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Report Highlights:

FAS Manila forecasts raw sugar production at 1.85 million metric tons (MT) for marketing year (MY) 2025, higher than the Sugar Regulatory Administration's (SRA) forecast of 1.78 million MT, due to an expansion in area planted and improvements in weather conditions from the previous El Niño, which is expected to provide better production in MY 2025. Post forecasts no additional exports on top of the 24,800 MT raw value shipped to the United States at the beginning of MY 2025, following the recent Sugar Order No.1 allocating all production to domestic consumption. As of this report SRA has not authorized a sugar import program for MY 2025.

Production:

Centrifugal Sugar (Raw Sugar). FAS Manila forecasts marketing year (MY) 2025 (September 2024 to August 2025) raw sugar production at 1.85 million MT, higher than the Sugar Regulatory Administration's (SRA) forecast of 1.78 million MT as announced in Sugar Order No. 1 (SO1) on September 12, 2024. Improvement in weather conditions from the previous El Niño is expected to provide better production in MY 2025.

Post revises production for MY 2024 to 1.92 million MT, up 72,000 MT from USDA Official and higher than Post's initial forecast of 1.9 million MT (Sugar Annual 2023), to match SRA's official production numbers. The Philippine Atmospheric, Geophysical and Astronomical Services (PAGASA) projected El Niño to persist from November 2023 to January 2024, which is normally within the dry season in Negros (a major sugar-producing island). SRA's initial announcements of production decrease of at least 10 to 15 percent, depending on the severity of El Niño, did not happen, but rather helped to have higher sugar recovery from harvested cane.

Table 1: Production, Supply, and Distribution Data in (1000 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 (1000 MT)	931	931	1,465	1,465	1,190	1,258
Beet Sugar Production (1000 MT)	0	0	0	0	0	0
Cane Sugar Production (1000 MT)	1,799	1,799	1,850	1,922	1,850	1,850
Total Sugar Production (1000 MT)	1,799	1,799	1,850	1,922	1,850	1,850
Raw Imports (1000 MT)	0	0	0	0	0	0
Refined Imp. (Raw Val) (1000 MT)	735	735	100	71	0	0
Total Imports (1000 MT)	735	735	100	71	0	0
Total Supply (1000 MT)	3,465	3,465	3,415	3,458	3,040	3,108
Raw Exports (1000 MT)	0	0	25	0	0	25
Refined Exp. (Raw Val) (1000 MT)	0	0	0	0	0	0
Total Exports (1000 MT)	0	0	25	0	0	25
Human Dom. Consumption (1000 MT)	2,000	2,000	2,200	2,200	2,200	2,200
Other Disappearance (1000 MT)	0	0	0	0	0	0
Total Use (1000 MT)	2,000	2,000	2,200	2,200	2,200	2,200
Ending Stocks (1000 MT)	1,465	1,465	1,190	1,258	840	883
Total Distribution (1000 MT)	3,465	3,465	3,415	3,458	3,040	3,108
(1000 MT)						

Post estimates MY 2025 sugarcane area at 389,500 hectares (ha), slightly higher than the USDA Official estimate of 387,000 due to increase in area planted, particularly in Mindanao. The loss of area in Luzon due to land conversion to residential and commercial purposes will only partly offset area expansion in Mindanao. The prevailing high prices will continue to encourage farmers to plant sugarcane instead of

shifting to other crops like, corn, cassava, and banana. Sugarcane planting normally starts in October and ends in May. About 85 percent of sugarcane areas are small farms of one to two hectares.

Table 2: Production, Supply, and Distribution Data in (1000 HA), (1000 MT)						
Sugar Cane for 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**
Area Planted (1000 HA)	388	388	385	388	387	389
Area Harvested (1000 HA)	388	388	385	388	387	389
Production (1000 MT)	21,100	21,100	21,500	21,600	21,600	21,800
Total Supply (1000 MT)	21,100	21,100	21,500	21,600	21,600	21,800
Utilization for Sugar (1000 MT)	20,345	20,345	20,600	20,400	20,600	20,800
Utilization for Alcohol (1000 MT)	755	755	900	1,200	1,000	1,000
Total Utilization (1000 MT)	21,100	21,100	21,500	21,600	21,600	21,800
(1000 HA), (1000 MT)						

Sugarcane growing areas cover 26 mill districts located in 20 provinces within the 10 regions of the country. Visayas (Negros, Panay, Cebu and Leyte) remains the top producer. Negros represents 61 percent of the sugarcane production area nationwide. Of the total area, 97 percent of harvested area are for centrifugal sugar, the remaining areas (3 percent) are for bioethanol production. Generally, sugarcane area harvested is on the downtrend due to land conversion and closing of mills. The projected marginal increase in MY 2025 is not enough to recover the area lost over the long term.

