USDA Attachés' Global Agricultural Information Network (GAIN) Reports 2024

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ASA has summarized various Sugar Annual Reports from the Global Agricultural Information Network (GAIN) from the U.S. Department of Agriculture (USDA) regarding certain interventions in sugar markets by country. USDA does not include all distortionary supports or quantification of the levels of those supports, so these summaries should not be considered all-inclusive. See for example, the WTO notification from Australia/India on India's sugar industry. Also, various labor and environmental regulations (or lack thereof), or other policies such as favorable financing for sugar infrastructure in these countries may not be detailed in the GAIN reports. For more information on those, please refer to ASA's website where various country studies have been completed.

Argentina (05/08/2024)

Ethanol blend requirement

"Industry contacts indicate that roughly 20 million tons of cane could be crushed for sugar while the balance of 4-5 million tons could be used for ethanol, primarily to comply with the official biofuels mandate."

Brazil (05/18/2024)

Price control; Import tariff(s); Ethanol Blend Requirements

"Sugarcane prices received by third-party suppliers for the major producing states are based on a formula that considers prices for sugar and ethanol in both the domestic and international markets. The State of São Paulo´s Sugarcane, Sugar and Ethanol Growers Council (CONSECANA) was the first to develop this formula, and it is used for the state of São Paulo, which comprises an average of 69 percent of the Center-South production."

"In September 2023, the Brazilian Government submitted to Congress the Fuel of the Future bill, which addresses policies to expand the use of sustainable fuels. On ethanol, the bill foresees the increase of the mandatory blend into the gasoline from the current 27,5 percent to 30 percent in the short term, if technical aspects are met."

"In February 2023, Brazil reimposed a tariff on imported ethanol of 16 percent in 2023, which rose to 18 percent from January 2024 onwards."

China (04/19/2024)

State-owned enterprises; Government Protections; Input subsidies; Import tariff; Import licensing; Alternative sweetener restrictions

"Prices are expected to fall for competing crops because of weakening consumption, while government protections are expected to keep sugarcane purchase prices stable. For example, the Guangxi government has previously encouraged farmers to switch from Eucalyptus to sugar cane. In addition, China's President Xi visited a Guangxi sugarcane field in December 2023 and reiterated the need to stabilize cane acreage as an important step toward food security."

"These staple crops are seen as the foundation of China's food security and receive constant attention by China's central government, with a clear intent to stabilize production. To ensure central government goals are met, some provincial leaders (i.e., Guangxi, Yunnan) provide financial incentives for planting and modernization of seed and harvesting practices."

"Generally, industry experts expect China's sugar production to remain stable at approximately 10 MMT annually. The stability in production is largely driven by policies to incentivize cane production in Guangxi and Yunnan, accounting for over 80 percent of China's total sugar production."

"China applies a tariff-rate quota (TRQ) on imported sugar. The within-quota tariff rate is 15 percent with a limit 1.945 million metric tons. Approximately 70 percent of the quota is allocated to state-owned enterprises (SOEs). The out-of-quota tariff rate is 50 percent. Since July 2020, all out-of-quota sugar imports are subject to an automatic import licensing system which the government also uses to monitor imports of other bulk commodities (i.e., palm oil, soybeans, meat). This system requires importers to apply and receive advance approval prior to import."

"China's government restricts the development of the saccharine industry to protect the domestic sugar market and to "address environmental, food safety and consumer health concerns". Only three plants are licensed for saccharine production in China. These plants are monitored and inspected by the China Sugar Association (CSA) to ensure compliance with guidelines and limits on production, domestic sales, and exports."

Colombia (04/18/2024)

Price stabilization; Price band system

"Since January 2001, local sugar prices have been subject to the Sugar Price Stabilization Fund (FEPA) (See Policy section). The Colombian government designed FEPA as a tool to protect local producers from fluctuations in international sugar prices."

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

Costa Rica (04/17/2024)

Safeguard measures against Brazilian imports

"The Government of Costa Rica imposed a safeguard measure on Brazilian refined sugar to limit import growth in August 2020, pushing the import duty on imported refined sugar from 45 percent to 72.68 percent. The safeguard has already been lifted by Costa Rica, following WTO agreements."

