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Poland

Sugar

Sugar Update

2004

Approved by:
Wayne Molstad, Agricultural Counselor
U.S. Embassy

Prepared by:
WFM

Report Highlights:
While beet acreage and production estimates are somewhat larger than last year, centrifugal sugar production is expected to be 5% down compared to last year because of lower sugar content in sugar beets.

Includes PSD Changes: No
Includes Trade Matrix: No
Unscheduled Report
Warsaw [PL1]
[PL]

SUGAR BEETS

Although this year's growing conditions for sugar beets were drastically different than a year ago, beet production just before the harvest seems to be about equal to the year ago level. As estimated by the Main Statistical Office (GUS), beet production will be 12 MMT, 1.7 percent over the 2003 crop, resulting from a 2.1% increased beet acreage. These GUS acreage and beet production estimates are only slightly different from FASWarsaw's April 2004 forecast.

CENTRIFUGAL SUGAR

Based on recent beet production estimates and weather conditions, we do not foresee a need to change our previously submitted centrifugal sugar production forecast. Although the sugar beet crop will be 2.2% larger than a year ago, weather developments suggest rather lower sugar yields because of less favorable than year ago weather for sugar accumulation. This year good weather for sugar accumulation was reported in August and the first 10 days of September. However, a year ago weather conditions favorable for sugar accumulation were much stronger during a much longer period. We estimate sugar production for MY 2005/06 will be 2.0 MMT, 116,000 tons raw sugar lower than for MY 2004/05, same as forecasted in our April information. Also no change, when compared with the previous forecast, is anticipated for sugar use in Poland.

PROCESSING INDUSTRY TRANSITION AS POLAND JOINS EU

This year there will be 43 plants processing sugar beets, significantly less than 56 a year ago. While the total official number of sugar refineries in Poland is 76, which originally had sugar production allocations, restructuring during recent years led to closing of the least efficient plants. The smaller number of refineries results in better processing efficiency in the ones which remain and better income from processing for the industry. That transformation was done, however, some farmers and industry workers protest against eliminating sugar beet purchasing/refinery plants and reduction of working places. So far in Poland the industry operated under conditions of very small profits from sugar production and did not have a chance to invest significantly in modern processing.

The Polish Sugar Industry Association is opposed to proposed EU sugar policy reforms. The industry argues that the Polish sugar industry is still very much underdeveloped and needs time for further stronger investments to be competitive with other EU countries in sugar production efficiency. According to the industry, refineries in Poland require at least a 5 year minimum transition time to adjust to EU market requirements. According to the Association, proposed reduction of sugar prices is not accepted for the industry in Poland and would lead to stronger industry and farmers income disparities between Poland and other EU countries.

Sugar beet, slightly revised, and centrifugal sugar tables are as follows:

BEG.MONTH/YEAR	Sep-02	Sep-03	Sep-04	Sep-04
SUGARBEETS	2003 Rev.	2004 Est.	2005 Forecast	2005 Forecast
			old	rev.09/04
AREA PLANTED	303	286	280	292
AREA HARVESTED	303	286	280	292
PRODUCTION	13434	11740	11800	12000
TOTAL SUPPLY	13434	11740	11800	12000
UTIL.FOR SUGAR	13434	11740	11800	12000
UT.FOR ALCOHOL	0	0	0	0
TOTAL UTILIZA.	13434	11740	11800	12000

BEG.MONTH/YEAR	Sep-02	Sep-03	Sep-04	Sep-04
CENTRIF.SUGAR	2003 Rev.	2004 Est.	2005 Forecast	2005 Forecast
RAW SUGAR			old	rev.09/04
BEG.STOCKS	238	336	301	301
BEETSUGAR PROD.	2194	2116	2000	2000
CANESUGAR PROD.	0	0	0	0
TOT.SUGAR PROD.	2194	2116	2000	2000
RAW IMPORTS	9	0	0	0
REFINED IMPORTS	81	55	81	81
TOTAL IMPORTS	90	55	81	81
TOTAL SUPPLY	2522	2507	2382	2382
RAW EXPORTS	13	0	0	0
REFINED EXPORTS	445	478	400	400
TOTAL EXPORTS	458	478	400	400
HUMAN CONSUMP.	1712	1712	1712	1712
FEED CONSUMP.	16	16	16	16
TOT.DOM.CONSUM.	1728	1728	1728	1728
ENDING STOCKS	336	301	254	254
TOTAL DISTRIBU.	2522	2507	2382	2382