Figure 1: Sugarcane Areas, MY 2021-2025

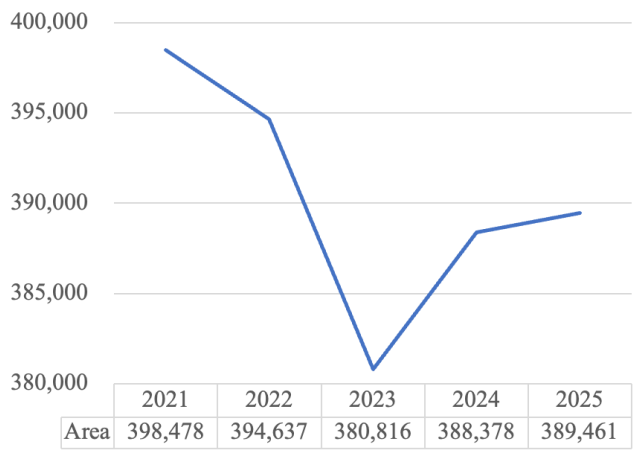
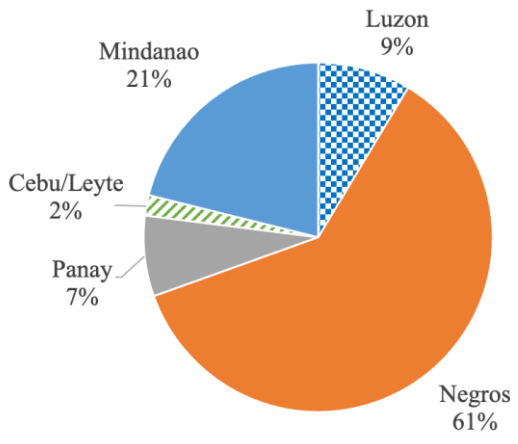


Figure 2: Major Sugarcane Areas, MY 2025



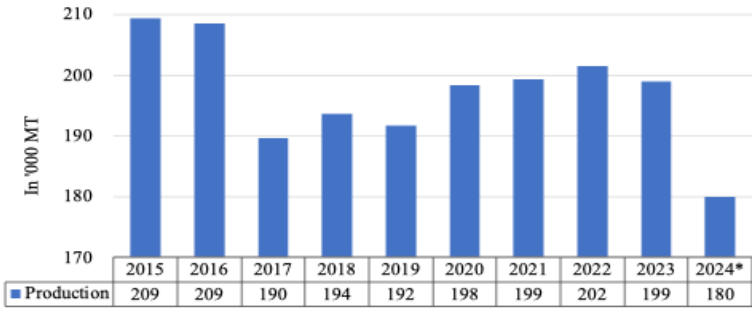
Source: SRA

Table 3: U.S. Dollar to Philippine Peso Exchange Rate				
MY	2021	2022	2023	2024
US$ - PHP	48.57	52.14	55.68	55.89*

Note: *September 30, 2024
Source: Bangko Sentral ng Pilipinas (Central Bank of the Philippines)

Non-centrifugal Sugar (Muscovado). The increasing interest in healthy and organic food in the Philippines is likely to stimulate demand for muscovado sugar, which is viewed as pure and wholesome. It 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 one of the healthier alternatives to refined sugar. A number of commercial brands are now readily available.

Figure 3: Muscovado Production MY 2015 to 2024



Note: *Post forecast
Source: Philippine Statistics Authority (PSA)

Prices. For MY 2024, millsite prices declined compared to MY 2023 because of the huge stock balance of sugar available in the country, but remain elevated compared to MY 2022. Prices normally increase toward the end of the milling season (from June to August) as sugarcane supply becomes low. For MY 2024, milling stopped as early as June due to low sugarcane supply. Average millsite prices declined 18 percent from MY 2023. 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 millers and planters; however, the planters suffered from high cost of production such as labor, power, and fuel, and other inputs costs.

