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**Country:** Philippines

**Post:** Manila

**Report Category:** Sugar

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**Report Highlights:**

FAS Manila forecasts marketing year (MY) 2025 raw sugar production of 1.85 million metric tons (MT). With high prices, more farmers have planted sugarcane, but some farms with no irrigation are suffering from the ongoing El Niño, which stunted sugarcane growth and could result in lower yields in MY 2025. Post sees no raw sugar importation and maintains MY 2025 exports at zero. Current sugar stocks are still high. Post expects the Philippines to fulfill its 2024 U.S. WTO tariff rate quota (TRQ) allocation of 25,300 metric tons raw value (MTRV). To date, however, no Sugar Order has been issued on sugar exports for this marketing year.

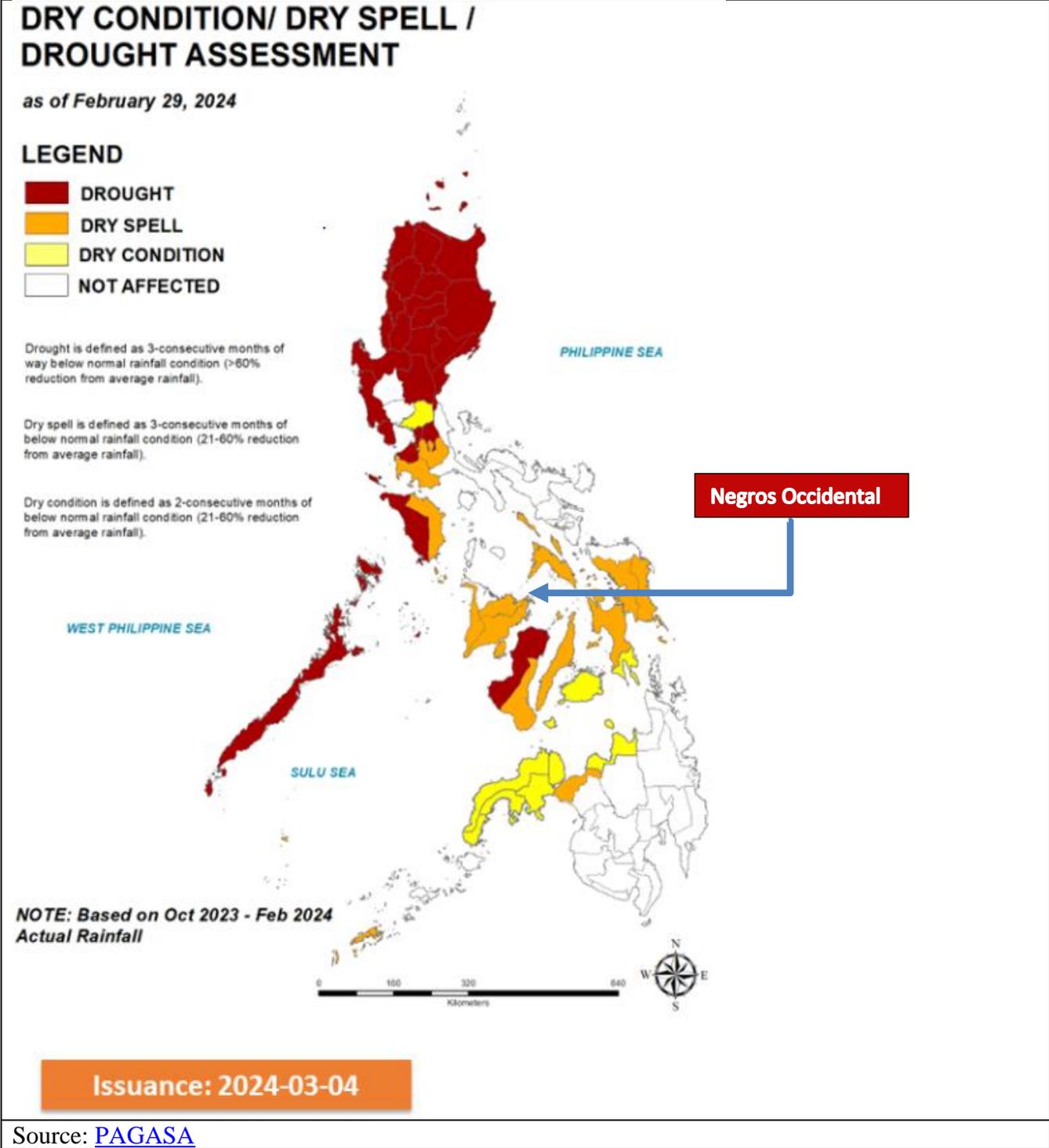
## Production:

**Centrifugal Sugar (Raw Sugar).** For MY 2025 (September 2024 to August 2025), Post forecasts sugar production to remain flat at 1.85 million MT. With high prices, farmers expanded sugarcane area, but some farms with no irrigation are suffering from the ongoing El Niño, which stunted sugarcane growth. Negros Occidental is one of the 25 provinces experiencing drought as reported by the Philippine Atmospheric, Geophysical and Astronomical Services Administration (PAGASA).

Post adjusted MY 2024 raw sugar production 50,000 MT higher than USDA Official. Sugarcane was not affected as much as expected compared to earlier predictions of a 10 to 15 percent drop in production due to El Niño. As of March 24, 2024, SRA reported raw sugar production of 1.7 million MT. Historically, around 50,000 MT is produced weekly. There are, however, other factors to consider such as diversion to ethanol production and milling schedules. Those facilities which [started milling](#) early will also end early when sugarcane supply becomes low. Milling will end around the second week of May in some areas.

