

USDA Foreign Agricultural Service

GAIN Report

Global Agricultural Information Network

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Costa Rica

Sugar Annual

Sugar Annual Report

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Report Highlights:

Costa Rica's sugar production is expected to reach 382,000 MTRV in 2009/2010, up from 362,000 MTRV in 2008/2009. Production is forecast to decline slightly in 2010/2011 due to unfavorable weather conditions. Costa Rica is expected to fill its U.S. WTO quota for the current fiscal year and is expecting approval to ship its 2010 CAFTA-DR quota.

Executive Summary:

Costa Rica's cane and sugar production declined to 3,461,678 MT and 361,837 MT respectively in the 2008/2009 crop year. The 2009/2010 crop is expected to rebound to 3,900,000 MT of cane and 382,000 MT of sugar. Lower input costs and higher prices during the 2009/2010 crop helped producers during the growing and harvesting periods. Also, Costa Rica joined CAFTA-DR in January of 2009, eliminating part of the uncertainty that had affected farmer's planting decisions during the previous crop year. Although area planted is forecast to remain similar in the next crop year, sugar production could decline as a result of adverse weather conditions forecast for 2010.

Commodities:

Select

Production:

Costa Rica's sugar industry is made up of approximately 7,000 producers and 15 sugar mills, distributed in 6 regions of the country. However, more than 50 percent of cane production is concentrated in the Pacific region, mainly in the province of Guanacaste. The majority of the sugar mills are owned by Costa Rican nationals, although at least one company is owned by Guatemalan investors. The Costa Rican Sugar League (LAICA) is the institution that regulates the relationship between producers and millers. LAICA is also involved in the marketing and sales of sugar for domestic consumption and for export.

Based on preliminary data from LAICA cane production will increase 12.6% to 3,900,000 MT during crop year 2009/2010. Higher cane production is the result of increased area planted and better weather conditions in the main growing areas. However, some sugar cane diseases continued to affect several production regions. A disease known as "orange rust" caused by the fungus *Puccinia kuehnii* has caused serious problems in susceptible cane varieties primarily in the Southern production region of Perez Zeledon, in San Carlos in the North, and to a lesser extent in the Central Valley. Other diseases that affected production included joboto (*Phyllophaga* spp.) and "snake's spittle" (*Aeneolamia* spp, *Prosapia* spp).

Area Planted

Area planted of sugar cane is estimated to be 54,000 ha. with 52,000 ha. being harvested. Area planted increased slightly in 2008/2009 as a result of reduced uncertainty among producers regarding CAFTA-DR. However, sugar mills, primarily 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. Mills in the Guanacaste region continue to lure producers of other crops (mainly rice) to shift to sugar cane production. Sugar production is facing increased competition as more producers planted rice in Guanacaste as a result of Government policies that provided incentives to rice production.

Yields

Data provided by the Costa Rican Sugar League (LAICA) indicates that the average sugar cane yield is expected to increase from 71.2 MT/ha. in 2008/2009 to 72.0 MT/ha. in 2009/2010. The average sugar yield was 103.98 kg/ton in 2008/2009 and it is expected to decline to 100.87 kg/ton in 2009/2010.

Consumption:

Costa Rica's sugar consumption was 228,286 MT in 2008/2009, and it is forecast to increase to 238,000 MT in 2009/2010. Per capita sugar consumption was 56.33 kg. in 2007/2008. 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.

Trade:

Sugar exports amounted to 108,699 MT in 2008/2009. Costa Rican sugar exports are expected to reach 187,840 MT during the 2009/2010 crop year. The main destination for Costa Rica's sugar during the 2008/2009 crop year was the United States. The majority of exports during 2009/2010 are expected to go to Russia, the United States, and Canada, in that order. The trend in Costa Rica has been to fill the US quota first and then export any surplus to the world market. In 2009/2010 Russia was the main destination for Costa Rican sugar however this changes yearly. Exports to the United States include the U.S. WTO, and the CAFTA-DR sugar quotas, and sugar for re-export. Costa Rica is expecting the U.S. to reinstate its CAFTA-DR sugar quota for 2010. This quota was suspended as a result of Costa Rica's failure to pass legislation (not directly related to agriculture) that Costa Rica had agreed to pass prior to CAFTA-DR's approval. The legislation was recently approved.

Export Trade Matrix	
Costa Rica	
Sugar, Centrifugal	
MT	
Time Period	2008/2009
Exports for:	
U.S.	92,656
Others	
Bahamas	4,808
Jamaica	3,591
Peru	2,423
Total for Others	10,822
Others not Listed	5,221
Grand Total	108,699

Production, Supply and Demand Data Statistics:

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

Sugar Cane for Centrifugal Costa Rica	2008/2009			2009/2010			2010/2011			
	Market Year Begin: Jan 2009			Market Year Begin: Jan 2010			Market Year Begin: Jan 2011			
	USDA Official	Old Post	New Post	USDA Official	Old Post	New Post	USDA Official	Old Post	New Post	
Area Planted	0	52			54			54		(1000 HA)
Area Harvested	0	50			52			52		(1000 HA)

Production	0	3,462			3,911			3,850		(1000 MT)
Total Supply	0	3,462			3,911			3,850		(1000 MT)
Utilization for Sugar	0	3,462			3,911			3,850		(1000 MT)
Utilization for Alcohol	0	0			0			0		(1000 MT)
Total Utilization	0	3,462			3,911			3,850		(1000 MT)

Table 2: Centrifugal Sugar: Production, Supply and Distribution

Sugar, Centrifugal Rica	2008/2009			2009/2010			2010/2011			
	Market Year Begin: Oct 2008			Market Year Begin: Oct 2009			Market Year Begin: Oct 2010			
	USDA Official	Old Post	New Post	USDA Official	Old Post	New Post	USDA Official	Old Post	New Post	
Beginning Stocks	130	130		130	155			111		(1000 MT)
Beet Sugar Production	0	0		0	0			0		(1000 MT)
Cane Sugar Production	365	362		365	382			370		(1000 MT)
Total Sugar Production	365	362		365	382			370		(1000 MT)
Raw Imports	0	0		0	0			0		(1000 MT)
Refined Imp.(Raw Val)	0	0		0	0			0		(1000 MT)
Total Imports	0	0		0	0			0		(1000 MT)
Total Supply	495	492		495	537			481		(1000 MT)
Raw Exports	120	109		125	188			160		(1000 MT)
Refined Exp.(Raw Val)	0	0		0	0			0		(1000 MT)
Total Exports	120	109		125	188			160		(1000 MT)
Human Dom. Consumption	245	228		245	238			240		(1000 MT)
Other Disappearance	0	0		0	0			0		(1000 MT)
Total Use	245	228		245	238			240		(1000 MT)
Ending Stocks	130	155		125	111			81		(1000 MT)
Total Distribution	495	492		495	537			481		(1000 MT)

