

Domestic sugar prices continue to increase

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As the country's demand for sugar continue to increase, the Sugar Regulatory Administration (SRA) also observed rising prices for domestic output.

Based on the Visayas Average Bid Prices for the production week-ending April 22, the price of B sugar was pegged at R1,694.33 per 50-kilo bag, which was 18.27 percent higher than the R1,432.56 recorded in the same period last crop year.

The April 22 bid price is also higher than the R1,685.88 per 50-kilo bag price set on April 15.

"There are those who are skeptical that we will not be able to reach our projected production of 2.27 million MT [metric tons] for crop year 2017 to 2018," SRA Board Member Roland Beltran said.

Still, Beltran maintained that the country is poised to achieving its target production for the year.

"As of week ending April 22, 2018, our sugar production is now at 1.8 million MT. We are on track to realizing our projected production," he said in a text message.

Sugar crop year starts every September and ends in August.

During the September 1, 2017 to April 8 period, the production of raw sugar fell by 9.94 percent to 1.6 million metric tons (MT) from the 1.8 million MT recorded in the same period last year.

This, while the total demand for raw sugar increased by 8.83 percent from 1.28 million MT to 1.39 million MT.

The island of Negros continues to account for 55 percent of domestic sugar production, based on a data provided by the US Department of Agriculture (USDA). This was followed by Mindanao at 21 percent; Luzon at 14 percent; Panay at 7 percent; and Eastern Visayas at 3 percent.

As of now, roughly 90 percent of total Philippine production comes primarily from four major sugar planter federations and three major miller associations, while there are about 27 sugar mills and 12 sugar refiners in the country.

A couple of weeks ago, Beltran said that the agency is now "closely monitoring the mill gate prices of raw sugar as well as refined sugar" amid rising prices.

"We are closely monitoring the prices [because] despite our assurance that we have sufficient supply of raw sugar, the domestic market prices are [still] unreasonably moving upward to the detriment of the consuming public," Beltran said earlier.

In its latest report, USDA expects the country's raw sugar production to drop to 2.3 million MT from 2.5 million MT due to unfavorable weather conditions and lower sugar content and tonnage of cane produced.

This, while industry contacts anticipate demand for sugar to rise due to a rapidly developing food processing industry and a growing population.