Table 1: Sugar Production, Supply, and Distribution, in '000 MT						
Sugar, Centrifugal	2023		2024		2025	
Market Year Begins	Sep 2022		Sep 2023		Sep 2024	
Philippines	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Beginning Stocks	931	931	1,465	1,465		1,190
Beet Sugar Production	0	0	0	0		0
Cane Sugar Production	1,799	1,799	1,800	1,850		1,850
Total Sugar Production	1,799	1,799	1,800	1,850		1,850
Raw Imports	0	0	0	0		0
Refined Imports (Raw Value)	735	735	257	100		0
Total Imports	735	735	257	100		0
Total Supply	3,465	3,465	3,522	3,415		3,040
Raw Exports	0	0	0	25		0
Refined Exports (Raw Value)	0	0	0	0		0
Total Exports	0	0	0	25		0
Human Domestic Consumption	2,000	2,000	2,200	2,200		2,200
Other Disappearance	0	0	0	0		0
Total Use	2,000	2,000	2,200	2,200		2,200
Ending Stocks	1,465	1,465	1,322	1,190		840
Total Distribution	3,465	3,465	3,522	3,415		3,040

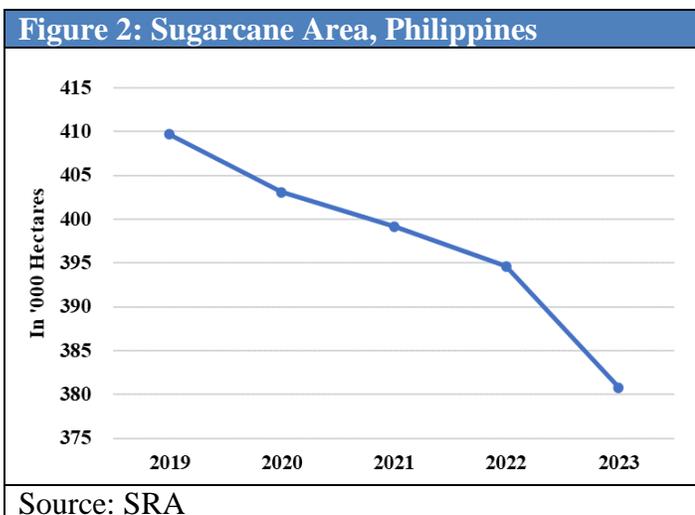
Figure 1: Areas Affected by El Nino, Philippines



Source: [PAGASA](https://www.pagasa.dost.gov.ph/)

Post estimates a marginal increase in sugarcane area in MY 2024. The prevailing high prices encouraged farmers to plant sugarcane instead of shifting to other crops like, corn, cassava, and bananas. Sugarcane planting starts in October and ends in May. Some new plantings in the past three months with no irrigation suffered from stunting due to El Niño and will produce lower yields in MY 2025.

The start of operations of the new ethanol plant in Cavite will encourage farmers supplying the Central Azucarera Don Pedro (CADP) region to go back to sugarcane. Cavite Biofuels is able to use both sugarcane and molasses as feedstocks. The ethanol facility currently gets its sugarcane from Batangas. Expansion of areas near the facility is also expected. Farmers in Batangas continue to plant sugarcane despite the closure of CADP to supply other sugar mill and bioethanol producers in Batangas and Cavite. About 85 percent of the more than 385,000 hectares are small farms of one-to-two hectares.



The projected marginal increase in MY 2025 is not enough to recover the areas previously planted with sugarcane. Areas continue to decline due to conversion to other uses such as residential and industrial, crop shifting in some areas, and urbanization.

**Table 2: Sugarcane Production, Supply, and Distribution**

<b>Sugar, Centrifugal</b>	<b>2022/2023</b>		<b>2023/2024</b>		<b>2024/2025</b>	
<b>Market Year Begins</b>	<b>Sep 2022</b>		<b>Sep 2023</b>		<b>Sep 2024</b>	
<b>Philippines</b>	<b>USDA Official</b>	<b>New Post</b>	<b>USDA Official</b>	<b>New Post</b>	<b>USDA Official</b>	<b>New Post</b>
Area Planted (1000 HA)	388	388	390	385		387
Area Harvested (1000 HA)	388	388	390	385		387
Production (1000 MT)	21,100	21,100	21,800	21,500		21,600
Total Supply (1000 MT)	21,100	21,100	21,800	21,500		21,600
Utilization for Sugar (1000 MT)	20,345	20,345	21,000	20,600		20,600
Utilization for Alcohol (1000 MT)	755	755	800	900		1,000
Total Utilization (1000 MT)	21,100	21,100	21,800	21,500		21,600

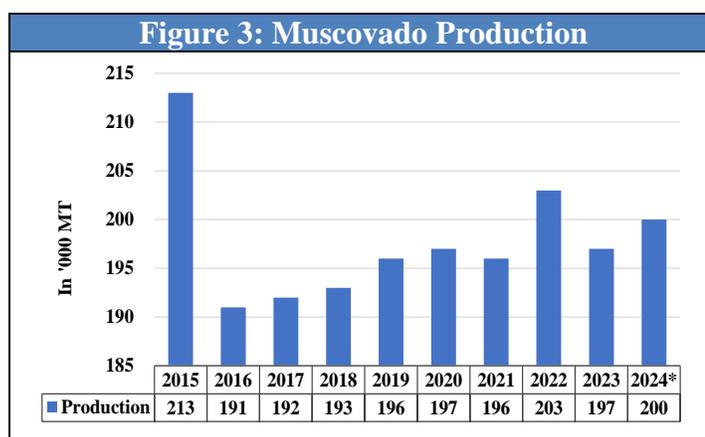
**Table 3: U.S. Dollar to Philippine Peso Exchange Rate, Annual Average**

	2020	2021	2022	2023	2024*
US\$ - PHP	49.62	49.25	54.48	55.63	56.16

Note: \*average from September 1, 2023, to April 12, 2024

Source: [Bangko Sentral ng Pilipinas](#) (Central Bank of the Philippines)

**Non-centrifugal Sugar (Muscovado).** Post forecasts production to recover in MY 2025. The increasing interest in healthy and organic food will drive demand for muscovado sugar, which is viewed as pure and whole. Muscovado serves as an important ingredient in local delicacies, jams, beverages, and in making chocolates. Muscovado powder has a minimum polarization of 77-86 °Z as stated in the [PNS/BAFS 144:2015](#). It is considered one of the healthier alternatives to refined sugar. A number of commercial brands are now readily available. High prices encouraged more production in the past years.



