USDA GAIN Reports 2020

Government Intervention in Sugar Markets

ARGENTINA (4-24-20)

Ethanol blend requirement

"Argentina implemented a strict Covid19 quarantine on March 20th which limited non-essential transportation use. As a result, the sale of gasoline, which must contain 12 percent bioethanol – half sourced from corn and half from sugar bases – have plummeted 70-80 percent in the past month. Contacts suggest that bioethanol demand in 2020/2021 will fall around 20 percent."

CHINA (4-23-20)

Government ownership; Direct payments; Input subsidies; Import tariff; Alternative sweetener restrictions

"Continued government support, especially in Guangxi – the country's largest sugar producing region – will encourage existing and, possibly, new production in the future."

"In April 2020, the Guangxi provincial government announced a three-year (2020- 2022) action plan to modernize the region's local sugar industry, which accounts for 70 percent of China's total cane sugar production. The plan aims to raise yields to an average of 5 MT per mu (1mu=0.067ha) by mechanizing at least two-thirds of cane planting and harvesting practices. Current yields without mechanization are around 3- 4 MT per mu. These anticipated yield increases, if realized, could spur higher cane sugar production levels in the future.

In order to incentivize greater mechanization, the plan will provide varying levels of support payments to cane farmers. Farmers will be paid RMB170 (~$24) and RMB270 (~$48) per mu for instituting mechanized seed and harvesting practices, respectively. Other payments will also be made to encourage new and existing production levels, while separately providing insurance-type payments to offset farmers' losses if weather or market conditions deteriorate. State-owned mills will also receive continued support."

"China applies a tariff-rate quota (TRQ) on imported sugar, most of which comes from Brazil, Cuba, and Thailand. The within-quota tariff is 15 percent for 1.945 MMT, which is slightly less than half of total imports. About 70 percent of the in-quota TRQ is allocated to State-Owned Enterprises (SOEs).

For the last three years, the Ministry of Commerce has imposed an additional safeguard duty on top of the 50 percent out-of-quota rate. With the three-year safeguard set to expire on May 21, 2020, sources predict that the applied out-of-quota rate of 85 percent will revert to 50 percent. However, the Chinese government has yet to make an official announcement stating its intentions to withdraw the safeguard."

"The national government restricts the development of the saccharine industry in order to protect the domestic sugar market and to address environmental, food safety and consumer health concerns. The government imposes controls on production and domestic sales, conducts an annual document review and site inspection, and only allows saccharine to be used as food additive."

COLOMBIA (4-21-20)

Ethanol blend requirement; Price stabilization; Price band

"In the past two years, ethanol production maintained high levels given that in 2018, the Colombian government increased the national biofuel blend mandate from E8 to E10."

"The Sugar Price Stabilization Fund (FEPA) provides incentives for sugar exports by hedging against domestic and international market price differentials, setting a market weighted average price (MWAP). Historically, domestic sugar prices are higher than export prices (except for U.S. export prices under quota). Milling operations that sell sugar at prices above the MWAP, or typically the domestic market, will contribute the difference to the FEPA. Those that sell sugar at prices below the MWAP, on the other hand, will receive the difference in compensation from the FEPA."

"Imports from outside the CAN are subject to a variable duty under the price band system. The basic duty rate on imports of raw and refined sugar from non-CAN countries is 15 percent."

COSTA RICA (4-17-20)

Import tariff

"Imports have continued to grow despite the high tariff that protects the local industry. The imported sugar is directed at the domestic market for direct consumption. The sugar sector has asked the Costa Rican government to impose additional duties on Brazilian sugar to limit import growth. The case is under review by the Ministry of Economy, Industry and Commerce."

ECUADOR 5-22-20

Price support; Import tariff

"Domestic sugar prices remain artificially high due to the insulation of the sugar value-added chain from international trade. An example of government intervention in favor of Ecuador's sugar producers includes COMEX Resolution 030-2017 from December 2017, which effectively stops the preferential treatment (zero tariffs) granted to sugar imports from Andean Community members Colombia, Peru, and Bolivia. This Resolution established a quota for Colombian exports, with zero tariffs, up to 30,000 MT. All sugar exports from other Andean Community countries were made subject to the Andean Price Band System. In 2018, Resolution 030 was replaced with COMEX Resolution 020-2018 from November 20, 2018. Resolution 020 further restricted access to the Ecuadorian market by reducing the quota for Colombian exports to 17,229 MT. Prior to the enforcement of these COMEX Resolutions, Ecuador's sugar imports from the Andean Community benefited from duty-free treatment. Andean Community sugar imports nonetheless required prior government authorization. All-origin raw and refined sugar imports are assessed a 15 percent base tariff. In addition, countries are levied the Andean Price Band System's variable tariff. The variable levy for raw and refined sugar during the first half of April 2020 is set at 20 percent. Sugar imports have a World Trade Organization approved bound tariff rate of 45 percent, which includes price band-related duties."