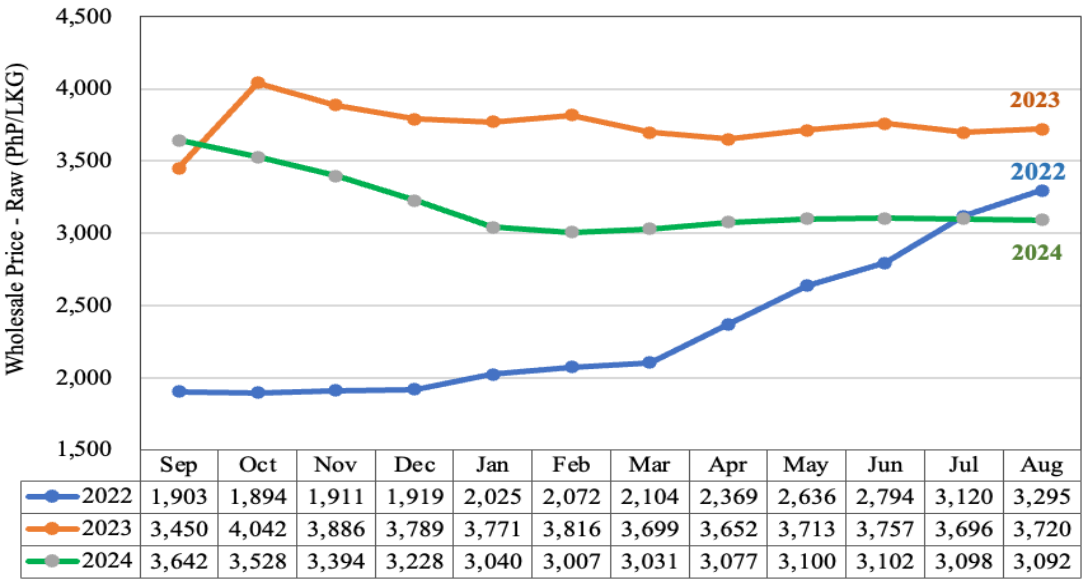
Table 4: Mill Site Prices in Pesos per LKG ("B" Domestic and Composite)			
Month	**2022**	**2023**	**2024**
Sep	1,597.37	3,363.71	2,757.71
Oct	1,708.81	3,311.77	2,703.18
Nov	1,680.67	3,269.76	2,615.54
Dec	1,735.39	3,058.46	2,414.98
Jan	1,889.43	3,217.94	2,405.23
Feb	1,796.37	3,091.99	2,548.43
Mar	2,022.94	3,100.77	2,753.42
Apr	2,184.18	3,177.19	2,580.15
May	2,273.26	3,120.01	2,444.22
Jun	2,348.83	3,033.33	-
Jul	2,370.00	3,000.00	-
Aug	2,875.47	-	-
Ave.	**2,043.23**	**3,158.63**	**2,580.32**

Note: No "A" sugar in MY 2022, 2023, and 2024
- Milling operation was terminated
Source: SRA Millsite Prices

Wholesale Prices. Prices have been stable in 2024. Government efforts to lower prices through importation have helped, but prices remain elevated compared to the early months of MY 2022. The price of raw sugar is determined on a weekly basis via a bidding process initiated by the sugarcane planters' association (note: sugarcane farmers are

known locally as planters) with offices located inside the mill compound. The result of the bidding in Negros (the major producing island), normally done on a Thursday, is used as a reference price, which is then made available to other planters' associations nationwide. It is then within the decision of the sugar trader to use the same price or increase/decrease the price to buyers, but normally it will not differ more than P10-50 ($0.18 to $0.88) per LKG bag.

