

THIS REPORT CONTAINS ASSESSMENTS OF COMMODITY AND TRADE ISSUES MADE BY  
USDA STAFF AND NOT NECESSARILY STATEMENTS OF OFFICIAL U.S. GOVERNMENT  
POLICY

Required Report - public distribution

**Date:** 9/21/2012

**GAIN Report Number:**

## **Dominican Republic**

## **Sugar Semi-annual**

**2012**

**Approved By:**

Margie Bauer

**Prepared By:**

Stephanie Larson

**Report Highlights:**

During MY 2011/2012, sugar production reached 553 thousand metric tons (TMT) and Post estimates overall yields to be approximately 555 TMT during MY 2012/2013. For CY 2011, exports of raw cane sugar totaled 206,514 MT, while imports for the same period totaled 49 TMT. During CY 2012, Post estimates that imports will be around 48 TMT, with exports totaling 209 TMT. Similarly, for CY 2013, Post expects imports to remain stable at around 48 TMT, with exports at approximately 212 TMT. Finally, the Dominican Republic will fill the U.S. annual sugar tariff-rate quota (TRQ) for FY 2012 and is also expected to do so in FY 2013. Beginning in FY 2013, the annual U.S. TRQ will be allocated among the four Dominican mills currently in operation.

**Production:**

According to recent statistics provided by the Dominican Sugar Institute (INAZÚCAR), total sugar production reached 553 thousand metric tons (TMT) during Marketing Year 2011/2012 (MY 2012), comprised of 378,497 MT raw and 174,923 refined. These yields surpassed Post's initial estimates of 548 TMT and are due in large part to favorable weather conditions, coupled with higher than expected yields by one of the producers in refined sugar. For MY 2013, Post estimates overall yields to be approximately 555 TMT due to a production increase expected at one of the major mills.

**Consumption:**

Annual domestic consumption has grown in recent years and remains stable at around 380 TMT, despite a recent incident involving tainted raw cane sugar imported from Brazil. Specifically, in July 2012 around 15 TMT of raw cane sugar were imported from Brazil and found to be adulterated with sand. At the time of this publication, Post was informed that all of the sugar had been recalled from the domestic market and the importer was proceeding accordingly with the Brazilian supplier.

**Trade:**

For calendar year 2011 (CY 2011), INAZÚCAR indicates that exports of raw cane sugar totaled 206,514 MT, while imports for the same period totaled 49 TMT.

Similarly, for CY 2012, INAZÚCAR estimates that imports will be around 48 TMT. This is slightly less than Post's initial estimates of 49 TMT due to an unexpected increase in yields already cited above and we expect exports of raw cane sugar to total around 209 TMT. For CY 2013, Post expects imports to total around 48 TMT, with exports around 212 TMT.

During fiscal year 2012 (FY 2012), the Dominican Republic once again received the largest single-country allocation for the U.S. annual sugar tariff-rate quota (TRQ). It was divided accordingly among the three sugar mills. Specifically, the amount allocated to the DR for FY 2012 totaled 218,908 Metric Tons Raw Value (MTRV; equivalent to 209,732 MT) and at the time of this publication, was close to 95% filled with additional shipments scheduled before 30 September.<sup>1</sup>

**FY 2012 TRQ Allocation**

<i>Mill</i>	<i>Allocation of U.S. TRQ</i>
Central Romana	62.8%
Grupo Vicini	27.2%
Consorcio Azucarero Central	10%

Most recently, the U.S. announced allocations for FY 2013 and once again, the DR received the largest single-country allocation, representing close to 17% of the entire TRQ.

**Initial FY 2013 TRQ Allocation for the Dominican Republic (Raw Cane Sugar)**

---

<sup>1</sup> Please note this figure includes the initial allocation of 188,908 MTRV plus the additional 30,000 MTRV announced in April 2012.

<i>Country</i>	<i>MTRV</i>	<i>Metric Tons Commercial Value**</i>
Dominican Republic	188,908	180,990
Total	1,117,195	1,070,366

\*\* Metric tons commercial value= MTRV/1.04375.

In this regard, it is worth noting that beginning in FY 2013, the annual U.S. TRQ will be allocated among the four Dominican mills currently in operation. The fourth mill, *Porvenir*, had to operate for a period of three consecutive years before being eligible for part of the quota.

#### FY 2013 TRQ Allocation

<i>Mill</i>	<i>Allocation of U.S. TRQ</i>
Central Romana	<i>Allocations are forthcoming and are issued by decree.</i>
Grupo Vicini	
Consorcio Azucarero Central	
Porvenir	

At the present time, Post expects the DR to fill the assigned quota for FY 2013 and notes the possibility that the DR might be able to export some sugar to the European Union (EU) during the MY 2013.

#### Production, Supply and Demand Data Statistics:

Sugar Cane for Centrifugal, Dominican Republic	2011/2012		2011/2012		2012/2013	
	Market Year Begin: Nov 2010		Market Year Begin: Nov 2011		Market Year Begin: Nov 2012	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted		235		235		235
Area Harvested		222		226		225
Production		4,400		4,700		4,650
Total Supply		4,400		4,700		4,650
Utilization for Sugar		4,400		4,700		4,650
Utilization for Alcohol		0		0		0
Total Utilization		4,400		4,700		4,650

Units: 1000 HA; 1000 MT

Sugar, Centrifugal Dominican Republic	2010/2011		2011/2012		2012/2013	
	Market Year Begin: Nov 2010		Market Year Begin: Nov 2011		Market Year Begin: Nov 2012	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post

<b>Beginning Stocks</b>	18	18	11	34	50	43
<b>Beet Sugar Production</b>	0	0	0	0	0	0
<b>Cane Sugar Production</b>	510	510	548	553	540	555
<b>Total Sugar Production</b>	510	510	548	553	540	555
<b>Raw Imports</b>	30	49	49	48	20	48
<b>Refined Imp.(Raw Val)</b>	0	0	0	0	0	0
<b>Total Imports</b>	30	49	49	48	20	48
<b>Total Supply</b>	558	577	608	635	610	646
<b>Raw Exports</b>	210	206	219	209	215	212
<b>Refined Exp.(Raw Val)</b>	2	2	2	3	2	3
<b>Total Exports</b>	212	208	221	212	217	215
<b>Human Dom. Consumption</b>	335	335	337	380	337	380
<b>Other Disappearance</b>	0	0	0	0	0	0
<b>Total Use</b>	335	335	337	380	337	380
<b>Ending Stocks</b>	11	34	50	43	56	51
<b>Total Distribution</b>	558	577	608	635	610	646

Units: 1000 MT