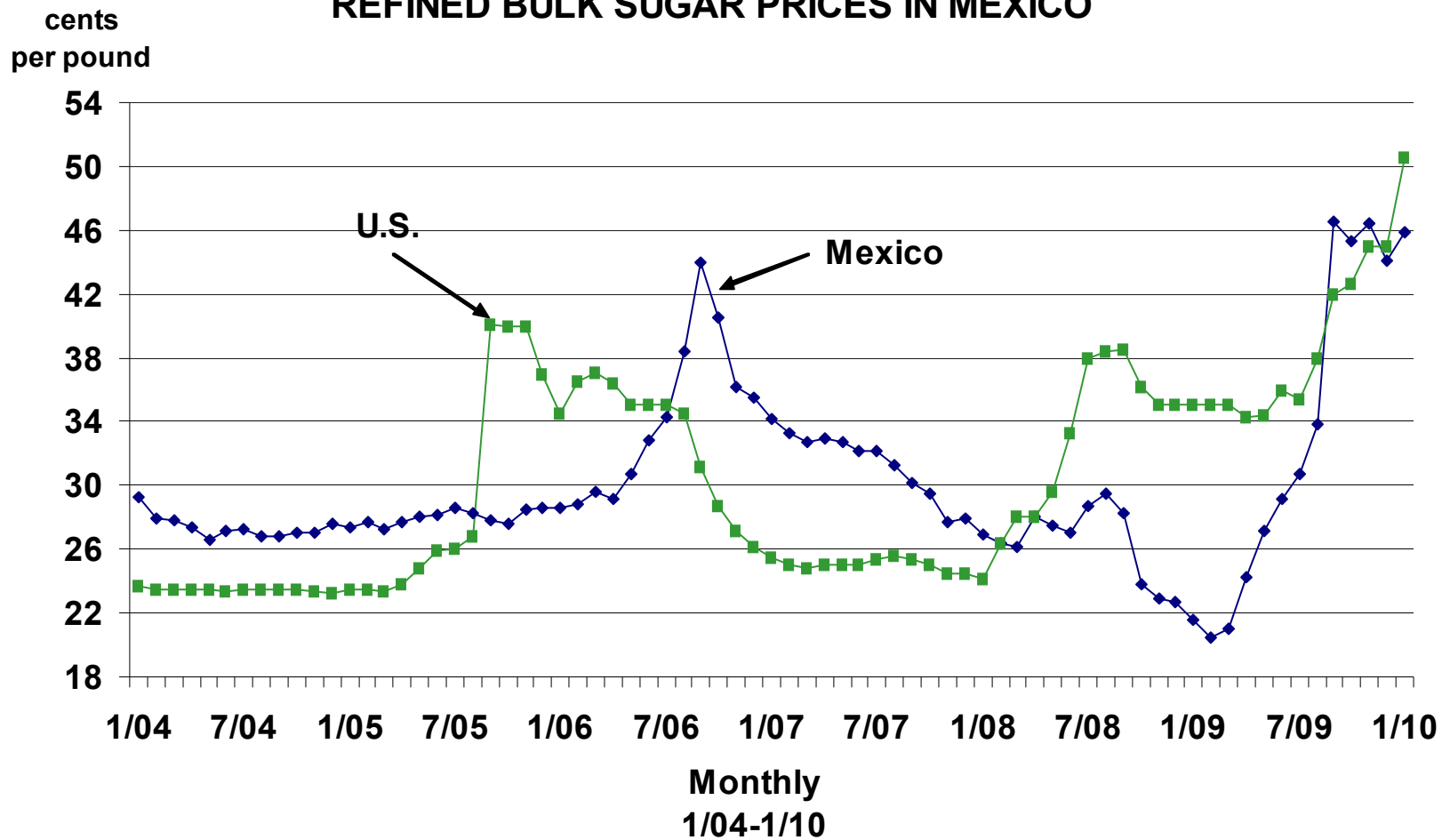
U.S. BEET SUGAR AND CANE SUGAR RECOVERY RATES