Figure 4: Wholesale Prices of Raw Sugar
Metro Manila



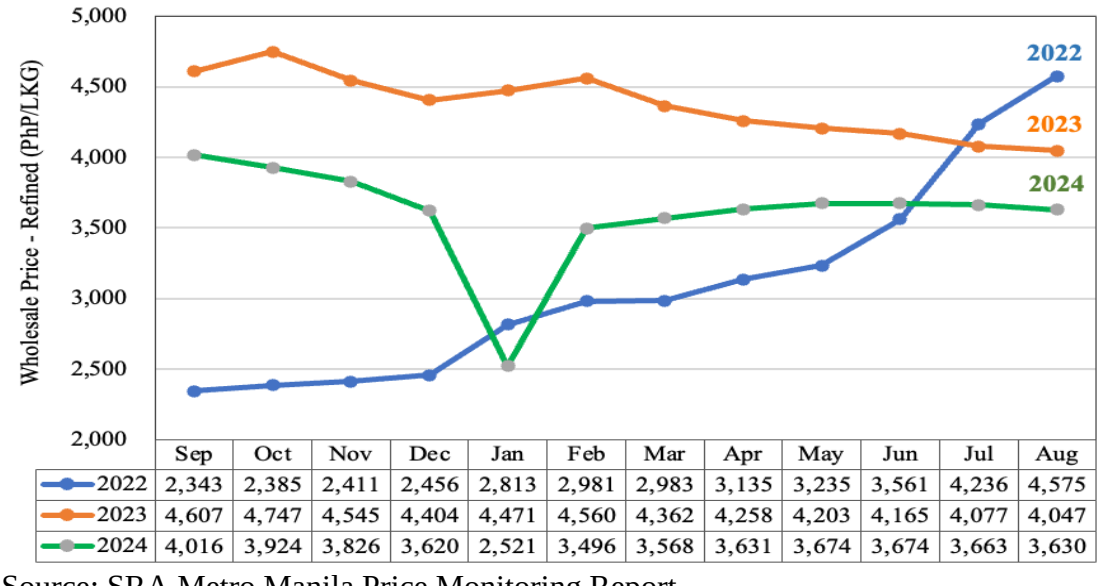
	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug
2022	1,903	1,894	1,911	1,919	2,025	2,072	2,104	2,369	2,636	2,794	3,120	3,295
2023	3,450	4,042	3,886	3,789	3,771	3,816	3,699	3,652	3,713	3,757	3,696	3,720
2024	3,642	3,528	3,394	3,228	3,040	3,007	3,031	3,077	3,100	3,102	3,098	3,092

MY 2024 in $/LKG

Sep	64.15
Oct	62.13
Nov	60.83
Dec	58.08
Jan	54.33
Feb	53.65
Mar	54.29
Apr	54.03
May	53.67
Jun	52.85
Jul	52.98
Aug	54.07

Source: SRA Metro Manila Price Monitoring Report

Figure 5: Wholesale Prices of Refined Sugar
Metro Manila



	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug
2022	2,343	2,385	2,411	2,456	2,813	2,981	2,983	3,135	3,235	3,561	4,236	4,575
2023	4,607	4,747	4,545	4,404	4,471	4,560	4,362	4,258	4,203	4,165	4,077	4,047
2024	4,016	3,924	3,826	3,620	2,521	3,496	3,568	3,631	3,674	3,674	3,663	3,630

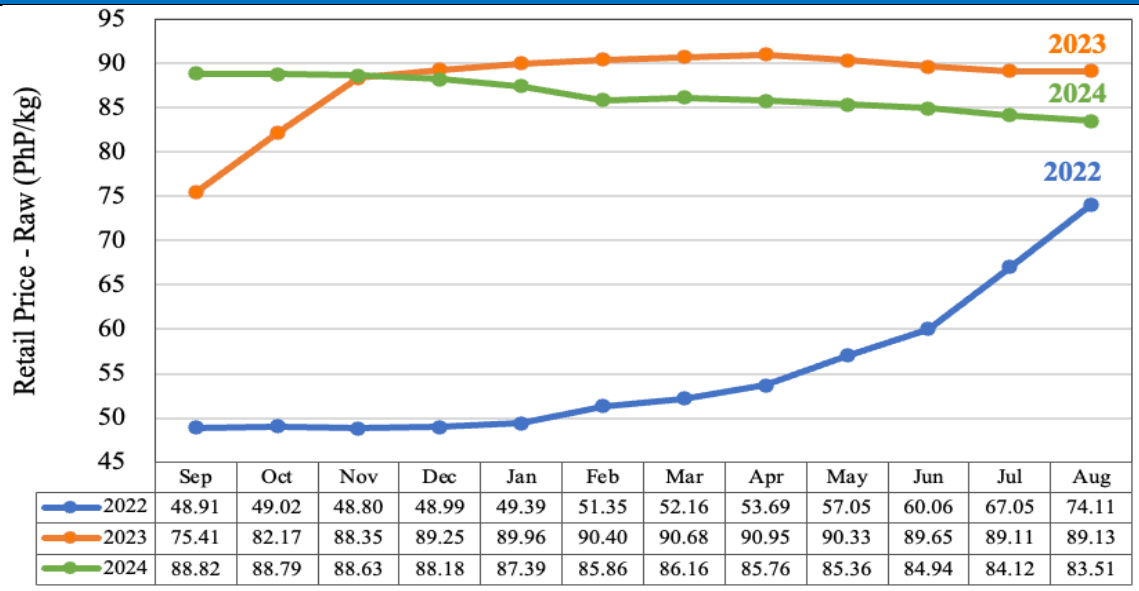
MY 2024 In $/LKG

Sep	70.74
Oct	69.10
Nov	68.56
Dec	65.13
Jan	45.05
Feb	62.37
Mar	63.90
Apr	63.76
May	63.61
Jun	62.60
Jul	62.63
Aug	63.47

