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Colombia

Sugar

Semi-Annual

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Report Highlights:

Colombian sugar production for Sep-Aug 2000/01 was 2.25 million metric tons, a decline of 3.4 percent; however a slight increase to 2.26 million metric tons is expected in 2001/02. Colombian sugar exports will decline four percent 2000/2001 to 920,000 metric tons of raw and refined sugar, but should increase to 930,000 metric tons in 2001/02.

Includes PSD changes: Yes
Includes Trade Matrix: Yes
Semi-Annual Report
Bogota [CO1], CO

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Executive Summary

Colombian sugar production was adversely affected for the small amount of new sugarcane plantings early in the year, which led to a 3.4 percent decline to a 2.25 million metric tons. Sugar consumption in Colombia is very sensitive to the overall economic situation, and the slow economic recovery during calendar 2000 led to lower sugar demand in the feed and beverage industries and reduced human consumption. This resulted in a decline of 3.5 percent in total consumption for the 2000/01 year to 1.345 million metric tons. Preliminary figures suggested a four percent decrease in 2000/2001 exports to 920,000 metric tons of raw and refined sugar. Exports for the commercial year 2001/02 are projected at 930,000 metric tons, an increase of one percent.

Production

Colombian sugar production variations are always explained by increases and decreases in yield, since planted area rarely changes. Colombian sugar production for September-August 2000/01 was 2.25 million metric tons, a decline of 3.5 percent. The reduction was due to lower yields, mainly because sugar cane plantings were cut younger a year before and less area was harvested this year. In fact, part of the increase in production during 1999/2000 was because of this early harvesting. For the coming year, more favorable weather conditions currently and a larger area of cane ready for harvesting will likely improve production slightly. For the 2001/02 year, production is estimated to increase by one-half percent to 2.265 million metric tons.

Consumption

Sugar consumption in Colombia is very sensitive to the overall economic situation, and the slow

economic recovery during calendar 2000 led to lower sugar demand in the feed and beverage industries and reduced human consumption. This resulted in a decline of 3.5 percent in total consumption for the 2000/01 year to 1.345 million metric tons. For the next commercial year 2001/2002, the situation will remain largely unchanged. Industry sources expect less than one percent growing in consumption to 1,350 metric tons.

Retail prices in Colombia continues on an upward trend which started at the beginning of 2000. The average retail price for sugar in August was 1,478 pesos per kilogram (\$0.32 per pound), a 23 percent increase over a year ago. The annualized Colombian inflation rate in September was eight percent.

In September 2001, the Government of Colombia (GOC) issue Law 693/2001 which states that the gasoline used in urban centers with more than 500,000 people have to contain a mixture of alcohol in gasoline in order to reduce pollution. However, there is still no industrial alcohol production capacity in Colombia, since investors were not in a position to undertake construction of manufacturing plants before the implementation of the legislation. There is a six month period for the authority to issue final regulations and the measure will be implemented over five years. At this point, we are not yet aware of construction plans by any domestic company, but any construction would take at least one year, meaning that supplies of alcohol from non-centrifugal cane sugar won't be in the market until 2003.

Trade

Preliminary figures suggested a four percent decrease in 2000/2001 exports to 920,000 metric tons of raw and refined sugar. U.S. dollar income from sugar exports is especially important to the Colombian sugar industry. This is especially true for the U.S. import quota. The recovery in international sugar prices over the past year made the income of sugar exports in U.S. dollars higher than last year and become a main source of profits for the sugar industry. Exports for the commercial year 2001/02 are projected at 930,000 metric tons, an increase of one percent.

Stocks

Stocks were reduced to 55,000 metric tons in 2000/01, back to a more normal carry-over level. Sugar processors have estimated that 50,000 metric tons is an sufficient level of stocks. Stocks are expected to decline slightly to 52,000 metric tons in 2001/02.

