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## Nicaragua

### Sugar

## Nicaragua Sugar Annual

### 2004

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**Report Highlights:**

Nicaragua produced 4.4 million tons of sugar cane in the 2003/2004 harvest. The 2004/2005 forecast for sugar cane production is 4.4 million tons. Nicaragua exported 119,020 MT of sugar in the 2002/2003 season. Sugar exports are expected to reach 248,000 MT during the 2004/2005 season because of predicted stable weather conditions.

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Includes PSD Changes: Yes  
Includes Trade Matrix: Yes  
Annual Report  
Managua [NU1]  
[NU]

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**Executive Summary**

Preliminary data indicates that Nicaragua produced 4,400,954 metric tons (MT) of sugar cane during the 2003/2004 harvest. Major export destinations included the US and Russia. The average sugar cane yield was 83.0 MT per hectare (HA) in 2003/2004 versus 69.3 in 2002/2003. Sugar production increased 31.7 percent in 2003/2004 to 453,000 MT. Average national retail price for local processed sugar is \$20 per 100 lb.

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

PSD Table Country Nicaragua							
Commodity	Sugar Cane for Centrifugal				(1000 HA)(1000 MT)		
	2003	Revised	2004	Estimate	2005	Forecast	UOM
	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]	
<b>Market Year Begin</b>		10/2002		10/2003		10/2004	MM/YYYY
<b>Area Planted</b>	50	49	51	53	0	55	(1000 HA)
<b>Area Harvested</b>	50	49	51	53	0	55	(1000 HA)
<b>Production</b>	3515	3431	3642	4400	0	4400	(1000 MT)
<b>TOTAL SUPPLY</b>	3515	3431	3642	4400	0	4400	(1000 MT)
<b>Utilization for Sugar</b>	3515	3431	3642	4400	0	4400	(1000 MT)
<b>Utilizatr for Alcohol</b>	0	0	0	0	0	0	(1000 MT)
<b>TOTAL UTILIZATION</b>	3515	3431	3642	4400	0	4400	(1000 MT)

Table 2. Centrifugal Sugar: Production, Supply and Demand

PSD Table							
Country							
Nicaragua							
Commodity	Centrifugal Sugar				(1000 MT)		
	2003	Revised	2004	Estimate	2005	Forecast	UOM
	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]	
Market Year Begin		09/2002		09/2003		09/2004	MM/YYYY
Beginning Stocks	91	0	91	33	56	46	(1000 MT)
Beet Sugar Production	0	0	0	0	0	0	(1000 MT)
Cane Sugar Production	364	344	375	453	0	453	(1000 MT)
TOTAL Sugar Production	364	344	375	453	0	453	(1000 MT)
Raw Imports	0	0	0	0	0	0	(1000 MT)
Refined Imp.(Raw Val)	0	0	0	0	0	0	(1000 MT)
TOTAL Imports	0	0	0	0	0	0	(1000 MT)
TOTAL SUPPLY	455	344	466	486	56	499	(1000 MT)
Raw Exports	172	113	210	240	0	253	(1000 MT)
Refined Exp.(Raw Val)	0	6	0	8	0	8	(1000 MT)
TOTAL EXPORTS	172	119	210	248	0	261	(1000 MT)
Human Dom. Consumption	192	192	200	192	0	192	(1000 MT)
Other Disappearance	0	0	0		0	0	(1000 MT)
Total Disappearance	192	192	200	192	0	192	(1000 MT)
Ending Stocks	91	33	56	46	0	46	(1000 MT)
TOTAL DISTRIBUTION	455	344	466	486	0	499	(1000 MT)

### Production

The Nicaraguan sugar cane harvest runs from November through May. Preliminary data for the 2003/2004-crop year indicate total sugar cane output of 4.4 million MT, 28 percent higher than the 2002/2003 yield of 3.4 million tons. The 2004/2005 forecast for sugar cane is 4.4 million MT assuming stable weather conditions. The 2003/2004-crop was favored by a good rainy season, establishing a production record.

**Crop Area**

During the 2003/2004 season 53,006 HA of sugar cane were planted. This shows an increase over the 2002/2003 season, which had 49,510 HA planted. Area planted during the 2004/2005 season is estimated to increase to 55,000 HA.

**Yields**

According to the National Committee of Sugar Producers (NCPA), during the 2003/2004 season the average sugar cane yield was 83.0 MT per HA, which is higher than 2002/2003 season average yield of 69.3 MT per HA. This increase in yield resulted from higher precipitation during the 2003/2004 season and improved sugar cane varieties. Planted area only increased 7.0 percent from one season to the next one.

**Consumption**

Total domestic consumption during the 2003/2004 season is estimated at 192,727 MT. The NCPA projects a 4 percent increase per year in domestic consumption.

**Trade**

Nicaragua's key exports destinations in 2003 included Russia and the US. Nicaraguan exports totaled 119,020 MT of which 22,300 MT were exported to the US.

The current US sugar quota for Nicaragua is 22,114 MT. During the CAFTA negotiations Nicaragua gained access for an additional 22,000 MT of sugar with a 2 percent annual increase. The CAFTA negotiations are pending signature by each government for ratification.

Domestic market price for processed sugar is \$20 per 100 lb. A 55 percent import duty plus a 2 percent luxury tax for 2004 is charged on sugar imports.

Table 3. Export Trade Matrix

Export Trade Matrix			
Country Nicaragua			
Commodity	Centrifugal Sugar		
Time Period	2003	Units:	MT
<b>Exports for:</b>			1
<b>U.S.</b>	22300	U.S.	
<b>Others</b>		Others	
<b>Russia</b>	96720		
Total for Others	96720		0
Others not Listed			
<b>Grand Total</b>	119020		0

**Policy**

The GON does not set sugar prices, nor does it provide subsidies or special credit programs.

**Marketing**

The private sector buys and sells all sugar. Twenty percent of national consumption is fortified with vitamin A and packaged in bags of 0.4 and 5 kg.