EL SALVADOR (4-14-20)

Price controls; Import tariff; Vitamin A enrichment requirement (non-tariff import barrier); Safety seal requirement

"Recently, CONSAA agreed to increase the share that producers receive of total sugar sales from 54.5 to 56 percent, with the other 44 percent going to the sugar mills."

"The Government of El Salvador (GOES) continues to impose a 40 percent ad-valorem import tariff on all sugar. The bound rate is 70 percent, as the GOES considers sugar politically sensitive because it is an important driver of rural income and employment."

"The national sugar law states that all sugar sold locally must carry a safety seal provided by CONSAA."

"The GOES continues to require that all sugar sold in the local market be fortified with vitamin A. Both producers and millers share this cost. The GOES has not designed a specific production support or assistance program for the sugar sector; instead, limiting market access through import tariff protection continues to be the leading support mechanism."

"Under the national sugar law, CONSAA is in charge of regulating the sector. CONSAA has a board of directors that includes members from government, sugar producers, and sugar mills."

EGYPT (4-15-20)

Government ownership; Price control; Food subsidies (consumption subsidy)

"MY 2016/17, the government increased the sugarcane procurement price to EGP 620/MT ($35.10) at the behest of the syndicate. The updated rate was 55 percent higher than the 2015/16 procurement price of EGP 400/MT.

"All eight sugarcane processors are state-run companies affiliated with Ministry of Supply and Industrial Trade's (MoSIT) Holding Company for Food Industries (HCFI). Of the seven sugar beet processors, three are private sector and the rest are state-run companies."

"The Egyptian government in fiscal year (FY) 2019/20 (July-June) allocated EGP 89 billion ($5.6 billion) for food subsidies. Of this amount, roughly EGP 51 billion ($3.24 billion) alone is earmarked for the bread subsidy program (EGP 15.70 = $1.00). The other EGP 38 billion ($2.42 billion) is for supply commodities (i.e., rice, cooking oil, sugar, beef, chicken, cheese, etc.)."

ESWATINI (4-17-20)

Government irrigation project (infrastructure subsidy)

"The Eswatini sugar industry is undergoing an expansion of area planted driven by new dams being built by the Eswatini Water and Agricultural Development Enterprise (Eswade). Eswade is a government company established by the Government of Eswatini in 1999 to facilitate the planning and implementation of large water and agricultural development projects including building dams and irrigation infrastructure that Government may assign. The impact of building dams and irrigation infrastructure is evident on the growth of area planted to sugar cane and production as shown on Figure 3."

"The Eswatini Sugar Association is responsible for the marketing of all the sugar (both raw and refined) produced in Eswatini. The revenue obtained through the sale of sugar and molasses is shared between growers and millers based on an agreed process and formula guided by the Sugar Act of 1967 and Eswatini Sugar Agreement."

EU (4-29-20)

Import tariffs; Import quotas

"Despite the removal of all limitations to EU sugar production in 2017, EU farmers remain protected against competition from non-preferential raw cane sugar by high tariffs and import quotas. Preferential duty-free market access for sugar has been available for former European colonies under Economic Partnership Agreements (EPA) and for least developed countries (LDCs) under the Everything-But-Arms (EBA) agreement. A safeguard on preferential duty-free imports from EPA and EBA countries continues to limit potential imports to 3.5 million MT white sugar equivalents."

GUATEMALA (4-13-20)

Vitamin A enrichment requirement (non-tariff import barrier); Minimum price; Production goals; Export allocations

"The Sugar Board of Guatemala, which includes representatives from the Ministry of Economy, sugarcane producers, and sugar mills, establishes production goals, sets sugarcane prices, and allocates the U.S. sugar quota to the different sugar mills. The allocation of the quota to each mill is based on past production, previous quotas, and milling capacity. Sugar in Guatemala is protected by Presidential Decree 15-1998, making fortification of sugar mandatory for its consumption in Guatemala. The fortification is approved and validated by the Institute of Nutrition of Central America and Panama (INCAP), which monitors and evaluates the impact of Vitamin A fortification."