Refined Bulk Sugar Prices in Mexico



U.S. WHOLESALE REFINED BEET SUGAR PRICES, MIDWEST MARKETS, AND REFINED BULK SUGAR PRICES IN MEXICO



MEXICO SUGAR: SUPPLY AND USE ^{1/}

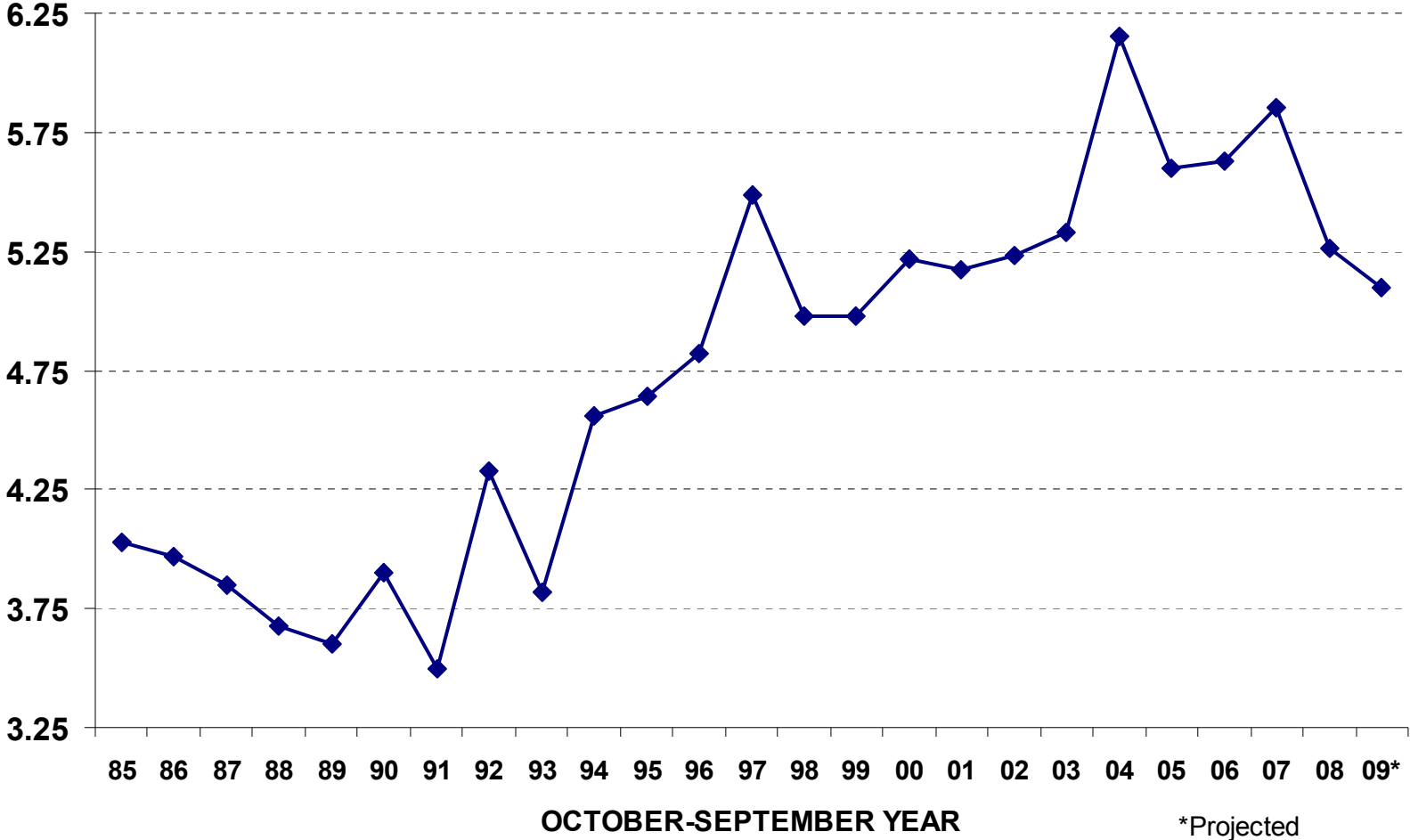
Item	06/07	07/08	08/09*	09/10*
	-----1,000 tonnes, raw value-----			
Beginning Stocks	1,294	1,718	1,975	488
Production	5,633	5,852	5,260	5,100
Imports	474	226	160	700
 Total Supplies	7,401	7,796	7,395	6,288
Domestic Use	5,523	5,144	5,540	5,300
Exports	160	677	1,367	450
 Total Use	5,683	5,821	6,907	5,750
Ending Stocks	1,718	1,975	488	538

^{1/} October - September year.

*Projected.

