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Costa Rica

Sugar Annual

Sugar Production, Consumption and Trade

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Report Highlights:
Costa Rica's sugar cane production forecast to increase by 12 percent in 2012/2013. Sugar production is expected to reach 448,000 MT in 2012/2013 as compared to 415,000 MT in 2011/2012. Good weather conditions have contributed to this growth.

Executive Summary:

Costa Rica's sugar cane production in 2012/2013 is expected to increase to 4,280,000 MT as compared to 3,823,000 MT in 2011/2012 (12 percent higher). Sugar production is expected to increase 8 percent to 448,000 MT in 2012/2013 as compared to 415,000 MT during the previous crop year. Favorable weather, in particular less rainfall during 2012, resulted in higher output. Also, slightly higher area planted has resulted in higher output. A more normal rainfall pattern (with higher precipitation than in the past two years) is expected during 2013 and may cause production to remain similar to the current level during 2013/2014. Some of the main production areas in the Guanacaste region tend to suffer flooding during the rainy season and this has caused important production losses in the past. Costa Rica continues to meet its U.S. quota allocations both under the WTO and the CAFTA-DR.

Commodities:

Sugar Cane for Centrifugal

Sugar, Centrifugal

Production:

According to information from the Sugar League (LAICA), during the 2011/2012 there were 7,515 sugar producers in the country, and 13 sugar mills, distributed in 6 regions of the country. An interesting statistic is that 83% of the farmers delivered less than 250 MT of sugar to the mills. Based on the average yield for that harvest, this indicates that the majority of producers plant less than 4 ha. of sugar cane. During the 2011/2012 harvest, 55 percent of the sugar produced in the country came from the province of Guanacaste in the northern pacific region. The majority of the sugar mills are owned by Costa Rican nationals, although at least one company is owned by Guatemalan investors. LAICA is the institution that regulates the relationship between producers and millers. LAICA is also involved in the marketing and sales of sugar and sugar products for domestic consumption and for export.

Based on preliminary data from LAICA, cane and sugar production are expected to reach 4,280,000 MT and 448,000 MT respectively during crop year 2012/2013. As a result of drier weather throughout 2012 cane yields were higher, resulting in higher sugar production. The low production level of the 2010/2011 resulted in great concern within the industry. To counter the production decline the sector made a concerted effort to return to a pattern of sustained growth. Some of the actions included financing agreements with the banking sector, making available a strong program of seed production and renovation of plantations, and improved and timely technical assistance to producers in the field. According to industry representatives, the higher production achieved during the last two harvests is the result of those actions.

Area Planted

Area planted of sugar cane is estimated to be 58,000 ha. with 55,000 ha. being harvested. Area planted is expected to increase slightly in 2013/2014 as a result of interest from the larger mills to increase available sugar cane for processing. New areas have been planted in Guanacaste as the larger mills are trying to increase production to utilize their installed capacity. As a result of the reduction in area planted to rice, some producers have shifted production to sugar. However, sugar mills in the Central part of the country are struggling in order to keep sugar area planted from declining, as competition from urbanization and high land prices are slowly taking area away from sugar. Sugar production from the Central Valley has declined from 11.3 percent of the total in 2008/2009 to 9.9 percent in 2011/2012.

Yields

Data provided by LAICA indicates that the average sugar cane yield increased from 61.15 MT/ha. in 2010/2011 to 71.19 MT/ha. in 2011/2012. Cane yields are expected to remain high during the current harvest as a result of the factors mentioned in the production section. The average sugar yield was 106.94 kg/ton in 2010/2011 and reached 108.85 kg/ton in 2011/2012.

Consumption:

Costa Rica's sugar consumption was 245,000 MT in 2011/2012, and it is forecast to increase to 255,000 MT in 2012/2013. Per capita sugar consumption is estimated at 52.26 kg. for 2011/2012. Costa Rica's per capita sugar consumption is one of the highest in the region, although it has declined from a record 59.2 kg in 1997-1998. Total sugar consumption is divided almost equally between direct consumption and industrial use. Costa Rican mills produce different types of sugar for the domestic market including white sugar, refined, white special, and raw sugar.

Trade:

Costa Rican sugar exports reached 125,605 MT during the 2011/2012 crop year. Exports are expected to reach 160,000 MT in 2012/2013. The main destinations for Costa Rica's sugar during that period were the United States, the Dominican Republic and Bahamas. Exports to the United States include the U.S. WTO, and the CAFTA-DR sugar quotas, and sugar for re-export. Costa Rica already exported its WTO sugar quota to the U.S. for the 2013 fiscal year.

Stocks:

High ending stocks are the result of unexpected high production outpacing consumption and exports since 2011. The production forecast remains high for 2013/2014 even though world prices remain weak.

Production, Supply and Demand Data Statistics:

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

Sugar Cane for Centrifugal Costa Rica	2011/2012			2012/2013			2013/2014		
	Market Year Begin: Oct 2011			Market Year Begin: Oct 2012			Market Year Begin: Oct 2013		
	USDA Official	Old Post	New Post	USDA Official	Old Post	New Post	USDA Official	Old Post	New Post
Area Planted	57	57	57	58	58	58			59
Area Harvested	54	54	54	55	55	55			56
Production	3750	3750	3823	3800	3800	4280			4300
Total Supply	3750	3750	3823	3800	3800	4280			4300
Utilization for Sugar	3750	3750	3823	3800	3800	4280			4300
Utilization for Alcohol	0	0	0	0	0	0			0
Total Utilization	3750	3750	3823	3800	3800	4280			4300

Table 2: Centrifugal Sugar: Production, Supply and Distribution

Costa Rica	2011/2012			2012/2013			2013/2014		
Sugar, Centrifugal	Market Year Begin: Oct 2011			Market Year Begin: Oct 2012			Market Year Begin: Oct 2013		
	USDA Official	Old Post	New Post	USDA Official	Old Post	New Post	USDA Official	Old Post	New Post

Beginning Stocks	166	166	166	166	166	210			243
Beet Sugar Production	0	0	0	0	0	0			0
Cane Sugar Production	390	390	415	400	400	448			450
Total Sugar Production	390	390	415	400	400	448			450
Raw Imports	0	0	0	0	0	0			0
Refined Imp. (Raw Val)	0	0	0	0	0	0			0
Total Imports	0	0	0	0	0	0			693
Total Supply	556	556	581	566	566	658			693
Raw Exports	140	140	126	150	150	160			180
Refined Exp. (Raw Val)	0	0	0	0	0	0			0
Total Exports	140	140	125	150	150	160			180
Human Dom. Consumption	250	250	245	255	255	255			262
Other Disappearance	0	0	0	0	0	0			0
Total Use	250	250	245	255	255	255			262
Ending Stocks	166	166	210	161	161	243			251
Total Distribution	556	556	581	566	566	658			693

Table 3: Centrifugal Sugar: Export Trade Matrix

Export Trade Matrix
Costa Rica
Sugar, Centrifugal
MT

Time Period	2011/2012
Exports for:	
U.S.	85,678
Others	
Dominican Republic	30,000
Bahamas	6,368
Total for Others	36,368
Others not Listed	3,559
Grand Total	125,605