Source: SRA Metro Manila Price Monitoring Report

Retail Prices. Retail prices have declined slightly in MY 2024 but have not gone down to the MY 2022 level. Despite importation of refined sugar, prices remain above the government target of PhP65/kg ($1.14/kg). Per post computation, imported refined sugar from ASEAN can be sold between PhP60 ($1.05/kg) and PhP65/kilo ($1.14/kg). See GAIN Sugar Report for price computation. The wholesale and retail prices in Metro Manila can be found here.

Figure 6: Raw Sugar Retail Prices Metro Manila



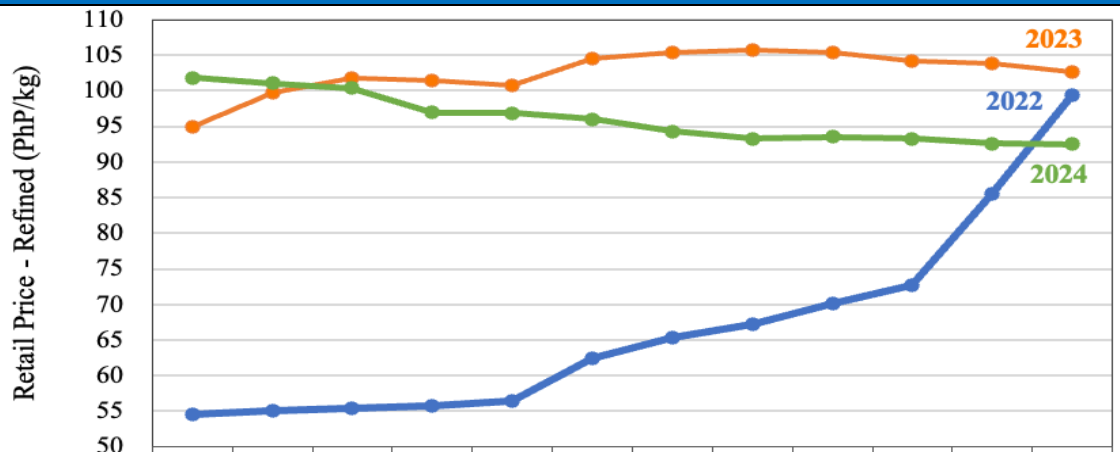
	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug
2022	48.91	49.02	48.80	48.99	49.39	51.35	52.16	53.69	57.05	60.06	67.05	74.11
2023	75.41	82.17	88.35	89.25	89.96	90.40	90.68	90.95	90.33	89.65	89.11	89.13
2024	88.82	88.79	88.63	88.18	87.39	85.86	86.16	85.76	85.36	84.94	84.12	83.51

MY 2024 in $/kg	
Sep	1.56
Oct	1.56
Nov	1.59
Dec	1.59
Jan	1.56
Feb	1.53
Mar	1.54
Apr	1.51
May	1.48
Jun	1.45
Jul	1.44
Aug	1.46

Note: Average price of brown and washed sugar
Source: SRA Metro Manila Price Monitoring Report

Wholesale and retail prices of refined sugar in MY 2024 remain elevated, though they are declining slowly, despite the country having ample refined stocks. See Sugar Semi-Annual 2022 for monthly analysis. High demand for raw sugar withdrawal at the beginning of MY 2023 resulted in soaring prices at the mill, which translated to high wholesale and retail prices. Millsite prices also went up and have not significantly gone down to MY 2022 level since then.

Figure 7: Refined Sugar Retail Prices
Metro Manila



	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug
2022	54.55	55.00	55.42	55.68	56.45	62.39	65.33	67.23	70.13	72.67	85.60	99.38
2023	95.02	99.70	101.85	101.45	100.78	104.45	105.47	105.70	105.43	104.16	103.87	102.59
2024	101.86	101.03	100.39	96.93	96.91	96.02	94.31	93.24	93.50	93.30	92.60	92.53