Dominican Republic (04/10/2024)

Price controls; Government market oversight; Ethanol blend requirements; Import taxes for ethanol

"Several laws regulate the sugar sector in the Dominican Republic. Law No. 491 governs the relationship between private cane producers and millers; the law also sets prices for raw cane based on sugar content. Similarly, Law No. 619 assigns regulatory duties to INAZUCAR, which are overseeing both domestic and foreign marketing, TRQ allocations, price schedules, and statistical reporting."

"For several years, the government has promoted the use or development of an ethanol-gasoline blend, initially established by Decree No. 556-05 in 2005. The provisions of the decree were formalized by Law No. 57-07 (passed in May 2007), which aimed to incentivize the development of renewable energy sources. This initiative aimed to establish a mandate that would include a 10-percent requirement on ethanol in gasoline blends, and a 20-percent biodiesel requirements for diesel blends; the executive branch has yet to enact his initiative."

"It is noteworthy to mention that imported ethanol faces taxation similar to alcohol for human consumption, including the 18 percent VAT plus and an ad valorem tax based on the percentage of alcohol and weight. This tax framework effectively discourages the importation of ethanol for the local market."

"The Ministry of Industry, Commerce, Trade and SME's in collaboration with INAZUCAR established the base price for both raw and refined sugar based on historical prices and production estimates. The most recent adjustments to these baseline prices were in December 2020."

Ecuador (04/18/2024)

Government owned enterprises; Import tariff; Price band system; Ethanol blend requirement

"The ethanol production sector is based on a contract with Petroamazonas, a state-owned oil company, to supply up to 100 million liters of ethanol per year. The members of FENAZUCAR allocate a steady 15 percent of their production to ethanol. Artisan mills provide up to 4 percent of the yearly contract, up to four million liters. FAS Quito continues monitoring developments in ethanol production and use."

"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 tariff-free quota for imports from Colombia of up to 30,000 MT. All sugar imports from other Andean Community countries were made subject to the Andean Price Band System. In November 2018, Resolution 030 was replaced with COMEX Resolution 020-2018. Resolution 020 further restricted access to the Ecuadorian market by reducing the quota for Colombian exports to 17,229 MT."

"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 2021 was set at 15 percent. Sugar imports have a World Trade Organization approved bound tariff rate of 45 percent, which includes price band-related duties."

"In CY 2022, the Ecuadorian government set an ethanol blend rate of 10 percent. For now, gasoline blended with ethanol is known as "ECOPAIS" and is sold in half of the country (lowlands and coastal areas) at the same price as "EXTRA" gasoline (85 octane)."

Egypt (8/19/2024)

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

"The share of sugar cane supplying Egypt's sugar production is now less than 30 percent of total sugar producing crop production, and falling, as government support shifts to expand sugar beet production."

"The Egyptian sugar market remains heavily subsidized through fixed procurement pricing and a large government distribution program, resulting in structural market vulnerabilities to global markets. The Government of Egypt, Ministry of Supply and Industrial Trade (MoSIT), Holding Company for Food Industries (HCFI), Egypt Sugar & Integrated Industries Company (ESIIC) and several major private enterprises produce nearly all of Egypt's sugar supplies produced from domestic cane and beets. Egypt's General Authority for Supply and Commodities (GASC) administers public tenders, on behalf of the ESIIC, to meet the approximately one million ton shortfall in domestic production. Egypt continues to intervene in markets when consumer prices spike through social protection programs and in-kind food distribution initiatives. When prices are low, Egyptian state-owned enterprises offer loans to support cane and beet producers."

"MY2024/25 centrifugal cane sugar production is forecast to yield 1.0 million metric tons, raw value, produced by government and private mills, down 110,000 tons from MY2023/24 on lower prices from centrifugal sugar producers."

"In response to comparatively low government-set procurement prices, Egypt's sugar cane growers are shifting their marketing channels and planting decisions away from centuries-old centrifugal sugar production to direct sales to small blackstrap molasses producers."

