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Required Report - public distribution

**Date:** 10/2/2014
**GAIN Report Number:** PK1407

# Pakistan

# Sugar Semi-annual

# Sugar Semi-annual 2014

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**Report Highlights:**
The soon-to-be-harvested sugarcane crop was largely unaffected by recent flooding. An estimated 20,000 hectares of cane were affected, but strong rains and good soil moisture are expected to boost yields heading into harvest. Sugar production is expected to drop as farmers feed damaged cane to livestock. Sugar exports are forecast at 300,000 metric tons (MT), the lowest level since 2010/11.

**Flooding has Minimal Effect on Sugarcane Production**

2014/15 (Oct/Sep) sugarcane production is forecast at 58.8 MMT, unchanged from the previous estimate. Recent floods damaged about 20,000 hectares of sugarcane, but that damage is likely to be offset by higher yields supported by good moisture conditions leading up to the onset of harvest. Farmers reduced planted area in 2013 (sugarcane is a long duration crop that is planted from November to March and harvested the following year) after late payments and delays by the mills in accepting sugarcane deliveries prompted some farmers to shift to other crops such as corn and cotton. For additional information, see Table 1.

2013/14 sugarcane production is estimated at a record 63 MMT based on final provincial estimates.

**Table 1: Sugarcane Area and Production by Province**

| Province | Area ('000' Hectares) | | | Production ('000' Tons) | | |
|---|---|---|---|---|---|---|
| | MY 2012/13 | MY 2013/14 | MY 2014/15 | MY 2012/13 | MY 2013/14 | My 2014/15 |
| **Punjab** | 755 | 800 | 750 | 40,720 | 42,800 | 40,560 |
| **Sindh** | 250 | 267 | 248 | 14,200 | 15,554 | 14,000 |
| **NWFP** | 104 | 110 | 102 | 4,280 | 4,950 | 4,200 |
| **Baluchistan** | 1 | 1 | 1 | 40 | 50 | 40 |
| **Total** | **1,110** | **1,178** | **1,105** | **59,240** | **63,354** | **58,800** |

Sources: Provincial Agriculture Departments and FAS/Islamabad

**Sugar Production Expected to Droop**

2014/15 refined sugar production is forecast at 4.7 MMT, down slightly from our previous forecast. Heavy rains damaged sugarcane and some fodder crops prompting farmers to use damaged sugarcane as feed. Farmers will also use cane to replace their ratoon (older) crop cane. Based on this, 2014/15 crushing is expected to drop from 83 to 80 percent, lowering sugar production despite an unchanged cane production forecast. 2013/14 sugar production is estimated at a record 5.2 MMT based on an 83 percent crushing rate and a 9.9 percent sugar recovery rate.

**Consumption:**

Strong population growth and relatively stable pricing are expected to lead to a continued increase in sugar consumption.

**Table 2: Monthly Average Retail Prices of Sugar (Rupees per kilogram)**

| YEAR/MONTH | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 |
|---|---|---|---|---|---|---|

| | | | | | | |
|---|---|---|---|---|---|---|
| **JANUARY** | 39.38 | 66.44 | 72.57 | 52.39 | 52.47 | 51.39 |
| **FEBRUARY** | 42.63 | 68.55 | 67.02 | 50.31 | 52.58 | 51.25 |
| **MARCH** | 43.83 | 64.87 | 66.95 | 54.89 | 52.71 | 53.35 |
| **APRIL** | 44.96 | 62.14 | 67.14 | 55.56 | 53.11 | 52.40 |
| **MAY** | 45.45 | 61.28 | 65.77 | 54.39 | 53.27 | 52.27 |
| **JUNE** | 45.65 | 63.27 | 69.19 | 54.82 | 54.15 | 53.84 |
| **JULY** | 46.96 | 66.68 | 70.74 | 54.25 | 54.35 | 53.84 |
| **AUGUST** | 52.16 | 72.26 | 74.65 | 53.93 | 54.28 | 55.92 |
| **SEPTEMBER** | 48.97 | 80.43 | 76.03 | 52.76 | 53.84 | 57.83 |
| **OCTOBER** | 45.75 | 81.91 | 72.01 | 53.28 | 55.68 | |
| **NOVEMBER** | 45.75 | 87.98 | 67.25 | 54.07 | 58.86 | |
| **DECEMBER** | 58.50 | 73.78 | 55.52 | 53.04 | 54.12 | |
| **AVERAGE** | **46.66**<br>**$0.57**<br>USD1=Rs.82 | **70.80**<br>**$0.82**<br>**USD1=Rs.86** | **68.74**<br>**$0.78**<br>USD1=Rs.88 | **53.64**<br>**$0.55**<br>USD1=Rs.98 | **54.12**<br>**$0.54**<br>USD1=Rs.99 | **53.57**<br>**$0.53**<br>USD1=Rs.100 |

Source: Federal Bureau of Statistics (FBS), Government of Pakistan

**Trade:**

2013/14 sugar exports are estimated at 700,000 MT based on the pace of exports to date which reached 660,000 tons at the end of August.  2014/15 exports are forecast at 300,000 MT due to lower production and lower than previously forecast ending stocks.

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

(Figures in '000' MT)

| Sugar, Centrifugal<br>Pakistan | 2012/2013 | 2013/2014 | 2014/2015 |
|---|---|---|---|

| | Market Year Begin: Oct 2012 | | Market Year Begin: Oct 2013 | | Market Year Begin: Oct 2014 | |
|---|---|---|---|---|---|---|
| | USDA Official | New Post | USDA Official | New Post | USDA Official | New Post |
| Beginning Stocks | 1,350 | 1,350 | 859 | 859 | 1,134 | 936 |
| Beet Sugar Production | 20 | 20 | 40 | 40 | 40 | 40 |
| Cane Sugar Production | 4,980 | 4,980 | 5,175 | 5,175 | 4,820 | 4,660 |
| Total Sugar Production | 5,000 | 5,000 | 5,215 | 5,215 | 4,860 | 4,700 |
| Raw Imports | 0 | 0 | 0 | 0 | 0 | 0 |
| Refined Imp.(Raw Val) | 9 | 9 | 10 | 12 | 10 | 10 |
| Total Imports | 9 | 9 | 10 | 12 | 10 | 10 |
| Total Supply | 6,359 | 6,359 | 6,084 | 6,086 | 6,004 | 5,646 |
| Raw Exports | 0 | 0 | 0 | 0 | 0 | 0 |
| Refined Exp.(Raw Val) | 1,100 | 1,100 | 500 | 700 | 300 | 300 |
| Total Exports | 1,100 | 1,100 | 500 | 700 | 300 | 300 |
| Human Dom. Consumption | 4,400 | 4,400 | 4,450 | 4,450 | 4,500 | 4,500 |
| Other Disappearance | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Use | 4,400 | 4,400 | 4,450 | 4,450 | 4,500 | 4,500 |
| Ending Stocks | 859 | 859 | 1,134 | 936 | 1,204 | 846 |
| Total Distribution | 6,359 | 6,359 | 6,084 | 6,086 | 6,004 | 5,666 |
| TS=TD | 0 | 0 | 0 | 0 | 0 | 0 |