

**Required Report:** Required - Public Distribution

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**Report Name:** Sugar Semi-Annual

**Country:** China - People's Republic of

**Post:** Guangzhou ATO

**Report Category:** Sugar

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**Report Highlights:**

China's MY 2024/25 sugar production is forecast at 11 MMT, up 600,000 MT as acreage for both cane and beet are up and competition crops are less profitable. China's MY 2024/25 sugar consumption is forecast at 15.6 MMT, adjusted down 100,000 MT as China's economy continues to show signs of slow recovery. As China's imports of raw sugar and processed sugar (syrup and pre-mixed powder) are forecast to remain relatively high, the MY 2024/25 stocks are poised to increase.

## **Cane Sugar Production**

Marketing year (MY) 2024/25 (October-September) cane sugar production in China is forecast at 9.5 million metric tons (MMT), up 250,000 metric tons (MT) from the previous forecast. The weather conditions were favorable during the important periods of the cane growing season. In early September, a hurricane landed in the South China region, affecting some cane fields in Hainan, Guangdong and Guangxi. However, the impact was relatively insignificant as the affected cane areas were small and the damage was limited.

In 2024, cane acreage was higher than first anticipated, as competition crops (i.e., fruits) are less profitable due to weak market demand. Furthermore, cane purchase prices are ensured and regulated by the government, making cane farming more profitable in the current environment. Millers are also profiting a \$100+ difference between sugar purchase prices and current production costs. According to industry experts, cane harvesting for MY2024/25 is expected to begin 10 days earlier this year (i.e., November 10, 2024) as farmers and millers seek to recoup their investments while prices are strong.

MY 2023/24 cane sugar production is estimated at 8.82 MMT, slightly adjusted up from the previous estimate of 8.8 MMT to be in line with the official announcement by China's Ministry of Agriculture and Rural Affairs (MARA).

During the first 8 months of MY 2023/24 (October 2023 to May 2024), China imported a total of 2.69 MMT of cane, a historic high and a 39 percent year-on-year increase. Cane is often imported from Laos and Myanmar, then made into sugar in Yunnan.

In MY 2024/25, Chinese millers are expected to increase production, motivated by stable profits. Cane imports are forecast to remain stable at 3 MMT, which could be processed into nearly 400,000 MT of raw sugar (assuming a sugar recovery rate above 13 percent).

## **Beet Sugar Production**

MY 2024/25 China's beet sugar production is forecast at 1.5 MMT, up 350,000 MT from the previous forecast. In Inner Mongolia – China's largest beet production area – a significant number of farmers switched to beet sugar, because market prices and demand weakened for competition crops (i.e., corn, soybean, potato). Since mid-September 2024, Inner Mongolia has been experiencing abnormal weather conditions, including excessive rainfall and below-average temperatures. It is too early to assess the impact on the beet sugar harvest.

On September 12, 2024, a beet sugar mill in Inner Mongolia started production, marking the beginning of China's MY 2024/25 sugar milling season, five days earlier than that of MY 2023/24.

MY 2023/24 beet sugar production is estimated at 1.14 MMT, slightly adjusted up from the previous estimate of 1.1 MMT and in line with the official announcement by China's MARA.