"The Government of Egypt provides limited direct farm support for water-intensive crops, like sugar, compared to other crops in Upper Egypt. The Agricultural Bank of Egypt (ABE) issues "Meeza" cards to farmers to improve distribution of subsidy payments and lower administrative costs. The Ministry of Agriculture is focused on raising the agricultural water productivity of sugar cane using propagated plant material rather than seed to conserve water early in the production cycle. However, state-owned sugar producers provide sugar cane growers several marketing advantages, including access to the Aldecovel railway network to deliver crops to mills. The ABE offers growers financing in partnership with ESSIC-affiliated sugar mills to support them as it may take years for growers to fully realize profits. In 2023, the ABE financed a total of $51.9 million (1.6 billion EGP), or about 72 percent of its total contract farm portfolio, to sugar cane farm credit programs."

"MoSIT operates the Holding Company for Food Industries (HCFI) and the Egypt Sugar & Integrated Industries Company (ESIIC) which was formed in 1963 when the government nationalized the eight private sugar mills that were operating at that time. Today, ESIIC operates 15 sugar mills, including eight sugarcane refiners and seven sugar beet processors, plus one under development. All eight sugar cane refiners are state-run companies affiliated with HCFI."

"Egypt's Tamween, national food subsidy program, supports about 73 percent of households. Today, sugar, flour, bread, cooking oil are the remaining essential staples distributed in the program through a ration card system, serving approximately 60 million Egyptians who are eligible for public assistance. Sugar and cooking oil are distributed monthly with a fixed quota for each ration card holder. Egypt allocates about 1 million tons for distribution to ration card holders."

"In December 2023, Egypt's Ministry of Trade and Industry imposed a temporary ban on exports of sugar and other essential staples in accordance with Ministerial Resolution No. 88/2023. 25 The export moratorium was extended from January to March 2024, and then reinstated from July to September 2024. Sugar exports can only be authorized when quantities exceed domestic market needs."

"In March 2024, shortly before finalizing national debt restructuring deals, Egypt's Cabinet approved imports of 1.0 million metric tons to meet shortfalls in domestic production and high demand in 2024. This is a sharp reversal from Egypt's import ban less than four years ago."

El Salvador (04/15/2024)

Import tariff; Safety seal requirement; Vitamin A enrichment requirement; Price controls

"The GOES imposes 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."

"In August 2018, El Salvador joined the Customs Union with Guatemala and Honduras; however, sugar is not one of the products that will benefit from duty-free trade. However, due to inflationary pressure on the Salvadoran economy, in March 2024, the GOES decided to include sugar in the list of products that enjoys a 0 percent import duty for an additional period of one year."

"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.”

“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.”

Eswatini (04/16/2024)

Domestic discount incentive

“The Eswatini Sugar Association (ESA) is responsible for marketing of all sugar produced in Eswatini (both raw and refined). 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 the Eswatini Sugar Agreement. The ESA provides a rebate (discount) to value-adding industries located within Eswatini to encourage and support domestic sugar sales.”

EU (04/17/2024)

Support payments

“In July 2023, the EU allocated exceptional support of €330 million ($370 million) from the CAP reserve fund for crises to 22 member states: Belgium, Czechia, Denmark, Germany, Estonia, Ireland, Greece, Spain, France, Croatia, Italy, Cyprus, Latvia, Lithuania, Luxembourg, Malta, Netherlands, Austria, Portugal, Slovenia, Finland, and Sweden. These countries may complement this EU support up to 200 percent with national funds. This support aims to help farmers who have suffered damage and productivity losses caused by climate events, especially in Spain, Portugal and Italy.”

United Kingdom (contained within the EU Report)

Import tariffs

“The UK government published its post-Brexit tariff schedule that applies as of January 1, 2021. The Most Favoured Nation (MFN) tariff for refined sugar is £350/MT (€419/MT, $449MT), while the MFN tariff for raw sugar for refining carries a £280/MT (€339/MT, $364/MT) duty.”

Guatemala (04/01/2024)

Ethanal Blend Requirement; Production goal; Minimum price; Export allocations; Enrichment requirement

"Guatemala has an ethanol-gasoline blending mandate since 1985 (Legislative Decree 17-85), but just until recently the Guatemalan Ministry of Energy and Mines (MEM) approved Presidential Decree 159- 2023, issuing the General Regulations of the Fuel Alcohol (Ethanol) in Guatemala. This regulation establishes the conditions and parameters for starting ethanol blending with gasoline in 2024/25, promoting free competition with a high environmental component, prioritizing Advanced Ethanol (GHG emissions of less than 28.6 grams of carbon dioxide per Mega Joule)."