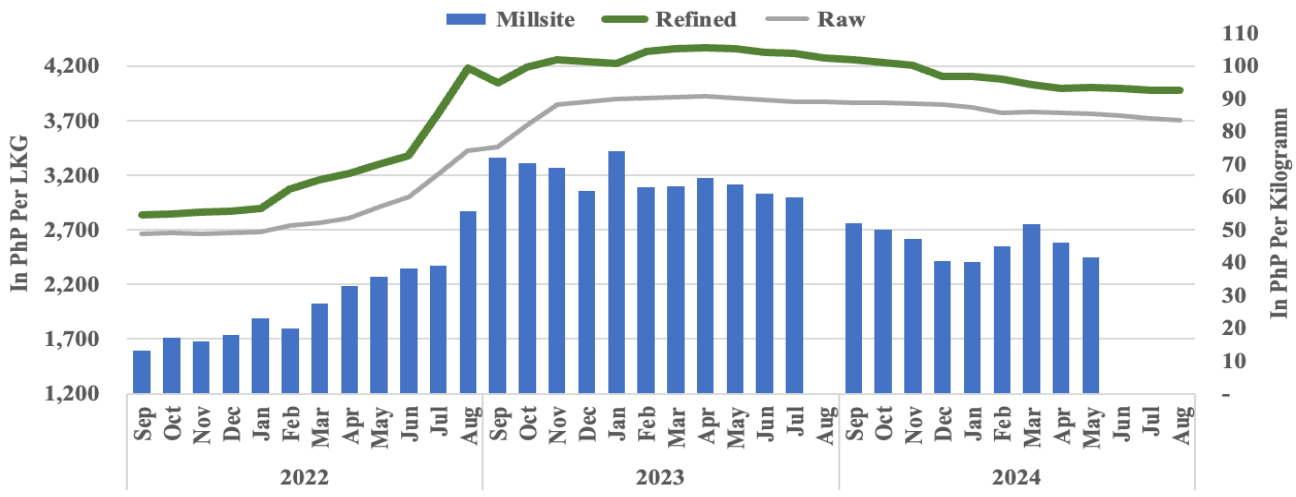
MY 2024 in $/kg

Sep	1.79
Oct	1.78
Nov	1.80
Dec	1.74
Jan	1.73
Feb	1.71
Mar	1.69
Apr	1.64
May	1.62
Jun	1.59
Jul	1.58
Aug	1.62

Source: SRA Metro Manila Price Monitoring Report

The government tried to resolve the price issue through importation announcements to pull down prices. Additional importation was approved to raise to a two-month buffer of 240,000 MT. Due to high sugar stocks, however, importation only reached to 66,325 MT in MY 2024. Importation showed slowdown in prices, but declines did not translate to much lower retail prices of raw and refined. Consumers continue to wait for lower prices. High prices affect consumers resulting in lower consumption. There was a slowdown in the inflation rate in August 2024, with sugar and confectioneries at a 3.8 percent decline. The slowdown contributed to the deceleration of food inflation in August 2024 with 3.9 percent inflation compared to 6.4 percent in July 2024 (See PSA Summary of Inflation Report, August 2024).

Figure 8: Behavior of Millsite, and Retail Prices of Raw and Refined Sugar



Note: No milling – June to August, 2024
Source: SRA Millsite Prices and Metro Manila Price Monitoring Report

***Muscovado Prices*.** High sugar prices also resulted in high muscovado prices. Local prices had gone up ranging from PhP124-199 per kilograms ($2.18-3.49/kg) at the retail level. The export price has at times been up to four times higher for high quality muscovado than the prevailing domestic market prices. The favorable retail price in the domestic and export market pulls up farmgate prices to the benefit of producers.

Table 5: Muscovado Prices

Year	PhP/Kg
2015	83.37
2016	86.21
2017	79.61
2018	82.70
2019	85.07
2020	82.99
2021	87.75
2022	90.00
2023	124.00
2024*	124.00

*Post forecast
Source: SRA

Consumption:

Centrifugal Sugar (Raw Sugar). Post forecasts sugar demand to remain flat for MY 2025 at 2.2 million MT, in line with USDA Official. The high prices of sugar and products containing sugar will continue to discourage increases in consumption. The high inflation rate affected consumers and focused their spending on basic commodities. Domestic 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 are the most important. 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. With the high prices, per capita consumption also slowed to about 20 kg/capita.

Non-centrifugal Sugar (Muscovado). Currently, demand for Muscovado outstrips supply, resulting in high retail prices, and making both the domestic and export markets lucrative for muscovado producers. 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 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.

Table 7: Alternative Sweeteners

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

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	1,863	2,407
December	922	1,131	1,296
January	578	907	1,423
February	515	1,469	1,741
March	1,462	1,003	1,406
April	1,675	1,430	1,785
May	1,380	1,225	1,770
June	855	2,184	1,856
July	1,272	1,378	2,067
August	1,082	1,311	1,380
Total	14,277	16,141	19,677

Source: SRA

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 719 MT of honey in MY 2023, while its local production is estimated at 100 MT per year.