Note: \*Post forecast

Source: Philippine Statistics Authority (PSA)

**Prices.** Sugar mill site prices started to decrease in September 2024 compared to the high prices during the same period last year due to the large stock balance of sugar available in the country. Mill site prices normally increase toward the end of the milling season (from June to August) as sugarcane supply becomes low. Projected income is computed in terms of mill site prices using sugar yield or the LKG/TC (50-kilogram bag per ton cane) and the prevailing sharing scheme implemented in the mills (i.e., 70:30 or 70 percent to farmer and 30 percent of sugar output to the miller). High prices benefited both the miller and planters; however, the planters suffered from high cost of fertilizer and other costs such as labor, power, and fuel.

**Table 4: Mill Site Prices, PhP/Kg “B” Domestic and Composite Price**

Month	2022	2023	2024
Sep	1,597	3,364	2,758
Oct	1,709	3,312	2,703
Nov	1,681	3,270	2,616
Dec	1,735	3,058	2,415
Jan	1,889	3,425	2,405
Feb	1,796	3,092	2,546
Mar	2,023	3,101	2,747
Apr	2,184	3,177	-
May	2,273	3,120	-
Jun	2,349	3,033	-
Jul	2,370	3,000	-
Aug	2,875	*	-
<b>Ave.</b>	<b>2,040</b>	<b>3,177</b>	<b>2,599</b>

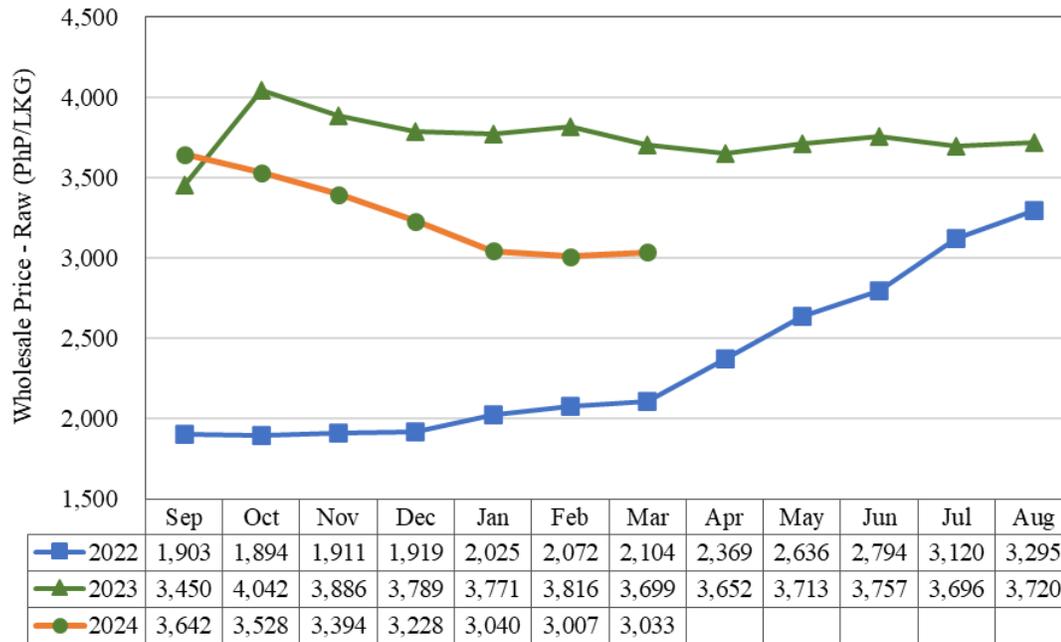
Note: \*No milling operation

Source: [SRA Mill Site Prices](#)

**Wholesale Prices.** Prices show a decreasing trend in MY 2024 due to large sugar stocks available.

The price of raw sugar is determined on a weekly basis via a bidding process initiated by planters’ associations (note: sugarcane farmers are known locally as planters) with offices located inside the mill compound. The result of the bidding in Negros Occidental (the major producing province), normally done on a Thursday, becomes the reference price made available to other planters’ associations nationwide. It is then the decision of the sugar traders to use the same price or increase/decrease the price to buyers, but normally it will not differ more than P10-50 (\$0.20 to \$1.03) per 50-kilogram (LKG) bag.