"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 and its regulation through Presidential Decree 021-2000, making fortification of sugar mandatory for its consumption in Guatemala."

Honduras (04/18/2024)

Import tariff; Vitamin A enrichment requirement

"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 (04/17/2024)

Government price incentives; State-advised price supports; Export ban; Ethanol production restrictions; Increased import duty; Government financial assistance & investment for sugar mill; Government subsidy program; Ethanol mandate; Ethanol production incentives

"Even with the likely unfavorable weather conditions due to the El Niño phenomenon, sugarcane will remain the most lucrative crop for farmers in the forecast year, because of price initiatives for sugar and ethanol by the Indian government."

“Despite this, according to FAS sources, cane production is higher in Uttar Pradesh due to the highest state prices, State Advised Price (SAP), offered by the state for the current year.”

“On February 21, 2024, the Cabinet Committee on Economic Affairs updated its Fair and Remunerative Price (FRP) for sugarcane for MY 2024/2025 from $3.79/quintal (INR 315/quintal)6 to $4.09/quintal (INR 340/quintal), based on a recovery rate of 10.25 percent. Additionally, growers are awarded a premium of INR 3.32/quintal for every 0.1 percent gain in recovery above 10.25 percent, and the same amount will be deducted for a reduction of recovery by 0.1 percent.”

“More than 99 percent of cane arrears are paid to the farmers for sugar seasons until MY 2022/23 due to the Indian government’s policy interventions.”

“Uttar Pradesh, Karnataka, Uttarakhand, Haryana, and Punjab follow a State Advised Price (SAP) for sugarcane, which is not dependent on a sugar recovery rate like FRP and is mostly higher than FRP. SAP for Uttar Pradesh was the same for two years at $4.21/quintal (INR 350/quintal). But in early January 2024, the state government of Uttar Pradesh increased the SAP to $4.39/quintal (INR 360- 370/quintal) for general and early maturing varieties to support the farmers and sugar mills amidst the weather challenges.”

“The Indian government has banned the export of raw sugar and reduced the diversion of sugar to ethanol to keep inflation low by maintaining the domestic stock of sugar, during the general election year 2024.”

“With a six percent drop in the current year's sugar production number compared to the previous year, the Indian government has put a cap on sugar-to-ethanol conversion, which is anticipated to be diverted towards domestic food consumption.”

“On October 18, 2023, the Indian government banned the export of raw sugar indefinitely, effective October 31, 2023, due to an initial projection of lower sugar production for the current year (see IN2023-0083). Depending on yield and stock, India is likely to continue the export cap for the current and forecast year to meet the domestic food consumption, ethanol requirements for a E20 ethanol-fuel blending (EBP) target by 2025, and to avoid price inflation during the year of the general election in 2024.”

“To protect Indian farmers' interests and stabilize domestic prices, the Indian government increased its raw sugar import duty from 50 percent to 100 percent on February 6, 2018. The Advance Authorization Scheme (AAS) accounts for the majority of India's sugar imports, with the rest being traded commercially. The AAS requires raw sugar imports through Indian port-based sugar refineries for refining before being re-exported.”

"The Sugar Development Fund (SDF) was passed in 1982 by the Indian Parliament to financially assist the sugar mills for renovation, bagasse-based power generation, cane development, sugar to ethanol and alcohol production, a zero liquid discharge plant, and growth of sugarcane. On February 28, 2024, the Indian government revised the SDF guidelines, which have a debt-restructuring option and a one-time settlement option for the sugar factories. In a one-time payment, the penal fee will be waived if any sugar mill clears all the pending payment within six months."

"On February 1, 2024, the Indian government extended the existing Sugar Subsidy Scheme for the distribution of sugar through the Antyodaya Anna Yojana program (Uplifting the Poorest Food Plan) for another two years until March 2026.[21] According to this scheme, sugar is distributed at $22.3/quintal (INR 18.50/kg), providing 0.01 quintal or 1 kilogram[22] of sugar per family per month."