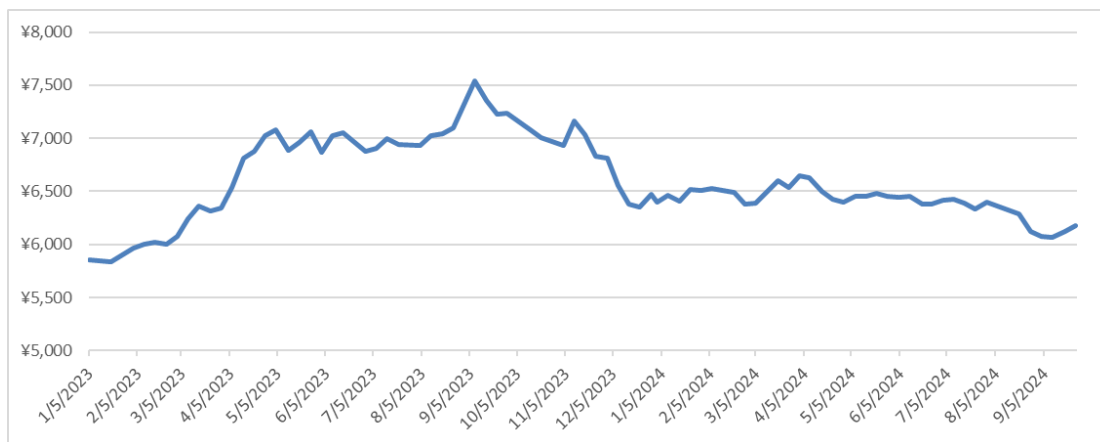
## Centrifugal Sugar Production

MY 2024/25 China's total sugar production is forecast at 11 MMT, up 600,000 MT from the previous forecast. The projected increase is attributed to increased acreages in both cane and beet, whose competition crops are less profitable. Although most industry insiders forecast sugar prices will be weak in MY 2024/25, farmers (cane and beet) and millers are expected to remain profitable.

MY 2023/24 total sugar production is estimated at 9.96 MMT, adjusted up slightly from the previous estimate of 9.9 MMT and in line with the official announcement by China's MARA.

After reaching a ten-year high in late 2023, Chinese sugar prices have been steadily decreasing. Like world sugar prices, China's MY 2024/25 prices are forecast to be weak.

Chart 1: China's Sugar Prices from January 2023 to September 2024, (RMB, metric ton basis)



Source: Data by

China Sugar Association and chart by ATO Guangzhou

## Consumption

China's MY 2024/25 sugar consumption is forecast at 15.6 MMT, adjusted down 100,000 MT from the previous forecast and up 100,000 MT from the revised MY 2023/24 consumption. As China's economic recovery is slower than expected, the Chinese government has introduced several efforts to boost consumer spending, including tourism and dining out. Despite the support to market demand, sugar prices are forecast to stay relatively low in MY 2024/25.

MY 2023/24 sugar consumption is estimated at 15.5 MMT, adjusted down 100,000 MT from the previous estimate due to the sluggish economy, which is negatively affecting all consumption. For example, moon cakes are historically consumed and shared as gifts during China's Mid-Autumn Festival. However, in September 2024, moon cake sales and consumption were significantly down, with estimates ranging from 30-50 percent. This could result in a 50,000+ MT loss in industrial sugar consumption.

## Trade

### Imports

MY 2024/25 China's sugar imports are forecast at 5 MMT, unchanged from the previous forecast. Sugar prices have been relatively low, supporting continued sugar imports. Strong domestic sugar production and increased imports of sugar syrup/premix powder are expected to create significant supplies, and thereby contain imports at manageable levels.

MY 2023/24 sugar imports are estimated at 5 MMT, revised up 400,000 MT from the previous estimate. As world sugar prices declined, China's sugar imports surged. In August 2024, China imported 733,988 MT of raw sugar, up 124 percent year-on-year.

**Imports of Sugar Syrup and Premix Powder:** Supported by duty-free trade agreements, China's imports of sugar syrup and premixed powder continue to grow. During the first 11 months of MY 2023/24 (October 2023 - August 2024) China imported 1.86 MMT sugar syrup and premix powder (H.S. code: 1702.90), up 32 percent year-on-year. Accounting for over 90 percent, Thailand is the largest supplier. By the end of MY 2023/24, imports are estimated to reach 2.1 MMT, which is equal to approximately 1.5 MMT of raw sugar.

### Exports

MY 2024/25 China's sugar exports are forecast at 210,000 MT, unchanged from the previous forecast.

MY 2023/24 China's sugar exports are estimated at 168,000 MT, down 42,000 MT from the previous estimate to reflect the most updated customs data. The decreased exports were largely attributed to reduced refined sugar shipments to North Korea.