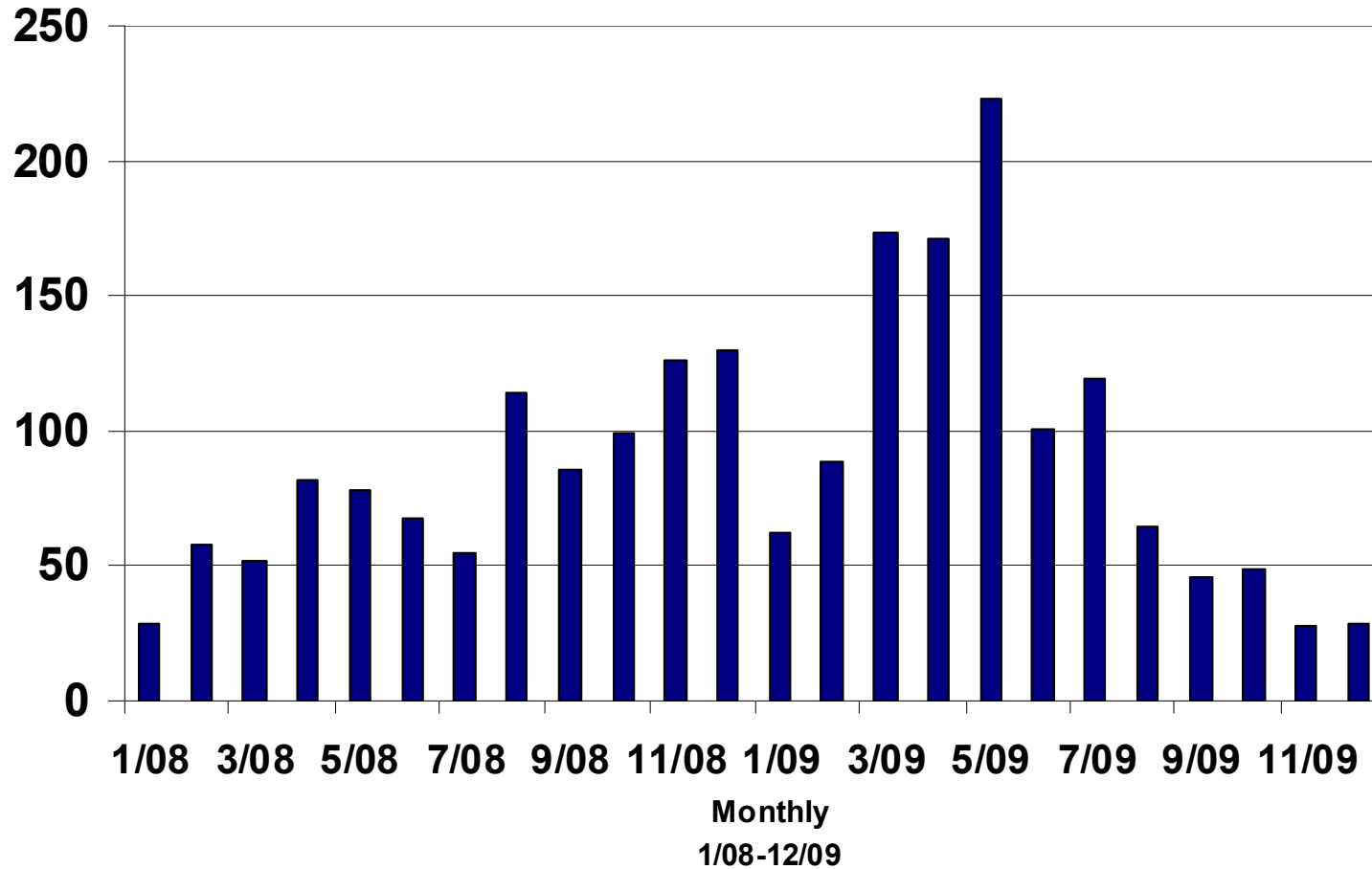
MEXICO SUGAR PRODUCTION

MILLION TONNES
RAW VALUE

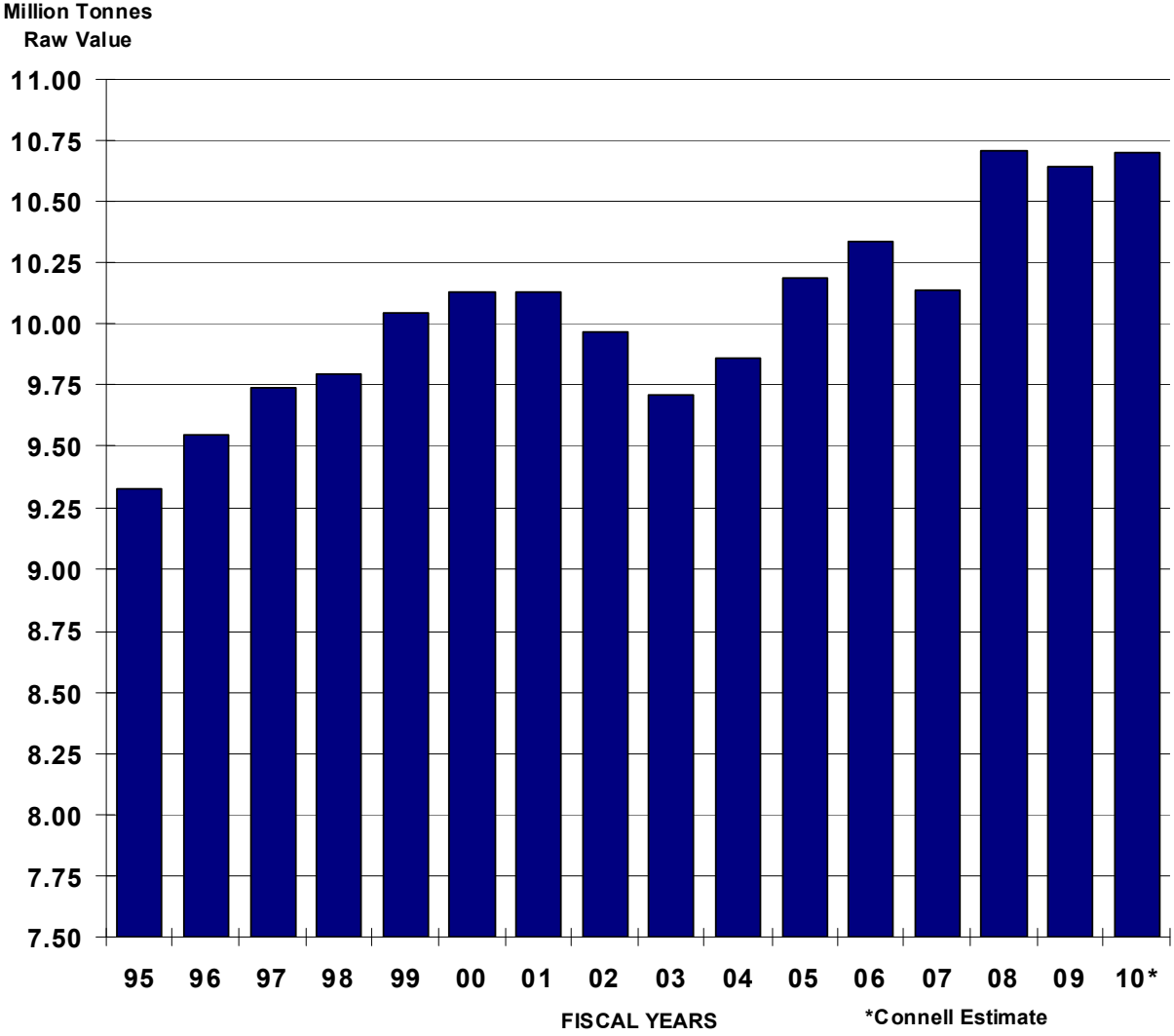


Monthly U.S. Imports of Sugar from Mexico

Thousand short
tons raw value

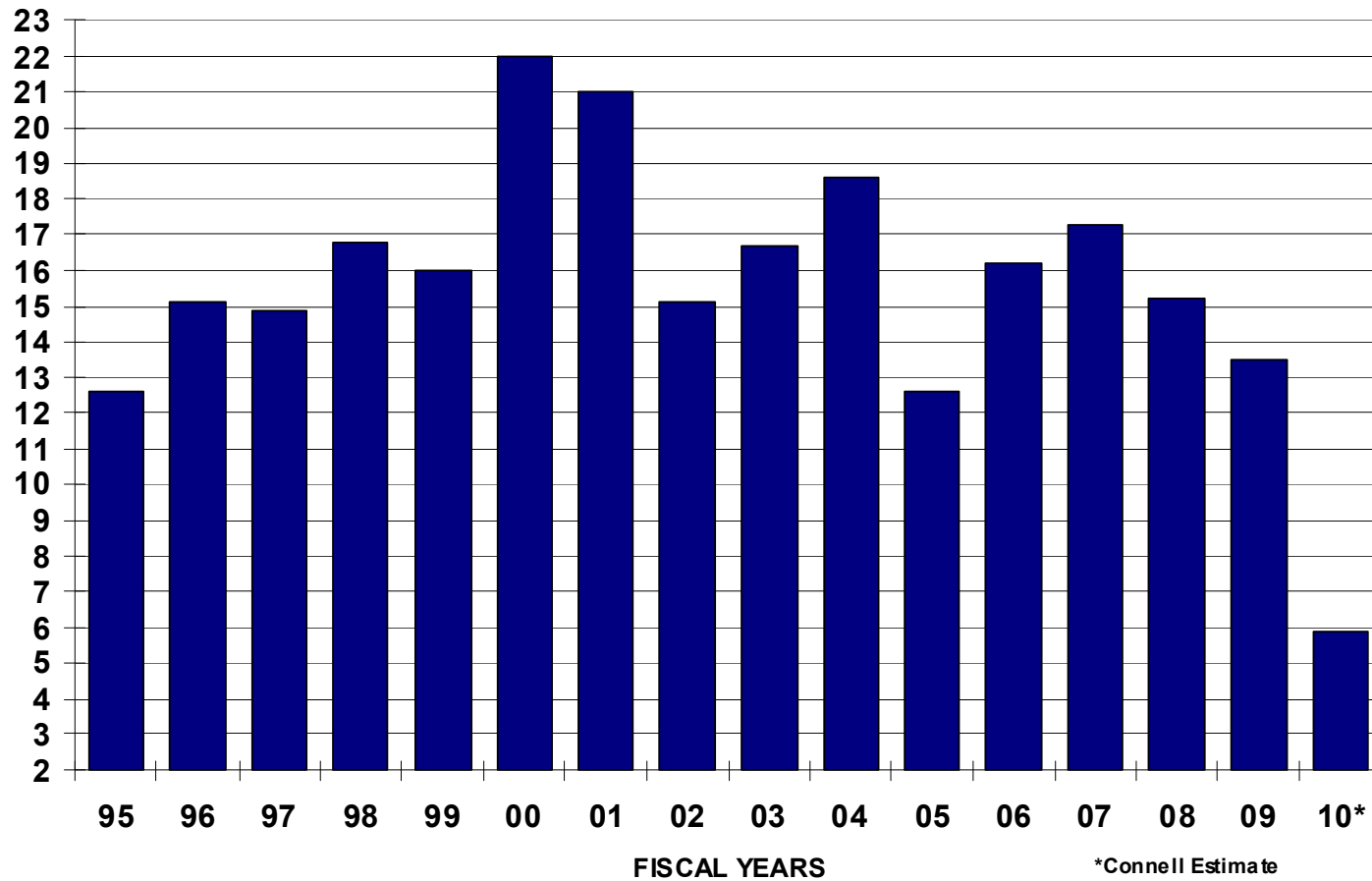


U.S. SUGAR DELIVERIES



U.S. SUGAR CARRYOVER STOCKS-TO-USE RATIO

PERCENT



U.S. SUGAR SUPPLY/DEMAND

	<u>2008/09</u>	<u>2009/10*</u>	<u>2010/11*</u>
	----thousand short tons, raw value----		
Beg. Stocks	1,660	1,451	643
U.S. Production			
Beet	4,166	4,450	5,165
Cane	3,318	3,475	3,535