"In 2018, India formed the National Policy on Biofuels to determine targets for ethanol and biofuel blending and assess the required feedstocks for fuels. Under this policy, the Ethanol Blending Program (EBP) was launched to boost the production of ethanol from sugarcane feedstocks, broken rice, damaged grains, and corn."

"During the ethanol supply year 2022/2023, OMCs saved around 5.09 billion liters (509 crore liters) of gasoline due to ethanol blending, which also facilitated the prompt payment of approximately $2.32 billion (INR 19,300 crore) to farmers and a net reduction of 10.8 MMT in carbon dioxide."

Indonesia (04/15/2024)

Import controls; State-owned enterprises; Government-issue import license requirement

"MOI Regulation No. 3/2021 states that sugar mills can only produce white sugar (plantation white sugar) and refineries can only produce refined sugar."

"The government tightly controls the timing of imports, import volumes, and which companies receive import quotas. Additionally, if refined sugar with certain specifications is unavailable in the local market, food and beverage companies may be permitted to import."

"Currently, a total of 59 sugar mills are operating in Indonesia, with a national installed capacity of 316,950 metric tons of cane per day (TCD). Of these mills, 40 are administered by state-owned companies and 19 are privately-owned."

"The GOI expects the food and beverage industry to consume domestically produced refined sugar, although companies with specific refined sugar requirements unavailable from domestic producers may still import a limited amount of refined sugar to meet demand. On the other hand, the GOI must also ensure a stable price of plantation white sugar directly consumed by the households. Therefore, since 2022, sugar has been subject to the new GOI policy to establish import quota allocations known as the Commodity Balance (See: ID2023-0011).

Based on the sugar Commodity Balance (CB) calculations for 2024, in January 2024, the GOI decided to authorize imports of raw sugar for the 11 sugar refineries at 4.77 MMT of raw sugar for 2024/25, an increase of 32 percent compared to the allocation in 2023/24 of 3.61 MMT of raw sugar. In addition, to prevent local plantation white sugar prices from soaring, for 2024/25, the GOI has authorized sugar mills to import a total of 548,609 MT of raw sugar to produce into plantation white sugar, a decrease of 31 percent compared to the allocation in 2023/24 of 796,000 MT of raw sugar."

"On March 5, 2024, the Ministry of Trade issued Regulation No. 3/2024 on the Amendment of Regulation Number on Import Policy. The regulation stated that only importers who hold an API-P (Producer-Importer Identification Number) may import raw sugar (HS Code 170113, 170114) with an International Commission For Uniform Methods of Sugar Analysis (ICUMSA) of at least 600 IU. The imported raw sugar must only be used as raw material for further processing. The GOI will issue imports licenses based on the CB calculations for sugar. Import licenses for raw sugar to be processed into refined sugar are valid for one calendar year."

"If the CB for sugar has not yet been determined, importers may import raw sugar for refined sugar production after obtaining an import recommendation from the Ministry of Industry (MOI), and imports of raw sugar for plantation white sugar production may only be conducted after the importer has obtained import recommendations from the Ministry of Industry, the Ministry of State-Owned Enterprises, the Ministry of Agriculture, and the National Food Agency, as well as an import license from the Ministry of Trade. Import licenses for raw sugar as raw material for plantation white sugar production are also valid for one calendar year."

Jamaica (04/15/2024)

Transportation subsidies; Direct government oversight; Government-regulated market; Price control

"To support the industry, the Government of Jamaica (GoJ) continues to provide transportation subsidies, particularly to small sugarcane farmers, to offset costs associated with transporting sugarcane to factories."

"The Ministry of Agriculture, Fisheries and Mining (MOAFM) oversees Jamaica's sugar industry, governing policies related to land usage, irrigation, subsidies, and other matters. Under MOAFM, the Sugar Industry Authority (SIA) is the regulatory body that exercises oversight in areas of arbitration, research and development and monitoring and evaluation. The SIA also regulates the marketing of sugar and molasses."