Tables**Colombia: Centrifugal Sugar, PS&D, 1999/00 - 2001/2002 (1,000 tons)**

PSD Table						
Country	Colombia					
Commodity	Centrifugal Sugar				(1000 MT)	
	Revised	2000	Preliminary	2001	Forecast	2002
	Old	New	Old	New	Old	New
Market Year Begin		09/1999		09/2000		09/2001
Beginning Stocks	72	72	60	60	61	55
Beet Sugar Production	0	0	0	0	0	0
Cane Sugar Production	2330	2330	2370	2250	2400	2265
TOTAL Sugar Production	2330	2330	2370	2250	2400	2265
Raw Imports	1	1	1	1	1	1
Refined Imp.(Raw Val)	9	9	9	9	9	9
TOTAL Imports	10	10	10	10	10	10
TOTAL SUPPLY	2412	2412	2440	2320	2471	2330
Raw Exports	601	601	623	580	640	585
Refined Exp.(Raw Val)	358	358	360	340	363	345
TOTAL EXPORTS	959	959	983	920	1003	930
Human Dom. Consumption	1345	1345	1346	1298	1347	1302
Feed Dom. Consumption	48	48	50	47	50	48
TOTAL Dom. Consumption	1393	1393	1396	1345	1397	1350
Ending Stocks	60	60	61	55	71	50
TOTAL DISTRIBUTION	2412	2412	2440	2320	2471	2330

Colombia: Sugarcane for Centrifugal Sugar, 1999/00 -2001/2002

(1,000 hectares and 1,000 tons)

PSD Table						
Country	Colombia					
Commodity	Sugar Cane for Centrifugal				(1000 HA)(1000 MT)	
	Revised	2000	Preliminary	2001	Forecast	2002
	Old	New	Old	New	Old	New
Market Year Begin		09/1999		09/2000		09/2001
Area Planted	191	190	191	191	192	192
Area Harvested	169	180	182	179	182	182
Production	19200	19000	19200	18500	19300	19100
TOTAL SUPPLY	19200	19000	19200	18500	19300	19100
Utilization for Sugar	19200	19000	19200	18500	19300	19100
Utilizatn for Alcohol	0	0	0	0	0	0
TOTAL UTILIZATION	19200	19000	19200	18500	19300	19100

Colombia: Exports of Centrifugal Sugar, 2000 (1,000 tons)

Export Trade Matrix			
Country	Colombia		
Commodity	Centrifugal Sugar		
Time period	Jan-Dec	Units:	1,000 mt
Exports for:	2000		2001
U.S.	67	U.S.	
Others		Others	
Venezuela	135		
Russia	241		
Canada	97		
Peru	96		
Sri Lanka	80		
Chile	64		
Haiti	57		
Kenya	43		
Ecuador	26		
Trinidad/Tobago	25		
Total for Others	864		0
Others not Listed	147		
Grand Total	1078		0

Source: DANE (National Statistics Bureau).

Colombia: Imports of Centrifugal Sugar, 2000 (1,000 tons)

Import Trade Matrix			
Country	Colombia		
Commodity	Centrifugal Sugar		
Time period	sep98/aug99	Units:	1,000 metric tons
Imports for:	2000		2001
U.S.	8	U.S.	
Others		Others	
Total for Others	0		0
Others not Listed	1		
Grand Total	9		0

Source: DIAN (Revenue and Customs Agency).

Colombia: Retail Prices for Refined Sugar, 2000-01 (Pesos per kilo)

Prices Table			
Country	Colombia		
Commodity	Centrifugal Sugar		
Prices in	Pesos	per uom	kilo
Year	2000	2001	% Change
Jan	1060	1360	28.30%
Feb	1070	1409	31.68%
Mar	1082	1404	29.76%
Apr	1100	1420	29.09%
May	1135	1419	25.02%
Jun	1161	1432	23.34%
Jul	1174	1559	32.79%
Aug	1201	1478	23.06%
Sep	1230		-100.00%
Oct	1269		-100.00%
Nov	1332		-100.00%
Dec	1340		-100.00%
Exchange Rate	2338	Local currency/US \$	