Total	7,484	7,925	8,700
Imports			
Quota	1,370	1,257	1,307 ^{1/}
Quota Exempt	310	360	375
Mexico	1,402	500	900
Total	3,082	2,117	2,582
Total Supply	12,226	11,493	11,925
Exports	137	150	200
Domestic Use	10,638	10,700	10,800
Total Use	10,775	10,850	11,000
Ending Stocks	1,451	643	925
Total S/U Ratio	13.5%	5.9%	8.4%

***Connell estimates.**

^{1/} Assumes a quota shortfall of 150 thousand tons.

DOMESTIC PRICE OUTLOOK

AVERAGE U.S. NO. 14 and NO. 16 NEARBY FUTURES PRICES

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
	-----($\text{¢}/\text{LB.}$)-----				
Jan/Mar	20.49	20.37	20.18	37.75-38.50*	27.00-27.75*
Apr/Jun	21.17	21.07	21.89	33.00-33.75*	
Jul/Sep	21.98	23.32	26.04	30.00-30.75*	
Oct/Dec	20.31	20.42	31.88	27.00-27.75*	

*Connell estimate

MIDWEST REFINED BEET SUGAR SELLING PRICE (FOB)

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
	-----($\text{¢}/\text{LB.}$)-----				
Jan/Mar	25.13	26.18	35.00	53.00-55.00**	36.00-38.00**
Apr/Jun	25.00	30.28	34.72	53.00-55.00**	
Jul/Sep	25.45	38.30	38.47	53.00-55.00**	
Oct/Dec	24.67	35.40	44.20	36.00-38.00**	

**Connell estimate.