HONDURAS (4-22-20)

Import tariff; Vitamin A requirement (non-tariff import barrier)

"The import tariff for raw sugar and plantation white (standard) is 40 percent (consumption tax is not charged). The import tariff for refined sugar is 15 percent plus a 15 percent consumption tax. By law, quality restrictions require vitamin A to be added to sugar for human consumption, which is done by the Honduran sugar industry."

INDIA (5-20-20)

Minimum federal price support; State price supports; Export subsidy; WTO challenge; Marketing subsidy; Interest subsidy for loans; Import tariffs; Stocks buffering; Government supported R&D and input subsidies; Ethanol mandate

"The GOI establishes a minimum support price (MSP) for sugarcane based on recommendations from the Commission for Agricultural Costs and Prices (CACP), consultations with state governments, and consultations with sugar industry and cane growers' associations."

"The Union Cabinet decided that the Fair and Remunerative Price (FRP) for sugarcane in MY 2019/20 will remain unchanged at INR 275/quintal (1 quintal=100 kg). A premium of INR 2.75/quintal will accrue for each 0.1 percent increase in recovery over and above 10. The FRP is determined based on recommendations of the Commission for Agricultural Costs and Prices (CACP) and after consultation with State Governments and other stakeholders."

"Several state governments augment the FRP, typically by 20 to 35 percent, due to political populism rather than market pricing. Sugar mills are required to pay the 'state advised price' (SAP) to sugarcane farmers irrespective of market prices."

"Sugar exports in the current year (MY 2019/20) will be close to 5 MMT, of which an estimated 1 MMT will be sugar re-exported under the AAS; the remaining 4 MMT will be commercial sales under the mandatory Maximum Admissible Export Quota (MAEQ 2019-20)." *MAWQ report quote from Feb. 24th, 2020 "a scheme for providing assistance to sugar mills for expenses on marketing cost, including handling, upgrading and other processing cost and cost of international transport and freight charges on export of sugar."*

"Anticipating surplus sugar production yet again this year, the GOI introduced policy initiatives to facilitate sugar exports and subsidize any related additional production costs. On September 12, 2019, the GOI implemented its Maximum Admissible Export Quota (MAEQ) of six MMT for all grades of sugar… In doing so, the GOI covered expenditures towards marketing, including: handling, quality upgrading, debagging, and other processing costs at INR4400/MT; internal transport and freight charges, including loading, unloading, and fobbing at INR 3428/MT; and ocean freight against shipment from Indian ports to destination ports at INR 2620/MT.

The export assistance totals INR 10448/MT. The government's total expenditure on such subsidies would be about $875 million. The subsidy would be credited directly into farmers' accounts on behalf of mills who owe them for cane payments due; the balance, if any, would be credited to the mills' accounts"

"The government also extended the timeline of Minimum Indicative Export Quotas (MIEQ) that was implemented for the MY 2018/19 till December 31, 2019, to allow sugar mills that had partially exported their MIEQ till September 30, 2019 to export the remaining balance of their quotas over and above the MAEQ for MY 2019/20."

On August 15, 2019, Brazil, Australia, and Guatemala, along with Canada, China, Colombia, Costa Rica, El Salvador, European Union, Honduras, Indonesia, Japan, Panama, Russian Federation, Thailand, and United States, challenged India to a WTO dispute settlement over distortionary subsidies to sugarcane farmers. (DS581- Measures Concerning Sugar and Sugarcane). The WTO in its communication dated April 29, 2020, stated it will issue its final report by the second quarter of 2021.

"Import duty of 100 percent on white and raw sugar has been in effect since February 6, 2018; no duty has applied to exports since March 20, 2018."

"The Ministry of Consumer Affairs, Food and Public Distribution implemented the creation and maintenance of 4 MMT of buffer stock for the period of one year starting August 1, 2019. Funds provided to the sugar mills as reimbursement of the carrying cost of the buffer stock are to be used for payments due to farmers for cane supplied in the recent sugar seasons 2018/19 and 2019/20, and also for arrears of previous sugar seasons."

"To raise yields and recovery rates for sugarcane growers, the GOI supports research, development, training of farmers, promotion of new varieties, and improved production technologies, including seeds, implements, and pest management methods."

"Central and state governments also support sugarcane growers by ensuring finances and input supplies at affordable prices."