**Figure 4: Wholesale Prices of Raw Sugar, Metro Manila**

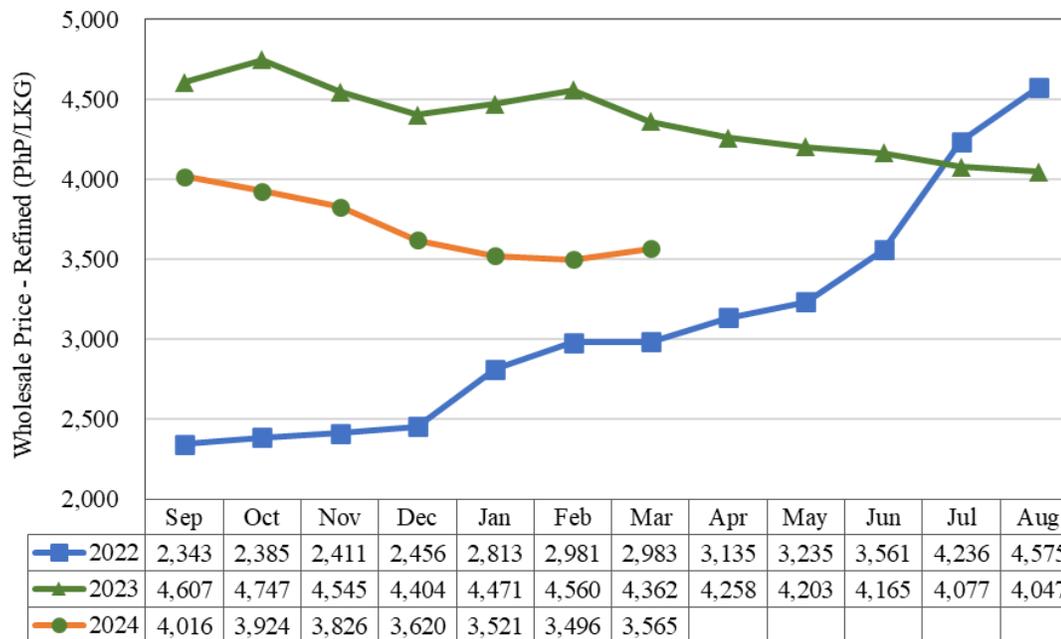


**MY 2024  
\$/LKG**

Sep	64
Oct	62
Nov	61
Dec	58
Jan	54
Feb	54
Mar	54
Apr	
May	
Jun	
Jul	
Aug	

Source: [SRA Metro Manila Price Monitoring Report](#)

**Figure 5: Wholesale Prices of Refined Sugar, Metro Manila**



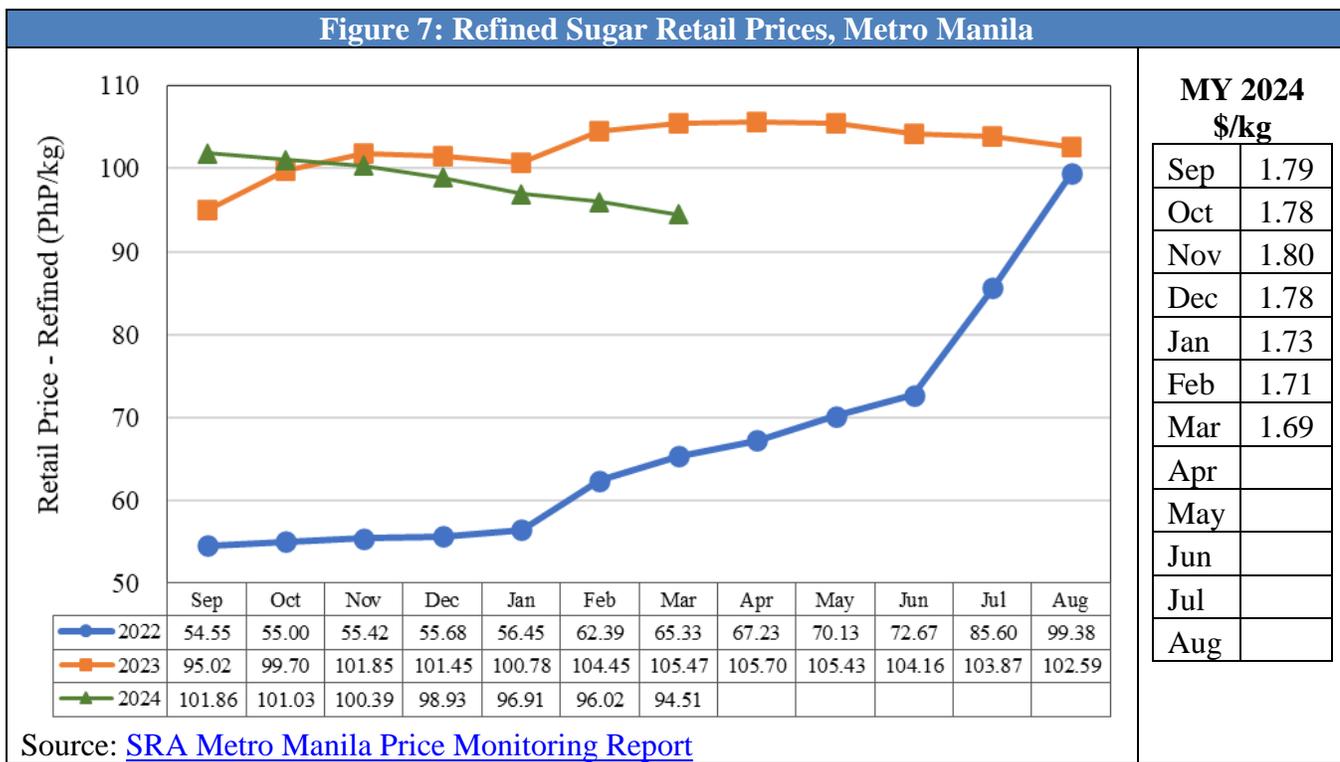
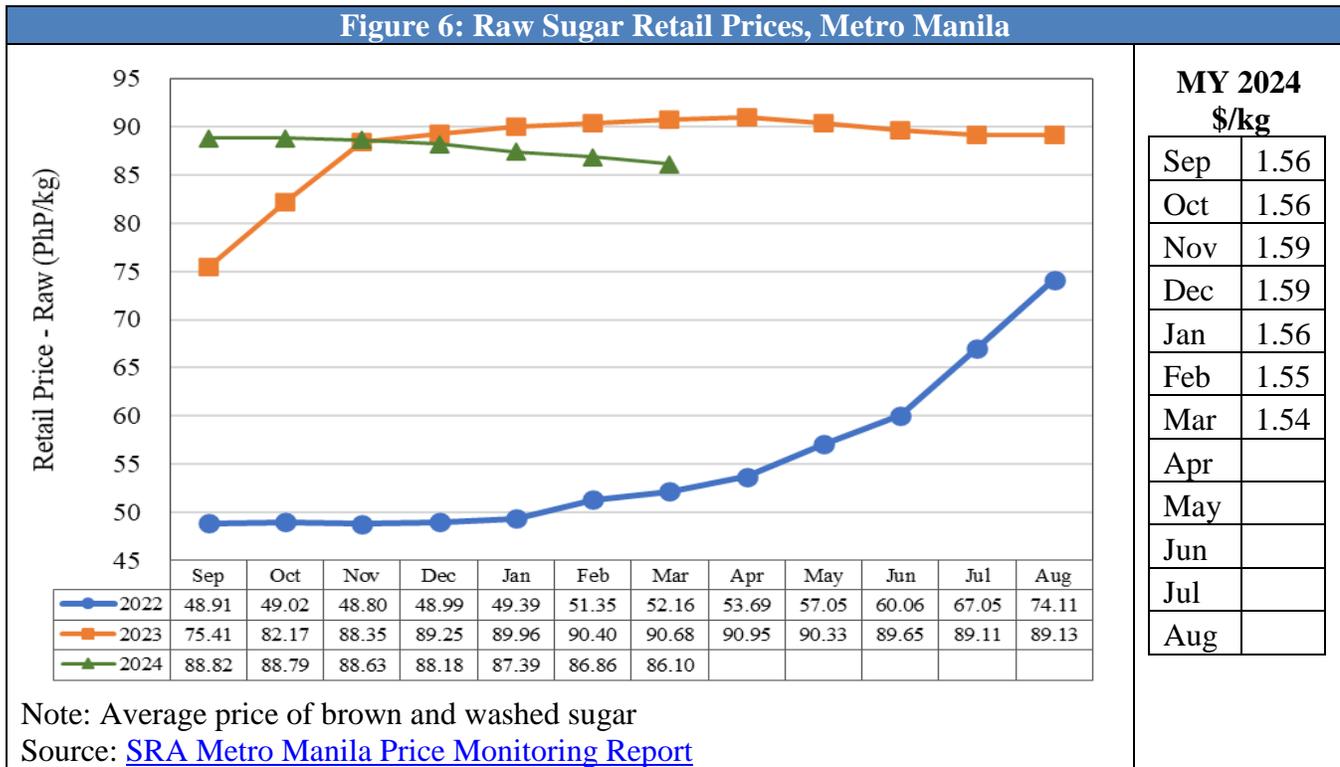
**MY 2024  
\$/LKG**

