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Nicaragua

Sugar

Annual

2002

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Report Highlights:

Nicaragua produced 3.8 million tons of sugar cane in the 2000/2001 harvest season, and it is expected to produce 3.4 million tons in the 2001/2002 season. Nicaragua exported approximately 240,000 MTRV of centrifugal sugar during the 2000/2001 period. Centrifugal exports are expected to reach 245,000 MTRV during the 2001/2002 season.

Includes PSD changes: Yes
Includes Trade Matrix: Yes
Annual Report
San Jose [CS1], NU

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Executive Summary

Nicaragua produced 3.8 million tons of sugar cane during the 2000/2001 harvest, slightly lower than the 1999/2000 season. Major export partners include Russia, the United States and Trinidad & Tobago. The average cane yield was 85.5 tons per hectare in 2001/2002 versus 74 tons per hectare in 2000/2001. National prices for local sugar are nearly twice as high as international prices.

Table 1: Sugar Cane for Centrifugal Sugar: Supply and Utilization

PSD Table						
Country	Nicaragua					
Commodity	Sugar Cane for Centrifugal				(1000 HA)(1000 MT)	
	Revised	2001	Preliminary	2002	Forecast	2003
	Old	New	Old	New	Old	New
Market Year Begin		10/2000		10/2001		10/2002
Area Planted	50	52	50	40	0	40
Area Harvested	50	52	50	40	0	42
Production	3640	3842	3700	3420	0	3425
TOTAL SUPPLY	3640	3842	3700	3420	0	3425
Utilization for Sugar	3640	3842	3700	3420	0	3425
Utilizatn for Alcohol	0	0	0	0	0	0
TOTAL UTILIZATION	3640	3842	3700	3420	0	3425

Table 2: Centrifugal Sugar: Production, Supply and Demand

PSD Table						
Country	Nicaragua					
Commodity	Centrifugal Sugar				(1000 MT)	
	Revised	2001	Preliminary	2002	Forecast	2003
	Old	New	Old	New	Old	New
Market Year Begin		09/2000		09/2001		09/2002
Beginning Stocks	111	111	96	88	77	2
Beet Sugar Production	0	0	0	0	0	0
Cane Sugar Production	364	398	370	340	0	355
TOTAL Sugar Production	364	398	370	340	0	355
Raw Imports	0	0	0	0	0	0
Refined Imp.(Raw Val)	0	0	0	0	0	0
TOTAL Imports	0	0	0	0	0	0
TOTAL SUPPLY	475	509	466	428	77	357
Raw Exports	190	38	195	40	0	30
Refined Exp.(Raw Val)	4	202	4	205	0	139
TOTAL EXPORTS	194	240	199	245	0	169
Human Dom. Consumption	185	181	190	181	0	183
Feed Dom. Consumption	0	0	0	0	0	0
TOTAL Dom. Consumption	185	181	190	181	0	183
Ending Stocks	96	88	77	2	0	5
TOTAL DISTRIBUTION	475	509	466	428	0	357

Production

The Nicaraguan sugar cane harvest season runs from November through May. Data for the 2001/2002 crop year indicate total sugar cane output of 3.4 million tons, slightly lower than the 2000/2001 production of 3.8 million tons. Lower production can be attributed to growers' concerns about declining international prices. The 2002/2003 forecast for sugar cane is 3.4 million tons.

Crop Area

During the 2001/2002 season, 40,000 hectares of sugar cane were planted. This is a decrease over the 2000/2001 season, which had 52,000 hectares planted. The 2002/2003 crop area is estimated to increase slightly to 42,000 hectares. The industry is growing conservatively due to unattractive international prices.

Yields

The average sugar cane yield for the 2001/2002 season was 85.5 tons per hectare, which is higher than the 2000/2001 figure of 74 tons per hectare. This is due to: the benefits of past investments in irrigation infrastructure; and the fact the 2000/2001 harvest season suffered from drought conditions.

Employment

The Nicaraguan sugar industry purchases sugar cane from approximately 1,650 small-to-medium size farmers and provides indirect employment to approximately 25,000 for related services. It also provides direct employment to 12,800 heads of families.

Consumption

Nicaragua has a population of approximately 5.2 million. The per capita consumption of sugar was 33.63 kg. in 2001. Total domestic consumption in 2002 is estimated to be 181,000 tons.

Trade

Nicaragua's key export destinations include Russia, Trinidad & Tobago, the United States, Venezuela and Colombia. In 2001, Nicaragua reports exports of 24,000 MTRV of sugar to the U.S.

Under the WTO agreement, for 2001, the U.S. sugar quota of Nicaragua was 21,367 tons. The 2002 quota is expected to be announced in September, and it is estimated to be in the same range as the 2001 quota. Regarding market prices, domestic prices for sugar ranged in the area of US\$21.3 per 100 lbs., while export prices average in the area of US\$10 per 100 lbs. The Nicaraguan 2002 tariff on sugar imports for members of WTO is 55%.

Table 3: Export Trade Matrix

Export Trade Matrix			
Country	Nicaragua		
Commodity	Centrifugal Sugar		
Time period	2001	Units:	1000 MTRV
Exports for:			1
U.S.	24	U.S.	
Others		Others	
Russia	194		
Trinidad & Tob.	13		
Venezuela	5		
Colombia	4		
Total for Others	216		0
Others not Listed			
Grand Total	240		0

Stocks

Ending stocks in 2000/2001 are estimated at 88,000 MT. Based on the export forecast for 2001/2002, stocks will drop to 2,000 MT. 2002/2003 stocks are estimated to be 5,000 MT.

Policy

The Government of Nicaragua does not set sugar prices, nor does it provide subsidies or special credit to producers.

Marketing

The private sector buys and sells all sugar. The 2001 U.S. tariff rate quota allocation for Nicaragua was 21,367 tons.