"However, subsequent policy changes by the GoJ rendered JCPS obsolete, leading to its closure in 2018, as the SIA began directly issuing licenses to sugar factories."

"The pricing of sugar within Jamaica is set by marketing agents and verified by the SIA."

Kenya (04/23/2024)

Import tariff(s); Price control

"Kenya applies a 100 percent ad valorem tariff on sugar imports from outside COMESA and the East Africa Community (EAC)."

"While sugar prices vary due to market conditions, prices for cane are set by the GoK. In March 2024, Kenya's Sugarcane Pricing Committee (SPC) revised cane prices down 2 percent, from Ksh 6,050 ($46.53) per MT to Ksh 5,900 ($45.53). According to local sources, this price drop was largely driven by an effort to reduce operating costs for domestic sugar mills as they faced increased competition from imported sugar."

Mexico (04/17/2024)

Direct government support [payments]; Government funded training; Price control

"Under the Secretariat of Agriculture and Rural Development (SADER) "Production for Wellbeing Program," the GOM provides an annual support of $7,300 pesos (around USD $442) per sugar producer (up to 20 hectares rainfed or up to 5 hectares irrigated) to improve crop yields and contribute to food self-sufficiency. Furthermore, SADER provides training and technical support aimed at increasing yields."

"On a yearly basis, generally in late October, CONADESUCA announces the sugar reference price at which mills purchase sugar cane from growers for that harvest season. On October

31, CONADESUCA announced the standard sugar reference price for MY 2023/24 at 19,320.31 pesos (around USD 1,172) per ton, the highest on record."

Nicaragua (04/18/2024)

Vitamin A enrichment requirements; Import tariffs

"All sugar in Nicaragua is enriched with vitamin A to combat nutrient deficiency."

"However, the sugar industry does benefit from relatively high domestic prices compared to world sugar prices as a result of high tariffs on imported sugar. Domestic sales at higher than world prices in Nicaragua, stable exports to the United States, and revenue from biomass energy production have helped insulate Nicaragua's sugar industry from fluctuations in international sugar pricing."

Nigeria (04/18/2024)

Import restriction; Import tariff & tax; Government-driven production expansion [providing land & onboarding]

"Nigeria's Sugar Master Plan (NSMP) is still enforcing domestic companies to increase investments in sugarcane production and processing. Dangote Sugar, BUA Foods, and Golden Sugar have made significant investments since NSMP enforcement began. The government restricts sugar imports; the President must approve all imports based on the Minister of Industry, Trade, and Investment's recommendations. Refined sugar in retail packs imports are prohibited, but refinery operators undertaking backward integration plans can import specific quantities of raw sugar through the quota system."

"The government authorized a three-year concessionary import duty tariff of 5 percent, with a 5 percent levy, on imported raw sugar, for those refineries that participate in its backward integration program."

"The second phase of the NSMP aims to produce around 1.7 to 1.8 MMT of sugar a year, providing 300,000 ha of irrigated land in nine states, and onboarding new sugar mills and refineries."

"Key players in the sector own farms across the country to supply their refineries with raw sugar. Meanwhile, the government distributes annual raw sugar import permits based on company compliance with the backward integration plan."

“The government stopped refined sugar imports into the country. As a result, local sugar packaging and cubing companies source their refined sugar domestically unless there is a justifiable reason to import. In that case, the government requires companies to submit their 3-5 years projected sugar needs and other requirements.”

“The NSDC through the NSMP has pushed through a measure that allows raw sugar imports starting in 2019 through 2023. Raw sugar imports face a 10 percent duty, plus an additional 30 percent levy. The high tariff structure, according to the NSMP, aimed to promote local production, prevent dumping of cheap sugar, and send a clear message to sugar refiners/importers to develop a backward integration plan.”

Pakistan (04/08/2024)

Government support payments [production incentives]; State/provincial price support; Government-managed minimum support price; Export limitations; Import approval requirements

“During the last two years, the government sharply increased sugarcane support prices, providing a strong incentive for growers to increase sugarcane planting.”