Sep	71
Oct	69
Nov	69
Dec	65
Jan	63
Feb	62
Mar	64
Apr	
May	
Jun	
Jul	
Aug	

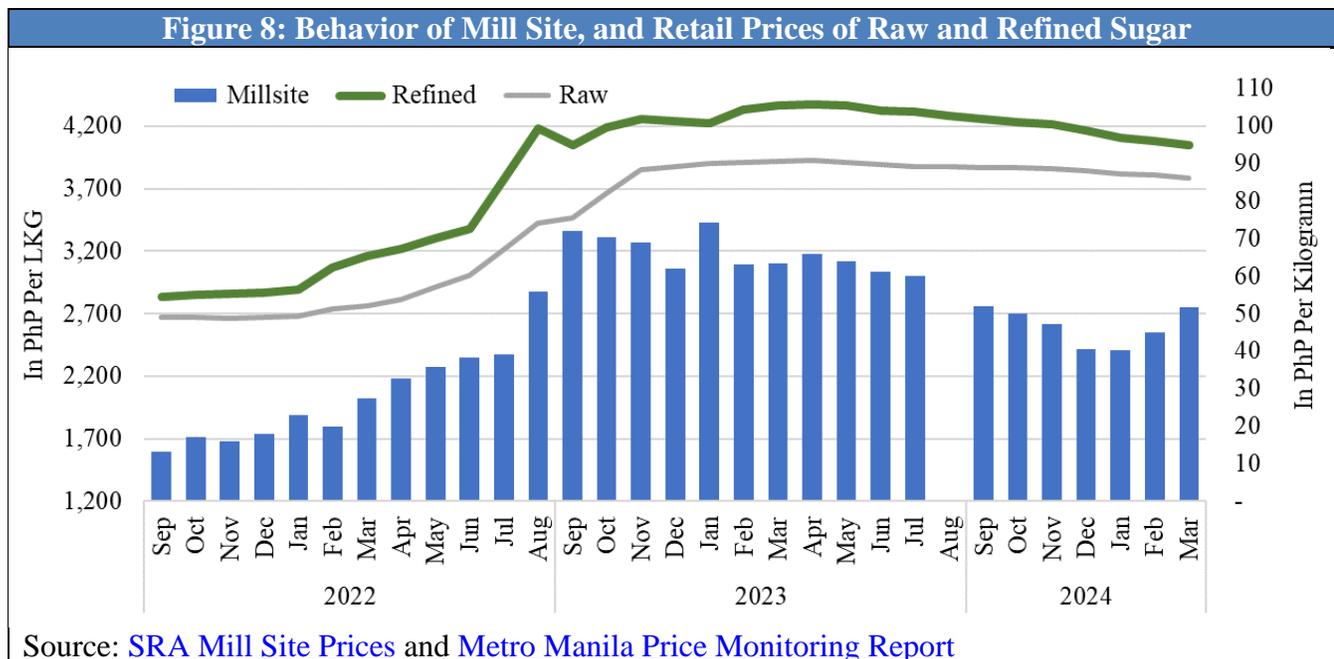
Source: [SRA Metro Manila Price Monitoring Report](#)

**Retail Prices.** Prices remain elevated but are on a downward trend from 2023. Consumers wait to see prices decline, but prices continue to range from PhP86 (\$1.54) to PhP89 (\$1.59) per kilo, despite an ample supply. Hence, prices have not gone down to previous levels, not even closer to 2022 prices. Per

Post computation, imported refined sugar from ASEAN can be sold between PhP60 (\$1.07) to PhP65 (\$0.92) per kilo. See [GAIN Sugar Report](#) for price computation.