"The Sugar Development Fund(SDF) was established in the year 1982, through an act of Parliament. The SDF finances loans to the sugar mills to facilitate the rehabilitation and modernization of existing production equipment and methods. Included are bagasse-based co-generation power projects, production of anhydrous alcohol or ethanol from alcohol, and conversion of existing ethanol plants into zero liquid discharge (ZLD) plants. The loans are provided at a concessional rate of two percent below the prevailing bank rate.

SDF is also being used to subsidize things such as: buffer stocks of sugar; internal transport and freight charges to the sugar factories for export shipments; concessional terms on loans to sugar factories in support of any scheme approved by the Central government; marketing and promotion service for raw production; and concessional loans to sugar mills to expedite payments to farmers for cane"

"According to industry sources, the sugar industry remains under production controls by state governments, including sugar industry licensing, cane area reservation, minimum distance criteria, adoption of the cane price formula, specified cane procurement areas for sugar mills, and cane pricing."

"In line with the National Biofuel Policy-2018 the ethanol blending program has a target of 20% blending of ethanol in petrol by 2030. The blending rate for MY 2018/19 was at 5.6 percent…According to an April 17, 2020 amendment to GOI's scheme for extending financial assistance to sugar mills for enhancement and augmentation of ethanol production capacity, manufacturers have a timeline of 2 years to complete such a project, beginning from the date of receipt of financing after approval by Department of Food and Public Distribution…Furthermore, on September 3, 2019, the Cabinet Committee on Economic Affairs approved an increase in the purchase price of ethanol for blending with gasoline for one year from December 1, 2019 to November 30, 2020."

INDONESIA (4-15-20)

Government controls; Reference prices; Import controls (state-owned companies only)

"The Government of Indonesia (GOI) tightly controls and regulates the sugar industry. GOI sugar policy classifies domestic sugar into three categories: white sugar for home consumption, raw sugar for domestic sugar refineries, and refined sugar for the local food and beverage industry. The GOI allows sugar refineries to import raw sugar to process into refined sugar for the food and beverage industry. Also, if refined sugar with certain specifications is unavailable in the local market, food and beverage companies can import. Whenever deemed necessary, the GOI allows sugar mills to import raw sugar to fill idle capacity."

"The Ministry of Trade (MOT) issued regulation 7/2020 regarding "Farmer Level Purchase and Consumer Level Selling Reference Prices" on February 5, 2020. The new regulation maintains the reference prices for sugar as previously stipulated in MOT regulation no. 96/2018. Reference prices are supposed to ensure availability and price stability for agricultural products for both producers and consumers, as per Presidential decree 71/2015 on essential commodities."

"White sugar can only be imported to strengthen national stock as well as to stabilize prices. Only state-owned companies and API-P importers can import white sugar upon authorization from the government. In addition to receiving an import recommendation from Ministry of Industry, white sugar importers must receive an import recommendation from the Ministry of State-Owned Companies and Ministry of Agriculture to obtain an import permit from the Ministry of Trade."

[JAMAICA (4-22-20)]

Government-supported R&D; Government marketing

"Policy guidelines for the operation of the sugar industry in Jamaica are spearheaded by the Ministry of Industry, Commerce, Agriculture and Fisheries (MICAF). The policies address inter alia, land usage, irrigation, and subsidies. The Sugar Industry Authority (SIA) is a regulatory body under MICAF and controls the industry in areas of arbitrations, research and development, monitoring and evaluation. The marketing of sugar and molasses are also regulated by the SIA…GoJ/SIA began to grant marketing licenses to the sugar factories directly…"

[KENYA (4-23-20)]

Import tariffs and safeguard measures; Government ownership

"The bulk of imports will remain largely from the Common Market for Eastern and Southern Africa (COMESA) countries, due to steep import tariff for sugar imports from nonCOMESA countries. Duty for sugar imports from non-COMESA and East African Community (EAC) countries is assessed at 100 percent ad valorem, and at 10 percent ad valorem, for imports under the Tax Remission for Exports Office (TREO) - a GOK program that promotes export manufacturing."

"Kenya's sugar import safeguard grant by COMESA, which was renewed in July 2018 and lasts up to February 2021 is up for review under Article 61 of the COMESA treaty. The import safeguard, which has been in place since 2003, allows Kenya to limit duty-free imports from COMESA countries to a maximum of 350,000 MT per year, as the country strives to improve its local sugar industry. The extension of the grant was predicated on several conditions including privatization of the state-owned sugar mills, introduction of a sucrose-content based cane payment to farmers, and provision and maintenance of transport infrastructure in the sugar growing areas. Kenya is, however, yet to fulfill most of the conditions."