“Provincial governments set minimum sugarcane prices, sugar price controls, and exercise factory oversight. In 2023/24, the Punjab government set the minimum support price (MSP) at 400 rupees/40 kg ($35.8/ton), which is 33 percent higher than 2022/23. The Sindh government announced 425 rupees ($38/ton). The Sindh rate is traditionally higher because of higher sugar recovery in Sindh’s sugarcane.”

“Despite expectations for sufficient supplies and stocks, 2024/25 exports are forecast to remain minimal. To ensure domestic price stability, the government will likely continue to limit exports.”

“Prior to the 2023/24 harvest, the local market was rife with rumors about an impending domestic sugar shortage leading to higher prices. This led the government to provisionally approve up to 1 million tons of sugar imports.”

Peru (04/17/2024)

Government-ownership; Price band system

“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. In an effort to encourage investment in these companies, the government is auctioning its shares to interested private sector companies."

"Sugar is included in the Peruvian Price Band System (PPBS), with a current floor price of $518, and the ceiling price recently lowered to $644."

Philippines (04/18/2024)

Import approval; Government production & marketing control; Export oversight; Alternative Sweetener Import Controls

"Post forecasts no importation of raw sugar in MY 2025, as the government seeks to protect local producers."

"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 MAV, while any imports in excess of the MAV are assessed the out-of-quota rate."

"Philippine sugar policy and trade 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, as well as reserves. These orders are adjusted as the season progresses."

"The Philippines produces and imports sugar alternatives approved by the Philippine Food and Drug Administration (FDA)."

South Africa (04/18/2024)

Government control; Export control and requirements; Import tariff & minimum price control; Sale rebate and promotion of domestic sugar

"The South African Sugar Association (SASA) is funded by both growers and milling companies and is the industry's highest decision-making authority on issues concerning sugar cane growers and sugar millers. SASA provides support services to the entire industry's value chain, including managing exports of raw sugar, cane testing, and policy advocacy. SASA was established by the Sugar Act of 1978 and falls under the authority of the South African Department of Trade, Industry, and Competition (DTIC)."

"The South African Sugar Association (SASA) 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 domestic sugar regulations stipulate that the price paid to sugar cane growers should be based on revenue obtained from the sugar sales in the local and export markets for that specific season. The South African sugar industry provides a rebate (discount) to domestic manufactures to promote the sale and use of locally produced sugar."

"South Africa applies the dollar-based reference price (DBRP) mechanism to ensure that, inclusive of the duty, the DBRP (currently $680 per ton) is the lowest price that an importer will pay for imported sugar. If 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 duty owed."

"The master plan follows a phased approach to planning and implementation. For the three-year Phase 1 stage, which ended in March 2023, the aim was to increase domestic use of sugar to at least 300,000 MT by having local manufacturers prioritize South African sugar instead of imports to make their products."

Thailand (5/06/2024)

Price control; Strategic stockpiling requirements

"The government set the minimum prices for sugarcane at a record 1,420 baht/MT ($38.90/MT) for MY 2023/24 which is 19 percent higher than the previous year's farm-gate price levels of 1,198 baht/MT ($32.82/MT)."

"Presently, sugar mills are reportedly holding large carry-over stocks from MY 2022/23 due to shrinking sugar exports and the slowdown in domestic economic recovery in MY 2022/23. These carry-over stocks are far above the safety stocks the OCSB requires the sugar mills to maintain for one month of domestic consumption or around 200,000 metric tons."

"On October 30, 2023 the Cabinet decided to list sugar back in the government's List of Controlled Goods and Services to curb domestic sugar prices (please see TH2023-0024, Sugar Annual 2023, April 17, 2023."

Turkey (04/23/2024)

Government ownership; Price control; Government support payments; Production quota system; Import tariff; Export registration; Government alternative sweetener market regulations

"The state-run sugar company, Turkseker, on behalf of the government of Turkey (GoT) announces the annual purchase price for sugar beets. Turkseker may adjust the purchase price during the marketing year depending on market conditions."

"Separately, to encourage sugar beet production and offset rising input costs, the government has upped its an annual support payment for fertilizer (620 TL/HA) and fuel (210 TL/HA)."

"The government's production quota for sugar beets during this period is slightly less than 3.0 MMT. The amount produced in excess of the quota, which is approximately 100,000 MT, will go for export or be used in a food or beverage product for export, in accordance with the rules of the quota system."