Millsite prices have decreased but retail prices of raw and refined sugar remain elevated in MY 2024. The high demand for raw sugar at the beginning of MY 2023 resulted in soaring prices at the mill, which translated to high wholesale and retail prices. Please see [GAIN Sugar Report](#) for price analysis.



Consumers continue to wait for lower prices, which had almost doubled from MY 2022. Despite the accumulation of stocks, prices remain well above the norm. High costs of production and limited refined imports have resulted in only a slight decline in sugar prices. Food prices have fueled the 15-year-high inflation rate since the beginning of MY 2024. In February 2024, sugar, including confectionery, and desserts represented a year-on-year decline of 2.4 percent, compared with its highest contribution of 37 percent increase in February 2023, which accounted for the highest share of food inflation. (Source: [PSA Summary Inflation Report, February 2024](#))

Year	PhP/Kg
2016	86.21
2017	79.61
2018	82.70
2019	85.07
2020	82.99
2021	87.75
2022	90.00
2023	120.00
2024*	130.00

\*Post forecast

Source: SRA and FAS Manila research

**Muscovado Prices.** Foreign markets like Europe and Japan are willing to pay a higher price for muscovado. The export price has been higher for high-quality muscovado than the prevailing market price of about PhP 120/kg (\$2.14/kg) in the domestic market, although local prices have risen recently. The favorable retail price in the domestic and export market pulls up farmgate prices to the benefit of producers. Muscovado offers a better price than raw and refined sugar with relatively low capital to operate. Muscovado prices increased due to high sugar prices.

**Consumption:**

**Centrifugal Sugar (Raw Sugar).** Post forecasts sugar demand to remain flat for MY 2025. The high prices of sugar and sugar-containing products will continue to discourage an increase in consumption. The high inflation rate affected consumers and focused their spending on basic commodities.

Domestic sugar demand is divided into three main segments: household (32 percent), institutional (18 percent) and industrial (50 percent). Among industrial users, the beverage industry, preserved fruits, and confectionery sectors are the most important users. Based on previous studies (1993, 2001, 2008) by the University of Asia and the Pacific-Center for Food and Agri Business (UA&P-CFA), Philippine consumers preferred refined sugar (60 percent) over washed sugar (25 percent) and brown sugar (15 percent). See [2022 Sugar Annual](#).

Sugar withdrawal from warehouses remains low compared to previous years, an indication of low consumption. This will continue with the prevailing high retail prices.

**Non-centrifugal Sugar (Muscovado).** Currently, domestic demand for muscovado is low due to high prices. Consumers lessen consumption just like with centrifugal sugar. Consumers of muscovado come from the health and wellness sectors as well as institutional buyers.

### ALTERNATIVE SWEETENERS

Among other forms of sugar and sugar substitutes or alternative sweeteners are high fructose corn syrup (HFCS), coconut sap sugar, muscovado, and molasses. These alternative sweeteners serve niche markets, as sugar holds the largest share of consumption.

**High Fructose Corn Syrup (HFCS).** The Philippines used to be a major market for HFCS (HS Code 170260), importing about half of China’s exports annually (up to 300,000 MT). On January 1, 2018, however, the Philippines imposed a tax of

Table 6: Fructose/HFCS Imports In Metric Tons			
	2022	2023	2024
September	1,732	870	1,016
October	1,761	1,370	1,530
November	1,043	1,977	2,407
December	921	1,017	1,296
January	578	907	1,423
February	515	1,469	1,741
March	1,462	1,003	1,446
April	1,675	1,430	332*
May	1,380	1,225	
June	855	2,185	
July	1,272	1,378	
August	1,127	1,311	
Total	14,324	16,142	

Note: \*As of April 3, 2024

Source: SRA

Table 6: Alternative Sweeteners
<b>Sucralose</b> (Splenda) 600 times sweeter than sugar Supplier: Singapore, China, U.S.
<b>Aspartame</b> (Equal, NutraSweet, NutraTaste) 160-220 times sweeter than sugar Supplier: China, Japan, Taiwan
<b>Stevia</b> (Sweet & Fit) 300 times sweeter than sugar Supplier: Local, China, Malaysia, Thailand
<b>Saccharin</b> (Sweet N Low) 200-700 times sweeter than sugar Supplier: China, South Korea, Japan
<b>Acesulfame</b> (Sweet One, Sunnett) 200 times sweeter than sugar Supplier: Indonesia, China, Singapore

PhP6 (\$0.12) per liter on drinks using sugar and other sweeteners, while those using HFCS are charged PhP12 (\$0.24) per liter. As a result, the sweetened beverage producers, the biggest HFCS buyers, shifted to sugar to avoid the higher taxes.

**Coconut Sap Sugar or Coco Sugar** (HS Code 170290). Currently, coco sugar is only a small fraction of the country’s coconut industry, but the Philippine Coconut Authority (PCA) has been actively promoting coco sugar as an alternative to cane sugar to boost local demand.

Coco sugar has lower glycemic index (GI) of 35 per serving, compared to GI 65 to GI100 for cane-based sugar. Coco sugar is exempted from additional excise tax on sweetened products in the Philippines.

**Honey** (HS Code 040900). Honey is sweeter than sugar due to the high level of fructose with a GI value of 55. The Philippines imported 810 MT of honey in MY 2023, while its local production is estimated at 100 MT per year.

The Philippines produces and imports sugar alternatives approved by the Philippine Food and Drug Administration (FDA). Many dieters use alternative sweeteners and artificially sweetened foods to cut sugar consumption without eliminating sweetness in beverages, baked foods, and ice cream, among others. For more information on sugar alternatives, please see the [2021 Sugar Annual Report](#). The consumption of sugar alternatives, including lactose, glucose, and fructose/HFCS is significantly lower than sugar consumption, but consumption of sugar alternatives has been increasing over the past years.

**Trade:**

**Exports.** Post maintains MY 2025 exports at zero, following the decision of the SRA for a three-year moratorium on sugar quota allocation. In recent years, the United States has been the sole export market for Philippine raw sugar.