"At the processing level, state owned sugar mills still dominate the landscape, after the apparent stalling of the privatization program. The mills run on obsolete technology and have accumulated huge debts to farmers."

[MEXICO (4-15-20)]

Government research and development; Direct payments

"Efforts to modernize sugar cane production are undertaken by the Sugar Cane Research and Development Center (CIDCA) located in the state of Chiapas. The main objective of this center, created by the Government of Mexico, industry, and sugar cane associations, is to develop, coordinate, and evaluate scientific research projects in sugarcane and technology, to provide greater competitiveness and profitability through the development of new varieties of sugarcane.

CIDCA has registered 20 varieties of sugarcane, however, the process for release into the market takes 8 to 12 years, so none are currently commercially available."

"The Mexican government is supporting cane growers through the 2019 Wellbeing Production Program, and currently has more than 172,000 cane producers registered. The program is funded at 1.2 billion Mexican pesos (US$65.1 million), with each cane producer receiving direct yearly support of 7,300 Mexican pesos (US$383), regardless of plot size. The program is expected to continue during MY 2020/21, and every person registered in the list of producers of the Ministry of Agriculture and Rural Development (SADER) can apply to the program. Participation is expected to reach 190,000 cane producers."

NICARAGUA (4-30-20)

Price support; Vitamin A enrichment requirement (non-tariff import barrier)

"Policy: The Government of Nicaragua does not set sugar prices, nor does it provide subsidies or special credit programs for sugar production or export. However, the sugar industry does benefit from relatively high domestic prices compared to sugar prices in the international markets.

Marketing: Sugar for national consumption is fortified with vitamin A and packaged in bags of 0.4, 0.8 and 2kg.."

PAKISTAN (4-14-20)

Government price control; Import tariff; State/provincial export subsidies and price and input supports Government-supported R&D; Strategic stockpiling

"The Trading Corporation of Pakistan (TCP) is mandated to maintain strategic stocks as well as to keep its supply line in operation for public sector outlets. This arrangement helps in maintaining the sugar supply and prices in the domestic market."

"The provincial governments set procurement prices for sugarcane in consultation with representatives of both the sugar industry and farmers' organizations, based on recommendations from the Ministry of National Food Security and Research and the provincial ministries of agriculture, food, and industry."

"The sugar industry is protected by a 40 percent import tariff designed to boost domestic sugar prices and protect the local industry from imports."

"In an effort to reduce stocks and generate additional revenue for the millers, and to speed payments to growers, the Government of Pakistan's Economic Coordination Committee of the Cabinet allowed sugar exports totaling 1.1 MMT at the end of 2018. No freight support or subsidy was awarded for sugar export except by the government of the Punjab. Simultaneously, the government of the Punjab announced a support of Rs. 5.35 per Kg ($34 per ton) with a total outlay of Rs.3 billion ($19 million) to support the sugar sector in Punjab. As a result of the government's actions, sugar prices increased during the start of 2020."

"The provincial governments support research, development, training of farmers and transfer of new technologies to growers in order to raise cane yields and sugar recovery rates. Agricultural universities and a few sugar mills also support research and development (R&D) activities."

"The Trading Corporation of Pakistan (TCP) is mandated to maintain strategic stocks as well as to keep its supply line in operation for public sector outlets. This arrangement helps in maintaining the sugar supply and prices in the domestic market."

PERU (4-03-20)

Government ownership; Price band

"The Government of Peru still owns shares in two sugar mills, Pomalca and Tuman. These mills have not found investment partners to finance improvements in efficiency and profits. In an effort to encourage investment in these companies, the government is auctioning its shares to interested private sector companies. Problems in these two companies have generated social unrest and corruption."

"Sugar is included in the Peruvian Price Band. On March 28, 2016, the Government of Peru reduced the additional duty assessed on sugar by the price band when it published Supreme Decree 055-2016-EF. This Supreme Decree amended the methodology to determine the Peruvian Price Band and established new tables to calculate the actual surcharge assessed under it."