The Philippines produces and imports a number of 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 for 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.

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

Table 8: Consumption of Sugar and Alternative Sweeteners In '000 MT Raw Sugar Equivalent			
DEMAND/ CONSUMPTION	MARKETING YEAR		
	2022	2023	2024*
Sugar	2,000	2,200	2,200
Fructose/HFCS	10	12	15
Sugar Alternatives	770	828	808
Aspartame	374	327	278
Acesulfame	181	205	186
Sucralose	159	237	282
Saccharin	43	48	46
Stevia	13	11	16

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

Trade:

Exports. Post revises MY 2025 exports to 25,000 MT, following the recent exports of sugar to the United States under the tariff quota. There are likely no additional exports after the September shipment as SO1 allocates all production to domestic consumption. USDA Official's initial forecast was that limited exports could happen in MY 2024 with the high carryover stocks due to importation. In the past, 6 to 7 percent of total production was allocated for the U.S. quota. Given the variability in decision, Post's revised its forecast for MY 2025 exports to 25,000 MT. The United States maintains the Philippines' export quota of 145,235 metric tons raw value (MTRV) of raw cane sugar under the tariff rate quota (TRQ) scheme of the World Trade Organization.

Table 9: US Sugar Quota and Philippine Shipment, In MTRV

Marketing Year	U.S. Tariff Rate Quota Allocation	Philippine Shipment
2021	142,160	115,256
2022	142,160	0
2023	145,235	0
2024	145,235	0
2025*	145,235	24,880

*Post Forecast

Source: U.S. TRQ and SRA

In recent years, the United States has been the sole export market for Philippine raw sugar. Exports to the United States in MY 2021 reached 115,256 MTRV, below the allocation of 142,160 MTRV or 138,154 metric tons commercial weight (MTCW). Since MY 2021, the next exports to the United States were in September 2024, when 24,880 MTRV was exported.

Imports. Post sees no importation of raw sugar in MY 2025 as the government seeks to protect local producers. FAS Manila revises MY 2024 refined sugar imports of 66,325 MT (raw equivalent of 70,968 MT). Despite government's importation announcements, imports were relatively lower in consideration of available stocks coming from the importation in MY 2023, which reached 730,430 MT.

Stocks:

Raw sugar stocks remain at a comfortable level at the beginning of MY 2024 from stable carryover stocks from MY 2023. Historically, November is the starting month wherein raw production can supply monthly demand. There remain ample refined stocks due to the entry of imported sugar in MY 2023. Stocks continue to be high at the start of the milling season. Ending raw physical stocks in MY 2024 doubled to 394,786 MT compared to MY 2023. Withdrawals have been slow, which is an indication of lower sugar demand.

Table 10. Net Ending Stocks of Raw and Refined Sugar, In MT						
By Type	RAW SUGAR			REFINED SUGAR		
Marketing Year	2022	2023	2024*	2022	2023	2024*
Supply						
Starting Balance	252,304	133,541	192,488	195,000	149,371	513,728
From domestic Production	252,304	133,541	184,815	143,712	27,388	142,052
From Imports	-	-	5,975	51,288	120,205	409,500
Sugar Imports	-	10,000	-	228,052	730,430	66,325
Sugar Production	1,820,863	1,799,466	1,922,586	748,506	640,908	691,381
TOTAL SUPPLY	2,073,167	1,943,007	2,113,376	1,171,558	1,475,526	1,309,258
Withdrawals						
From Imports	-	4,025	5,975	157,261	439,254	411,050
From local	1,939,658	1,740,519	1,799,723	864,927	522,544	589,858
Export – US quota			8,498			
TOTAL WITHDRAWALS	1,939,658	1,744,544	1,814,196	1,022,187	961,798	1,000,908
Average monthly withdrawals	161,638	145,379	151,183	85,182	80,149	83,409
Physical Stocks						
NET ENDING STOCKS	**133,541**	**192,488**	**299,180**	**149,371**	**513,728**	**308,350**
Local Production	126,284	183,377	203,784	27,291	145,753	243,575
Imports	-	5,975	-	122,080	367,975	64,775
Transfer to refinery	7,257	9,111	95,396			

Note: *As of August 25, 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 the Minimum Access Volume (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 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. See Sugar Annual report for a table of ASEAN harmonized tariff codes and MFN rates.

