



Foreign Agricultural Service

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## **South Africa, Republic of**

### **Sugar**

### **Semi-Annual**

### **2002**

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#### **Report Highlights:**

**South Africa's 2002/03 sugar cane crop is estimated at 22.5 million tons, 6% bigger than the previous crop. This should yield 2.8 million tons of raw sugar, allowing exports of about 1.35 million tons. The import tariff on sugar was recently increased by 67% to R1312/ton as a result of the big drop in international prices.**

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Includes PSD changes: Yes  
Includes Trade Matrix: Yes  
Semi-Annual Report  
Pretoria [SF1], SF

Executive Summary .....	1
Sugar cane .....	2
Production .....	2
Centrifugal sugar .....	3
Production .....	3
Consumption .....	4
Trade .....	4
Policy .....	4

## Executive Summary

South Africa's 2002/03 cane crop, currently being harvested, is estimated at 22.5 million tons, 6.2% bigger than the previous crop. Estimated raw sugar production from this crop is expected to reach 2.8 million tons compared to 2.5 million tons in 2001/02. Little less than half of the crop, or 1.35 million tons should be available for export. To protect the domestic market from cheap international sugar the import tariff on sugar was increased by 67% from R784/ton to R1312/ton at the end of July 2002. Despite this measure, the government still intends to deregulate the local sugar industry.

<http://www.sugar.org.za>

<Http://sacanegrowers.co.za>

US Dollar = Rand 10.50 (09/27/2002)

## Sugar cane

PSD Table						
Country	South Africa, Republic of					
Commodity	Sugar Cane for Centrifugal				(1000 HA)(1000 MT)	
	Revised	2001	Preliminary	2002	Forecast	2003
	Old	New	Old	New	Old	New
Market Year Begin		04/2000		04/2001		04/2002
Area Planted	427	429	430	433	0	437
Area Harvested	322	323	325	330	0	332
Production	23876	23876	21935	21157	0	22472
TOTAL SUPPLY	23876	23876	21935	21157	0	22472
Utilization for Sugar	23876	23876	21935	21157	0	22472
Utilizatn for Alcohol	0	0	0	0	0	0
TOTAL UTILIZATION	23876	23876	21935	21157	0	22472

## Production

After a record cane crop of 23.9 million tons was produced in the 2000/2001 season, the 2001/2002 crop dropped to only 21.2 million tons, mainly due to less favorable weather and the fact that the long previous season probably affected the production cycle on some farms. The 2002/2003 cut is currently expected to reach about 22.7 million tons. The cutting and milling season usually runs from April to December with marketing of the sugar continuing up to March of the second year. The following table contains the details:

Season	Cane cut '000 mt.	Yield/hectare Mt./ha harvested	Tell quell Sugar Mt.	Tons cane/ton sugar, mt.
1998/1999	22,930	72.5	2,646,172	8.67
1999/2000	21,223	67.7	2,531,805	8.38
2000/2001	23,876	74.0	2,729,219	8.77
2001/2002	21,157	64.2	2,395,639	8.83
2002/2003 est.	22,472	67.7	2,625,650	8.56

## Centrifugal sugar

PSD Table						
Country	South Africa, Republic of					
Commodity	Centrifugal Sugar				(1000 MT)	
	Revised	2001	Preliminary	2002	Forecast	2003
	Old	New	Old	New	Old	New
Market Year Begin		04/2000		04/2001		04/2002
Beginning Stocks	530	530	515	455	405	450
Beet Sugar Production	0	0	0	0	0	0
Cane Sugar Production	2895	2895	2542	2542	2725	2785
TOTAL Sugar Production	2895	2895	2542	2542	2725	2785
Raw Imports	0	0	0	0	0	0
Refined Imp.(Raw Val)	260	260	263	263	265	265
TOTAL Imports	260	260	263	263	265	265
TOTAL SUPPLY	3685	3685	3320	3260	3395	3500
Raw Exports	1200	1260	1065	935	1000	1030
Refined Exp.(Raw Val)	320	320	215	300	300	320
TOTAL EXPORTS	1520	1580	1280	1235	1300	1350
Human Dom. Consumption	1640	1640	1630	1570	1650	1585
Feed Dom. Consumption	10	10	5	5	10	5
TOTAL Dom. Consumption	1650	1650	1635	1575	1660	1590
Ending Stocks	515	455	405	450	435	560
TOTAL DISTRIBUTION	3685	3685	3320	3260	3395	3500

## Production

After harvesting nearly one million tons of cane more than ever before in 2000/2001, the industry produced 2.729 million tons of Tell quell sugar. This equates to 2.895 million tons raw value as the Pol. factor reached 99.5. The 2001/2002 production reached 2.395 million tons Tell quell or 2.542 million mtrv. The current forecast for 2002/2003 production is 2.626 million tons Tel quell and 2.785 million mtrv., a 60,000 tons increase on the initial estimate used in the annual report.

## Consumption

It appears that consumption declined in 2001/02 and while a small decline was expected, retail stock adjustments could also have played a role in the decline. A small increase in consumption is expected for the current season.

## Trade

Export Trade Matrix			
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Country	South Africa, Republic of		
Commodity	Centrifugal Sugar		
Time period	Jan-Dec	Units:	metric ton
Exports for:	2000		2001
U.S.	46265	U.S.	54200
Others		Others	
South Korea	166000	South Korea	215000
Japan	132000	Japan	201000
Mozambique	281260	Mozambique	179725
Iran	213900	Iran	167500
Pakistan	25000	Pakistan	112820
Malaysia	30072	Malaysia	98000
Philippines	0	Philippines	70700
Kenya	73450	Kenya	66350
Egypt	0	Egypt	55000
Saudi Arabia	218903	Saudi Arabia	35258
Total for Others	1140585		1201353
Others not Listed	239403		262272
Grand Total	1426253		1517825

## Policy

The customs duty on sugar imports was increased by 67% at the end of July 2002, from R784 per ton to R1312/ton after a sharp fall in international sugar prices earlier this year. The increase is triggered automatically when the international price of raw sugar falls \$20/ton below the Dollar-based price used when the previous tariff was set and stays there for more than 20 days. This was the case in April when the price fell to \$214/ton from a base price of \$238/ton.

The tariff hike was not at odds with moves to deregulate the sugar industry, which is under consideration by the Department of Trade and Industry. (South Africa basically uses a single channel pool scheme for raw sugar exports.) International deregulation is needed as the international sugar industry is considered to be one of the most distorted industries.