SOUTH AFRICA (4-15-20)

Government control; Reference price; Consumption incentives; Single-desk exporting; Import tariff and minimum price control; Export control

"The South African Sugar Association (SASA) is funded by both growers and milling companies, and is the highest decision making authority in the industry on common issues for sugar cane growers and sugar millers. SASA provides support services to the entire industry's value chain including the export of all the raw sugar, cane testing, and policy advocacy. SASA was established by the Sugar Act of 1978 and is under the authority of the Department of Trade and Industry (DTI). The South African Sugar Research Institute (SASRI) is a division of SASA and conducts scientific research on sugar cane varieties, pests, diseases, and crop protection. SASRI also provides extension and meteorology services for the industry."

"Post forecasts that domestic sugar consumption will increase by 1 percent to 1.7 million MT in the 2020/21 MY, from 1.6 million MT in the 2019/20 MY. This is based on industry and government`s incentives for manufacturers to utilize local sugar and the growth in population."

"The South African Sugar Association is by law the only organization permitted to export raw sugar produced in South Africa. Sugar milling companies are only permitted to export refined sugar. South Africa always exports its surplus raw sugar regardless of the global prices and sometimes at a loss because of the domestic sugar regulations that stipulate that the price of cane paid to sugar cane growers should be based on revenue obtained from the sugar sales in the local and export market for that specific season.

"Imports from Brazil and the United Arab Emirates fluctuate based on the level of customs duty applicable, as explained in the section under import restrictions using the domestic Dollar Based Reference Price."

"South Africa applies the Dollar Based Reference Price (DBRP) mechanism to ensure that, inclusive of the duty, the DBRP (currently US$680 per ton), is the lowest price that an importer will pay for imported sugar. In the event that the import prices are lower than the DBRP, an import duty is applicable, while an import price higher than the DBRP would result in no import duties payable… Due to the low global sugar prices, all imports of sugar below the DBRP into South Africa currently attract a customs duty of 418.61c/kg (US$0.23/kg)."

"The South African Sugar Association is by law the only organization permitted to export raw sugar produced in South Africa. Sugar milling companies are only permitted to export refined sugar."

THAILAND (4-14-20)

Import tariff; Price support; Direct production subsidies

"Thailand's sugar TRQ is set at 13,760 metric tons with an in-quota tariff of 65 percent and an out-off-quota tariff of 94 percent."

"Additionally, the government still maintains a sugarcane price support program under the Cane and Sugar Act B.E. 2527 (1984). For MY2019/20, the minimum price for sugarcane was set at 750 baht per metric ton (U.S. $24/MT). Under this program, this minimum price is 20 percent higher than the minimum price set in MY2018/19 in line with world sugar prices but far below an estimated sugarcane production cost of 1,131 baht per metric ton (U.S. $36/MT). The government is also considering providing additional financial assistance of 10 billion Baht (U.S. $32 million) as a production cost subsidy, divided into 6.5 million Baht (U.S. $20.8 million) for production factors and 3.5 million Baht (U.S. $11.2 million) for a support fund to growers to curb sugarcane burning practices after harvesting, one of key the causes of air pollution in Thailand."

"Even though the government has changed the method of computation, the market price of domestic wholesale sugar at 17.25 Baht/kg (25 cents/lb.) remains higher than world market price, which is around 12-13 Baht/kg. (17-18 cents/lb.) This price difference will be collected from sugar mills to fund the state-run Cane and Sugar Fund (CSF), which subsidizes cane growers when market prices of sugarcane are lower than the intervention prices."

TURKEY (4-15-20)

Government ownership; Production and marketing quotas; Price controls; Sugar and HFCS import tariffs; Stocks requirement; Input subsidy; Ethanol blend requirement

"Turkiye Seker Fabrikalari A.S. (TURKSEKER) is a government entity and is the largest sugar producer in Turkey with 15 sugar factories, though not all of them are operating every year. Under Turkseker, there are also four alcohol/bioethanol plants, farm machinery plants, a seed treatment plant, and a Sugar Institute for research purposes. In addition to the government-owned Turkseker factories, there are sixteen other privately-owned beet sugar producers in Turkey."

"Production of sugar beets, and consequently sugar, is limited by quotas. These are now set by Presidential Decree as of December 2019."