Post expects the Philippines to fulfill its 2024 U.S. WTO tariff rate quota (TRQ) allocation of 25,300 metric tons raw value (MTRV). To date, however, no SO has been issued on sugar exports for this marketing year. The high carryover stocks plus the expected increase in production may support sugar exports. On April 5, 2024, however, the [SRA issued the guidelines on advance refining](#) of reclassified raw sugar under [SO2](#), Series of 2023-2024 which can affect the decision to export.

**Imports.** Post forecasts no importation of raw sugar in MY 2025, as the government seeks to protect local producers. The large importation of refined sugar in MY 2022 has translated into high carryover stocks. There remain ample supplies of both raw and refined sugar in the market.

<b>Table 7: Consumption of Sugar and Alternative Sweeteners In '000 MT Raw Sugar Equivalent</b>			
<b>DEMAND/ CONSUMPTION</b>	<b>MARKETING YEAR</b>		
	<b>2022</b>	<b>2023</b>	<b>2024*</b>
Sugar	2,000	2,200	2,200
Fructose/HFCS	14	15	16
Sugar Alternatives	770	780	828
Aspartame	374	310	327
Acesulfame	181	200	205
Sucralose	159	212	237
Saccharin	43	45	48
Stevia	13	13	11

Note: \*Post Forecast  
*Aspartame* – HS Code 292429, Cyclic Amides (Including Cyclic Carbamates) And Their Derivatives, And Salts Thereof, Nesoi;  
*Saccharin* – HS Code 292511  
*Sucralose* – HS Code 293214  
*Acesulfame* – HS Code 293499, Nucleic Acids and Their Salts, Whether Or Not Chemically Defined; Other Heterocyclic Compounds, Nesoi  
*Stevia* – HS Code 293890, Glycosides, Natural or Reproduced by Synthesis, And Their Salts, Ethers, Esters and Other Derivatives, Nesoi  
 Philippines has minimal production.

Source: Trade Data Monitor, and SRA

## Stocks:

Raw and refined sugar stocks will be at comfortable level at the beginning of MY 2025. Sugar withdrawals continue to be low compared to previous years. Raw sugar inventory is expected to be high at the start of the milling season. With the on-going harvest, there will be a build-up of raw sugar if it is not sold in the market, a lot more than the required buffer stocks of 160,000 MT. SRA monitors warehouses owned by millers, traders, and importers, who are required to register all warehouses.

**Table 8: Raw and Refined Sugar Stocks, in MT**

Marketing Year	Raw Sugar			Refined Sugar		
	2022	2023	2024*	2022	2023	2024*
Beginning Stocks	252,304	133,541	190,790	195,000	147,593	551,552
Domestic	252,304	133,541	184,815	143,712	27,388	142,052
Imports			5,975	51,288	120,205	409,500
Imports		10,000		228,052	730,430	64,450
Production	1,820,864	1,799,466	1,724,500	748,506	640,908	562,707
<b>Total Supply</b>	<b>2,073,168</b>	<b>1,943,007</b>	<b>1,915,290</b>	<b>1,171,558</b>	<b>1,518,931</b>	<b>1,178,709</b>
Withdrawal						
From Imports		4,025	5,475	157,261	439,255	297,870
From Local Production	1,939,658	1,748,403	1,083,389	864,927	526,245	302,157
<b>Total Withdrawal</b>	<b>1,939,658</b>	<b>1,752,428</b>	<b>1,088,864</b>	<b>1,022,188</b>	<b>965,500</b>	<b>600,027</b>
<b>Ending Stocks</b>	<b>133,509</b>	<b>184,604</b>	<b>825,926</b>	<b>149,370</b>	<b>553,451</b>	<b>401,602</b>
Transfer to refinery	7,937	8,772	219,921			
From Local Production				27,291	142,051	402,602
From Imports		5,975	500	122,080	411,400	176,080
<b>Net Ending Stocks</b>	<b>125,572</b>	<b>181,806</b>	<b>606,505</b>	<b>149,371</b>	<b>553,451</b>	<b>578,682</b>

Note: \* As of March 24, 2024

Source: SRA

## Trade Policy:

**Executive Order 892 (EO 892)**: Imports of sugar from ASEAN countries are levied at 5 percent duty. The Philippines, a signatory to the World Trade Organization (WTO), has lifted quantitative restrictions on imports of all food products but maintains tariff rate quotas on sugar. The tariff rates for sugar were established in **Executive Order 313**, which set varying in-quota and out-quota rates. In-quota rates apply for sugar imported within MAV, while any imports in excess of the MAV are assessed the out-of-quota rate.

For non-ASEAN countries, under the Uruguay Round of the WTO, the Philippines committed to a final ten-year minimum access volume (MAV) of 65,050 MT of raw sugar, with a tariff rate of 50 percent. All importation in excess of the MAV is subject to a tariff rate of 65 percent. The Most Favored Nation (MFN) tariff has not changed since 2016.

## Policy:

SRA has the mandate under [EO 18 Series of 1986](#) and [Republic Act No. 10659](#) or the Sugar Industry Development Act (SIDA) of 2015 to establish a balance between domestic production and the country's sugar requirement.

**Sugar Order.** Philippine sugar policy and trade are generally regulated by the SRA, working closely with various influential industry stakeholders. During the start of each crop year, the SRA issues a central policy (known as Sugar Order No.1) on production and marketing of sugar for the country, which allocates how much production goes to the domestic and export markets, as well as reserves. These orders are adjusted as the season progresses. A running history of SRA sugar orders may be accessed [here](#).

**Sugar Order No. 1.** SRA released SO No.1 on September 11, 2023, which forecasted production at 1.85 million MT for MY 2024. The SRA allocated all production for the domestic market or “B” sugar, with none classified as “A” sugar for the U.S. market. SRA periodically assesses sugar allocation throughout the year based on the sugar supply situation.