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, trade, and domestic prices 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 and to reserves. These orders are adjusted as the season progresses.

Sugar Order No. 1. SRA released SO No.1 on September 12, 2024, which forecasts production at 1.78 million MT for MY 2025. 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. A list of policies is available in the GAIN Sugar Annual 2024.

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 power-generating plants in the country. For more information, see the Biofuels Annual Report 2024.

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.

Table 11: Sugar, Molasses, and Bioethanol Prices

Marketing Year	Sugar Composite Price (PhP/LKG)	Molasses Price (PhP/MT)	Bioethanol Reference Price (PhP/Li)
2022	2,040	11,473	65.79
2023	3,159	14,510	82.07
2024	2,580	16,661	80.56

Source: SRA

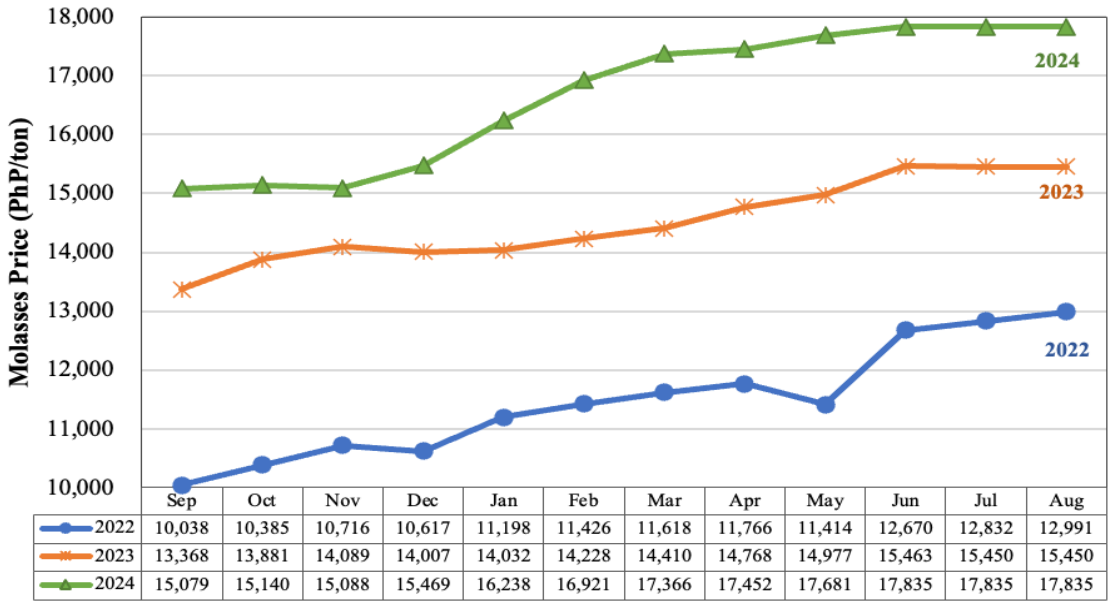
Molasses. Molasses (HS 170310) is a major by-product from sugar production, used in the manufacture of fuel ethanol, potable alcohol, and disinfectant, among others. Molasses imports have steadily increased in the past three years. The largest suppliers in MY 2024 were Indonesia, India, and Thailand. Molasses prices in MY 2024 followed the same trend as sugar prices. Prices remained high in August 2024, 15 percent above August 2023.

Table 12: Molasses Supply and Demand, in MT

Particular	Marketing Year		
	2022	2023	2024*
Beginning Stocks	208,214	149,677	116,132
Production	935,480	847,182	975,934
Local Supply	1,143,693	996,859	1,092,066
Consumption	1,004,997	888,302	956,075
Ending Stocks (Local)	138,696	108,557	135,991
Imports (a)	638,309	748,569	720,000 **

Note: *As of August 25, 2024, **Post forecast
(a) 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 imports

Figure 9: Molasses Prices, MY 2022-2024



	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug
2022	10,038	10,385	10,716	10,617	11,198	11,426	11,618	11,766	11,414	12,670	12,832	12,991
2023	13,368	13,881	14,089	14,007	14,032	14,228	14,410	14,768	14,977	15,463	15,450	15,450
2024	15,079	15,140	15,088	15,469	16,238	16,921	17,366	17,452	17,681	17,835	17,835	17,835

Source: SRA

MY 2024 in $/ton

Sep	266
Oct	267
Nov	270
Dec	278
Jan	290
Feb	302
Mar	311
Apr	306
May	306
Jun	304
Jul	305
Aug	312

Attachments:

No Attachments