"Sugar producers who are allocated quotas at the beginning of the marketing year sell their 'A' quota production in the domestic market. If a company cannot market its entire 'A' quota sugar, the remaining amount is transferred to the 'A' quota of the following marketing year, which cuts into the company's quota allocation for the following year. Therefore, companies prefer to market any excess amount as 'C' sugar and either export it directly or sell it to confectionary companies at world prices to be used in their products for export. After the privatization of the sugar companies, some companies avoided buying 'C sugar' due to uncertain financial issues. These company decisions directly affected farmers' planting decisions. The companies are also required to keep a certain amount of sugar on hand as "security reserves," which is called 'B' quota."

"If imported for the domestic market, the tariff on sugar is 135 percent. The HFCS tariff is also 135 percent…Therefore, sugar imported for use in the domestic market is limited to specialty sugar that is not domestically produced (aimed for medical, laboratory use, etc.)."

"The sugar sector is widely regulated by the government from procurement prices to retail sale prices, although the government's relative weight in production has decreased some with the privatization of the sugar factories in recent years."

"Sugar mills are required to hold combined safety stocks of 250,000 metric tons per month, which is equal to a month of average monthly domestic sugar consumption."

"The Sugar Department under the Ministry was founded on April 28, 2018 and deals with sugar issues such as determining the sugar quotas and regulating the sugar market. The sugar beet production system is as follows:

1. The President announces the sugar production quotas for the marketing year and allocates them to the existing sugar producers.
2. Sugar producers contract farmers in the vicinity of their factories per their allocated sugar production quotas.
3. At the beginning of the harvest period, the government announces a base procurement price (for a polarity rate of 16) and the factories pay the farmers according to the polarity rate (the amount of sugar obtained from a beet) of their beets, relative to the base price.

For MY 2018/19, the announced beet prices were 235 TL per metric ton, which was increased to 300 TL/MT for MY 2019/20 ($1 US = 5.85 TL as of September 2019). The government also gives support for fertilizer (40 TL/ha), and gasoline (135TL/ha). Beets with higher polarity rates get about an extra $3/MT for each degree of polarity increase.

4. At the end of the production period, the factories market their allocated 'A' quota sugar within Turkey at the price announced by the Sugar Board, and any excess amount is either exported or sold at international market prices to exporting companies to be used in their confectionary products, which is called the 'C' quota."

"The regulation of blending ethanol produced from domestic agricultural products with gasoline was first introduced in 2013 to comply with renewable energy policies, reduce import dependency in energy, and support the agricultural sector, according to Turkey's Energy Market Regulatory Authority. The percentage of ethanol blended with gasoline types was raised to 3% from 2% in 2014."

VENEZUELA (4-15-20)

Government ownership; Import control; Consumption subsidy

"Additionally, there are ten public-owned sugar mills in the country; however, in MY 2019/20 only three were operational."

"Forecast imports assume that the Maduro government will continue to prioritize public sector purchases of refined sugar over traditional raw imports for domestic processing."

"An estimated 80 percent of Venezuelan consumers depend on the Maduro government's food subsidy program, commonly known as Local Committee for Supply and Production (CLAP). The CLAP boxes provide monthly distributions of staple food products and generally include one kilogram of refined sugar. FAS Caracas estimates that 6.1 million Venezuelan families received CLAP boxes in 2019, though some of recipients did not participate in the program throughout the entire year. CLAP distributions accounted for at least 70,000 metric tons of sugar consumption in 2019."

ZIMBABWE (4-15-20)

Import tariff; Import controls; Vitamin A enrichment requirement (non-tariff import barrier); Price controls; Ethanol mandate

"In 2014, the Zimbabwe government passed a 10 percent customs duty and US$100/MT surtax on all sugar imports from countries other than the Southern African Development Community (SADC) and the Common Market for Eastern and Sothern Africa (COMESA) in a bid to protect the local industry from an influx of sugar imports.

“In 2014, the government also confirmed that no raw sugar import permits would be issued from countries other than members of SADC and COMESA. However, this import permit restriction, does not apply to sugar imports intended to satisfy the requirements for bottler grade sugar.”

“The Zimbabwean government passed a regulation for the mandatory fortification of household sugar with Vitamin A effective July 12017.”

“Star Africa an independent refinery supplies the majority (at least 80 percent) of refined sugar in Zimbabwe. In order to maintain low retail prices for sugar in Zimbabwe, government negotiates a fair price at which Star Africa buys raw sugar from the sugar mills. As a result, Star Africa is also required to obtain permission from the government to increase the wholesale and retail prices of refined sugar.”

“Currently, minimum mandatory blending of vehicle fuels with ethanol is 20 percent, but varies depending on the domestic supply and availability of ethanol.”