### Stocks

China's MY 2024/25 sugar stocks are forecast at 1.57 MMT, up 190,000 MT from the revised MY 2023/24 estimated stocks. With the forecasts of increased domestic sugar production, high levels of raw sugar and processed sugar (syrup and pre-mixed powder) imports, and slow recovery in consumption, the MY 2024/25 stocks are poised to increase.

MY 2023/24 stocks are estimated at 1.38 MMT, up 602,000 MT from the previous estimate due to increased sugar imports and weakened consumption affected by the sluggish economy.

Table 1: Sugar, Centrifugal: Production, Supply and Distribution

Sugar, Centrifugal Market Year Begins	2022/2023		2023/2024		2024/2025	
	Oct 2022		Oct 2023		Oct 2024	
China	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Beginning Stocks (1000 MT)	5014	5014	2091	2091	781	1383
Beet Sugar Production (1000 MT)	1080	1080	1100	1140	1150	1500
Cane Sugar Production (1000 MT)	7880	7880	8800	8820	9250	9500
Total Sugar Production (1000 MT)	8960	8960	9900	9960	10400	11000
Raw Imports (1000 MT)	3200	3200	4000	4600	4400	4600
Refined Imp.(Raw Val) (1000 MT)	600	600	600	400	600	400

<b>Total Imports</b> (1000 MT)	3800	3800	4600	5000	5000	5000
<b>Total Supply</b> (1000 MT)	17774	17774	16591	17051	16181	17383
<b>Raw Exports</b> (1000 MT)	3	3	3	3	3	3
<b>Refined Exp.(Raw Val)</b> (1000 MT)	180	180	207	165	207	207
<b>Total Exports</b> (1000 MT)	183	183	210	168	210	210
<b>Human Dom. Consumption</b> (1000 MT)	15500	15500	15600	15500	15700	15600
<b>Other Disappearance</b> (1000 MT)	0	0	0	0	0	0
<b>Total Use</b> (1000 MT)	15500	15500	15600	15500	15700	15600
<b>Ending Stocks</b> (1000 MT)	2091	2091	781	1383	271	1573
<b>Total Distribution</b> (1000 MT)	17774	17774	16591	17051	16181	17383

(1000 MT)

OFFICIAL DATA CAN BE ACCESSED AT: [PSD Online Advanced Query](#)

Table 2: Sugar Cane: Production, Supply and Distribution

Sugar Cane for Centrifugal Market Year Begins China	2022/2023		2023/2024		2024/2025	
	Oct 2022		Oct 2023		Oct 2024	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
<b>Area Planted</b> (1000 HA)	1100	1100	1160	1160	1210	1210
<b>Area Harvested</b> (1000 HA)	1100	1100	1160	1160	1210	1270
<b>Production</b> (1000 MT)	66000	66000	78000	77000	81000	81000
<b>Total Supply</b> (1000 MT)	66000	66000	78000	77000	81000	81000
<b>Utilization for Sugar</b> (1000 MT)	66000	66000	78000	77000	81000	81000
<b>Utilizatn for Alcohol</b> (1000 MT)	0	0	0	0	0	0
<b>Total Utilization</b> (1000 MT)	66000	66000	78000	77000	81000	81000

(1000 HA) ,(1000 MT)

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Table 3: Sugar Beets: Production, Supply and Distribution

Sugar Cane for Centrifugal Market Year Begins China	2022/2023		2023/2024		2024/2025	
	Oct 2022		Oct 2023		Oct 2024	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
<b>Area Planted</b> (1000 HA)	1100	1100	1160	1160	1210	1210
<b>Area Harvested</b> (1000 HA)	1100	1100	1160	1160	1210	1270
<b>Production</b> (1000 MT)	66000	66000	78000	77000	81000	81000
<b>Total Supply</b> (1000 MT)	66000	66000	78000	77000	81000	81000
<b>Utilization for Sugar</b> (1000 MT)	66000	66000	78000	77000	81000	81000
<b>Utilizatn for Alcohol</b> (1000 MT)	0	0	0	0	0	0
<b>Total Utilization</b> (1000 MT)	66000	66000	78000	77000	81000	81000

(1000 HA) ,(1000 MT)

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**Attachments:**

No Attachments