"Given the prohibitively high tariff of 135 percent on imported sugar, nearly all sugar imports are thought to be coming in under inward processing regime (IPR) which allows duty-free imports as long as the sugar is used in a food or beverage product for export."

"At the end of December 2021, the GoT added domestic sugar (HS 1701) to the list of goods requiring pre-export registration. The purpose of this requirement is to ensure that there are sufficient supplies of domestic sugar. In the event that domestic supplies run thin, the government could decide to limit export volumes."

"Turkey exports starch-based sugar (SBS) made from corn. In recent years, SBS exports have increased as the government has gradually reduced the amount companies can sell on the domestic market."

"The sugar sector is widely regulated. The government, under presidential decree, sets production quotas and fixes certain prices. The Sugar Department under the Ministry of Agriculture and Forestry (MinAF) regulates and monitors the market."

"The GoT regulates sugar production through a quota system that is typically announced at the beginning of each marketing year. The MY 2023/24 quota for beet sugar production is almost 3.0 MMT."

Venezuela (04/18/2024)

Government ownership; Import controls; Import licenses; Import tariffs

“Six private sector mills continue to supply most sugar production (Table 1).2 There are presently 10 Venezuelan state-owned sugar mills (Table 2).”

“Since December 2020, refined sugar had an 8 percent basic customs duty with a 16 percent VAT.10. The Maduro authority sporadically grants import licenses and exempts VAT and import duties depending on economic conditions. Recently, the Maduro authority removed the raw sugar VAT to support domestic sugar plants that have fallen into arrears in worker payments and to increase domestic supply of the national sugar crop in a market flooded with refined Brazilian-origin sugar.”

“Brazil-origin raw sugar includes an 8 percent tariff, which, due to political considerations, is currently exempt at 0 percent.”

“Following Venezuela’s departure of the CAN cooperation agreement, Colombian origin sugar incorporates a 20 percent basic customs duty. In addition, raw sugar from Guatemala, El Salvador,11 Nicaragua, and Honduras includes a 20 percent import tariff.”

Zimbabwe (04/15/2024)

Vitamin A enrichment requirements; Disadvantages export sales; Import tariffs; Price control; Ethanol blend requirement; Direct government funding, investment, and support

“Additionally, sugar produced in Zimbabwe must comply with labelling and Vitamin A fortification regulations, while some imported sugar did not comply with those requirements, further undermining price levels of domestic production.”

“The government of Zimbabwe requires exporters to convert 25 percent of export receipts into the local currency, which discourages exports, as revenue from foreign sales lose some of their value due to the conversion requirement while the local currency continues to lose value against the U.S. dollar.”

“In 2014, the Zimbabwe government instituted a 10 percent customs duty plus $100/MT surtax on all sugar imports from countries outside of 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 from countries such as Brazil and India. In May 2022, the Zimbabwean government suspended custom duties on basic commodities, including sugar, for a period of six months (until November 2022) to combat serious supply shortages in the market. The tariff was then re-instituted on November 16, 2022, at 10 percent customs duty plus $100/MT surtax on all sugar imports from countries outside of SADC and COMESA."

"Star Africa Corporation, an independent refinery, supplies the majority (at least 80 percent) of refined sugar in Zimbabwe. To maintain low retail prices for sugar in Zimbabwe, the 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 sold in Zimbabwe."

"Zimbabwe introduced mandatory blending of fuel with ethanol in 2011. Currently, minimum mandatory blending of vehicle fuels with ethanol is 20 percent, but the level varies depending on the domestic supply and availability of ethanol."

"Project Kilimanjaro is an initiative by the Zimbabwean government, Tongaat Hulett, and private banks to assist up to 1,070 private farmers supplying cane to mills to increase productivity on their 22,822 ha by increasing yields to at least 100 MT/ha by MY 2023/24. The project plans to develop 4,000 ha of virgin land into new sugar cane fields to benefit 200 new farmers on a full cost recovery basis, creating 2,000 new jobs. About $17.1 million has been spent to date with 2,700 ha of virgin land cleared, storage dams and water canals built, water pumps installed, and 455 ha planted to cane."