

USDA Foreign Agricultural Service

GAIN Report

Global Agricultural Information Network

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Costa Rica

Sugar Annual

Sugar production, consumption and trade

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Report Highlights:

Costa Rica's sugar cane production is forecast to decline by 3.53 percent in 2014/2015. The decline comes after a record harvest during the previous crop year. Sugar production is expected to reach 464,000 MT in 2014/2015 as compared to 481,000 MT in 2013/2014. Production was negatively affected by drought during 2014 in the main production region of Guanacaste.

Executive Summary:

Costa Rica's sugar cane production in 2014/2015 is expected to decline to 4,414,000 MT in 2014/2015 as compared to 4,492,000 MT in 2013/2014 (1.74 percent lower). Sugar production is expected to decline roughly 3.5 percent to 464,000 MT in 2014/2015 as compared to 481,000 MT during the previous crop year. The previous crop had been a record crop as a result of a combination of higher area planted and favorable weather, and improved management practices. However, a strong drought affected the main production area of Guanacaste in 2014 reducing yields primarily in areas that do not have irrigation. Also, excessive rains affected the San Carlos region, negatively impacting production in that area as well. In addition, production is forecast to decline slightly in 2015/2016 because many small producers were negatively affected by the drought last year may cut area planted during the next crop. Also, some producers, especially those who lack irrigation, are concerned about the potential for continued dry conditions this year in some of the main production areas. Costa Rica continues to meet its U.S. quota allocations both under the WTO and the CAFTA-DR, and has increased exports to the European Union using a sugar quota obtained as a result of a free trade agreement that entered into effect in October 2013.

Commodities:

Select

Production:

According to information from LAICA (Costa Rican Sugar League), during 2013/2014 there were 7,830 sugar producers and 13 sugar mills, distributed in 6 regions of the country. The sector is comprised of primarily small producers with 91.1% (7,138) of the farmers delivering less than 500 MT of sugar to the mills. Based on the average yield for that harvest, this indicates that the majority of producers plant less than 7 ha. of sugar cane. During the 2013/2014 harvest, 57 percent of the sugar produced in the country came from the province of Guanacaste in the northern Pacific region. During 2013/2014 the "El Viejo" mill achieved the largest production of cane and sugar in the country, with close to 20 percent of the country's total. The majority of the sugar mills are owned by Costa Rican nationals, although at least one company is owned by Guatemalan investors. LAICA is the institution that regulates the relationship between producers and millers. LAICA is also involved in the marketing and sales of sugar and sugar products for domestic consumption and for export.

Based on preliminary data from LAICA, cane and sugar production are expected to reach 4,414,000 MT and 464,000 MT respectively during crop year 2014/2015. The northern Pacific region of Guanacaste was affected by a severe drought during the months of June through August of 2014. According to industry sources, cane production in some farms that do not have irrigation, declined by 30 or even 40 percent. Although the amount of rainfall increased in September and October, the rainy season was weaker than normal. This is the main cause for the decline in total production during 2014/2015. In contrast, other regions such as San Carlos, Turrialba and Juan Viñas, were affected by excessive rainfall.

Area Planted

Information provided by LAICA, shows area planted to sugar remained unchanged at 63,205 ha. with 59,000 ha. being harvested. Area planted is not expected to increase in 2015/2016 as lower sugar and ethanol prices may discourage growers from expanding their plantations. Production has continued to move to Guanacaste (34,480 ha. planted) as the larger mills are trying to increase production to utilize their installed capacity. Area planted has also increased in the northern region of the country (San Carlos and Los Chiles), while sugar mills in the Central part of the country are struggling to keep sugar area planted from declining. Competition from urbanization and high land prices, lower availability of labor, and higher production costs are slowly taking area away from sugar in the Central part of the country.

Yields

According to LAICA, the average sugar cane yield will decline to 73.6 MT/ha. in 2015/2014 from 76.5 MT/ha. in 2013/2014. The average sugar yield was 107.19 kg/ton in 2013/2014 and is expected to decline to 105.3 in 2014/2015.

Consumption:

Costa Rica's sugar consumption was 246,000 MT in 2013/2014, and it is forecast to increase to 250,000 MT in 2014/2015 as a result of population growth and higher utilization by the food industry. Per capita sugar consumption is estimated at 51.5 kg. for 2014/2015. Costa Rica's per capita sugar consumption is relatively high, 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. Costa Rican mills produce different types of sugar for the domestic market including white sugar, refined, white special, and raw sugar.

Trade:

Costa Rican sugar exports reached 199,092 MT during the 2013/2014 crop year. Exports are expected to reach 206,000 MT in 2014/2015. The main destinations for Costa Rica's sugar during 2013/2014 were New Zealand, the United States, Canada, and the European Union. Exports to the United States include the U.S. WTO, and the CAFTA-DR sugar quotas. Costa Rica already exported its full WTO sugar quota to the U.S. for the 2015 fiscal year.

Stocks:

High ending stocks are the result of unexpected high production outpacing consumption and exports since 2011. The production forecast remains high for 2015/2016 even though world prices remain relatively weak.

Production, Supply and Demand Data Statistics:

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

Sugar Cane for Centrifugal Market Begin Year Costa Rica	2013/2014		2014/2015		2015/2016	
	Oct 2014		Oct 2015		Oct 2016	
	USDA Official	New post	USDA Official	New post	USDA Official	New post
Area Planted	63	63	64	63	0	63
Area Harvested	59	59	60	59	0	59
Production	4,491	4,492	4,500	4,414	0	4,400
Total Supply	4,491	4,492	4,500	4,414	0	4,400
Utilization for Sugar	4,491	4,492	4,500	4,414	0	4,400
Utilizatr for Alcohol	0	0	0	0	0	0
Total Utilization	4,491	4,492	4,500	4,414	0	4,400
1000 HA, 1000 MT						

Table 2: Centrifugal Sugar: Production, Supply and Distribution

Sugar, Centrifugal Market Begin Year Costa Rica	2013/2014		2014/2015		2015/2016	
	Oct 2013		Oct 2014		Oct 2015	
	USDA Official	New post	USDA Official	New post	USDA Official	New post
Beginning Stocks	262	262	292	298	0	306
Beet Sugar Production	0	0	0	0	0	0
Cane Sugar Production	471	481	480	464	0	450
Total Sugar Production	471	481	480	464	0	450
Raw Imports	0	0	0	0	0	0
Refined Imp.(Raw Val)	0	0	0	0	0	0
Total Imports	0	0	0	0	0	0
Total Supply	733	743	772	762	0	756
Raw Exports	169	173	190	200	0	210
Refined Exp.(Raw Val)	26	26	30	6	0	10
Total Exports	195	199	220	206	0	220
Human Dom. Consumption	246	246	252	250	0	252
Other Disappearance	0	0	0	0	0	0
Total Use	246	246	252	250	0	252
Ending Stocks	292	298	300	306	0	284
Total Distribution	733	743	772	762	0	756
1000 MT						

Table 3: Centrifugal Sugar: Export Trade Matrix

Export Trade Matrix	
Costa Rica	
Sugar, Centrifugal	
MT	
Time Period	2013/2014
Exports for:	
U.S.	30,496
Others	
New Zealand	57,151
Canada	26,420
China	19,767
United Kingdom	11,000
Total for Others	114,338
Others not Listed	54,258