**Sugar Order No. 2.** SRA released SO No. 2 on March 8, 2024, which is the first voluntary limited volume purchase of raw sugar to be reclassified as “C” or reserved sugar, to avail of allocation for future import programs. The intention of this SO is to help secure and stabilize the farmgate prices and ensure fair and reasonable retail prices.

**Ethanol.** Sugarcane and sugar molasses are the primary feedstocks used for bioethanol production, while the bagasse is mainly used for power cogeneration of sugar mills, refineries, and bioethanol distilleries. There are currently 13 operating bioethanol distilleries and six bagasse-fueled power-generating plants in the country. For more information, see the [Biofuels Annual Report 2023](#).

The reference price of bioethanol is based on the mill site prices of sugar and molasses. The National Biofuels Board (NBB) through the SRA sets up a price index or reference price of bioethanol, which serves as the basis for negotiations between oil companies and bioethanol producers.

Marketing Year	Sugar Composite Price (PhP/LKG)	Molasses Price (PhP/MT)	Bioethanol Reference Price (PhP/Li)
2022	2,044	11,735	65.79
2023	3,177	14,510	82.07
2024*	2,599	17,286	83.77

Note: Average from September to March 2024  
Source: SRA

**Molasses.** Molasses (HS 170310) is a major by-product from sugar production, used in the manufacture of fuel ethanol, potable alcohol, and disinfectant, among other products. Molasses imports have steadily increased in the past three marketing years. The largest suppliers in MY 2024 are Indonesia, and Malaysia.

**Table 10: Molasses Supply and Demand, in MT**

Item	Marketing Year		
	2022	2023	2024(a)
Beginning Stocks	207,531	208,214	116,132
Production	1,165,384	938,463	828,374
Local Supply	1,372,914	1,146,676	955,506
Consumption	1,178,880	1,008,974	582,660
Ending Stocks (Local)	194,034	137,702	361,846
Imports (b)	411,000	465,036	236,830 *

Note: \*As of December 2023

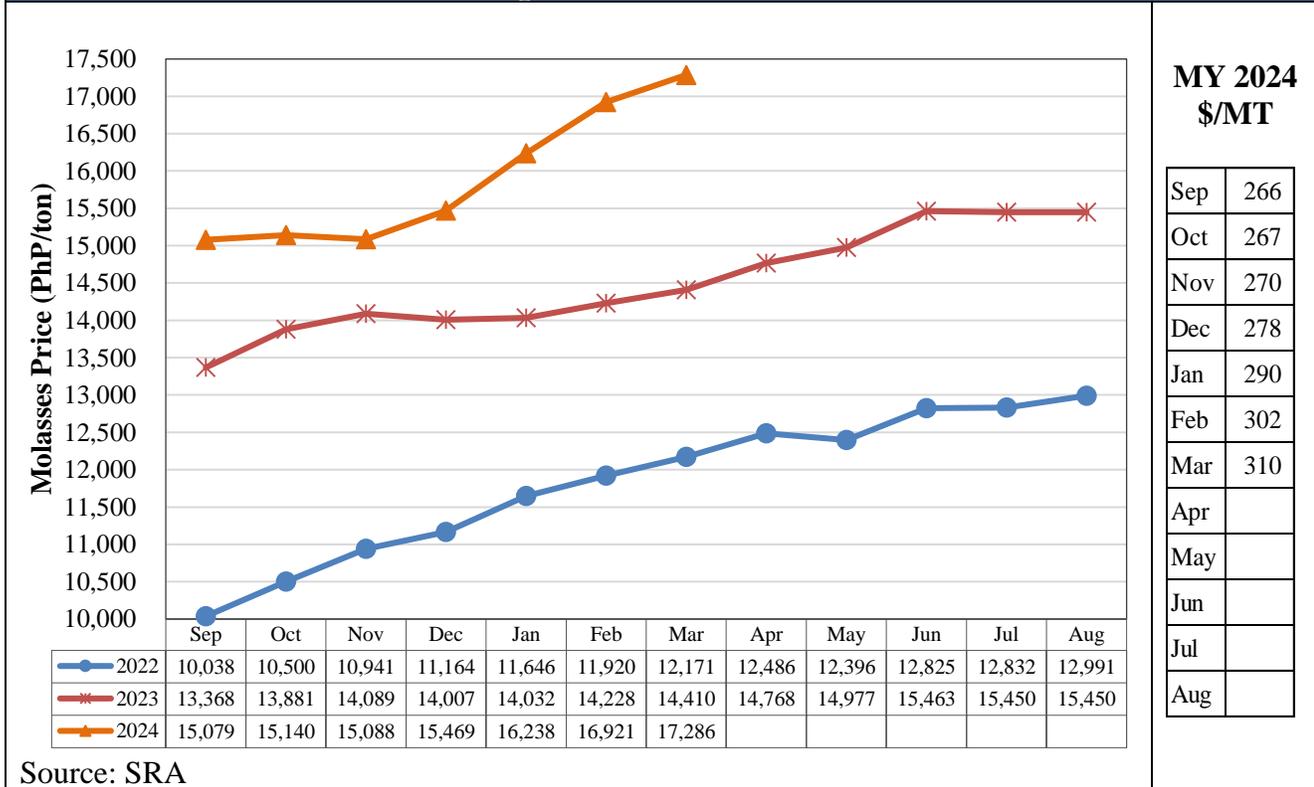
(a) As of March 24, 2024

(b) including molasses for ethanol production (potable and disinfectant). Under the law, imported molasses is not allowed to be used as feedstock for fuel ethanol production.

Source: SRA, and TDM for import

Molasses prices in MY 2024 followed the same trend as sugar prices with the highest average price in March 2024 at PhP17,286/ton (\$310/MT), which grew 20 percent compared to March 2023.

**Figure 9: Molasses Prices**



Source: SRA

**Attachments:**

No Attachments