NATIONAL SUGAR DEVELOPMENT COUNCIL

REPORT OF THE NATIONWIDE SURVEY ON INDUSTRIAL SUGAR CONSUMPTION AND MARKET PRICES IN NIGERIA

2014

About

NATIONAL SUGAR DEVELOPMENT COUNCIL

The National Sugar Development Council was established by Decree 88 of 1993, now an Act of the National Assembly, Act Cap. No. 78 LFN of 2004, to catalyze the development of the sugar industry with a view to ensuring that Nigeria attains at least, 70% self-sufficiency in her sugar requirement within the shortest possible time and even export to earn foreign exchange. The Council therefore serves as the main focal agency responsible for the regulation of all activities in the sugar sub-sector ranging from production, marketing, importation and enforcement of relevant industry standards in collaboration with relevant government agencies.

Our Mandate

The mandate of the Council amongst others includes:

- To articulate policies and programmes that will bring about rapid development of the sugar sector;
- To progressively reduce level of sugar importation through Sugar Quota Administration as the local production increases towards self sufficiency;
- To encourage greater private sector participation in sugar production through the operation of BIP for existing sugar refineries and green-field sugar projects for new ones;
- To popularize sugar processing technologies as a means of generating employment for skilled and unskilled labour;
- To provide an effective and efficient R and D support that will catalyze developments in the sugar sector.

The Vision

NSDC is committed to making Nigeria a notable player in the global sugar trade through policies and strategies that will harness our abundant natural and material resources to ensure national self-sufficiency in sugar with surplus to export to earn foreign exchange.

Mission

To accelerate the development and growth of the local sugar industry in order to achieve a target of at least 70 percent self-sufficiency in national sugar requirement as soon as possible.

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EXECUTIVE SUMMARY

As part of its mandate and in the exercise of its statutory functions, the Planning Department of National Sugar Development Council conducted annual surveys on industrial consumption and market price of sugar in Nigeria. While the 2014 industrial consumption survey exercise was carried out in thirty-four (34) States of the Federation including the FCT Abuja, the market price survey covered only the major markets of Abuja, Kano and Lagos.

The major objective of the annual exercise is to provide the essential information needed for effective management decision-making in the process of policy formulation that will guide government intervention in the sugar sub-sector of the Nigerian economy as well as investment decision for new entrants in the sugar industry. Data gathering/collection involves the administration and retrieval of well structured questionnaires. The survey revealed a familiar pattern or trend in the consumption of sugar by the various industrial sectors.

Some of the major findings from the analysis of the survey are summarized as follows:

1. During the year under review, the pattern of industrial sugar consumption shows that Soft Drinks sector was still the leading consumer of industrial sugar using 342,425metric tonnes. This figure represents about 32% of total sugar consumption by industries in 2014.

   The Food and Beverages sector came second with a consumption figure of 284,268 metric tonnes representing about 27% of total sugar consumed by industries during the period of the survey.

   The Bakery and Confectionery and Pharmaceutical sub-sectors followed with consumption figures of 199,579 metric tonnes and 190,959 metric tonnes accounting for 19% and 18% respectively. The least industrial user is the Dairy sub-sector which consumed about 39,896 metric tonnes representing 4% of total industrial sugar consumption during the period of the survey.

2. The survey results also revealed that industries in the Soft Drinks, Pharmaceuticals, Food and Beverages sub-sectors use alternative sweeteners such as Glucose, Aspartame, Acesulfame K and Sucralose as raw material in their production processes.

3. When compared with the national sugar demand which is 1,540,000 metric tonnesn in 2014, industrial sugar consumption accounted for 1,057,127 metric tonnes or 68.6% of national sugar demand. Household sugar usage on the other hand was 380,275 metric tonnes, representing 24.6% of national sugar demand. The End of Year Stock for the period under review was 102,598 metric tons; thus accounting for only 6.6% of national sugar demand.

4. Also, in 2014 the global sugar prices remained relatively stable as compared to the previous year although there was a decline in the global average sugar prices of refined sugar. For instance, the global price of refined sugar in January was USD414.12/ton and this declined to an average of USD393.26/ton in December, 2014. The decrease represents just about 5.03% of the international price of refined sugar per ton.

5. The result obtained from the local market price survey carried out during the period was also compared with the prices of refined sugar in the

international market. The comparison reveals that there is a wide gap between the prices of refined sugar sold in the Nigerian markets and in the international market. For instance, in January2014, the price of refined sugar was $706.48/MT in Nigeria, while at the international market it was sold at $414.12/MT- a difference of $292.52/MT or 70.6% between the local and international market price. As witnessed in the international market, the prices of locally refined sugar also gradually moved upward from $713.51 in February and closed the year with $883.95 in December. Similarly, on the average, sugar prices stood at $777.77/MT and $441.39/MT for refined sugar at both the local and international markets respectively in 2014- a disparity of 336.38/ton or 76.2%.

6. The large variance between the local and international prices of sugar is a clear indication of good profit margin being made by refiners of sugar even when cost of raw sugar importation and other associated charges incurred in the refining process are factored into it. This may also be the reason why most investors are mainly interested in refinery rather than direct production of sugar from sugarcane, a trend that the Nigerian Sugar Master Plan is set to reverse.

7. The survey also showed that all the companies covered obtained their sugar supply locally.

1.0 INTRODUCTION

Nigeria is a member of the International Sugar Organization (ISO) whose membership consists of 87 other countries with statutory obligation of supplying statistical data on an annual basis to the organization. The National Sugar Development Council (NSDC) being the focal agency on sugar in Nigeria therefore, continued with its annual exercise of information and data gathering through survey and administration of structured questionnaires on industrial groups using sugar. This is to ensure that Nigeria as a member country remains up to date in the provision of sugar related data to ISO as envisaged by the International Sugar Agreement (ISA), Article 32 (2) of 1992.

The Council also tracks both domestic and international market prices in order to ascertain their trends and understand the underlying dynamics of sugar price variations. The domestic market price survey was carried out in major markets in three (3) main cities across the country namely: Abuja, Kano and Lagos.

2.0 SURVEY OBJECTIVES

The main objectives of the survey are as follow:

1. To generate reliable statistical data on both sugar prices and consumption by different categories of industries. The data collected include but are not limited to the following:
   - Details of sugar consumption by major industrial users in major sectors ï Pharmaceuticals, Food and Beverages, Bakery and Confectioneries, Soft Drinks and Dairy among others;
   - Details of quantity of sugar consumed by industries in the different Zones and States across the country;

- Average prices at which Nigerian industries buy sugar within the period covered by the survey;
- Average international prices for both raw and refined sugar;
- Average domestic prices of white refined sugar (wholesale and retail);
- Sources of sugar used whether local or imported as well as major suppliers of sugar in Nigeria;
- Use of sugar by-products or other sweeteners by industries in Nigeria and
- Quantity of ethanol used or otherwise by industries in the different Zones and States across the country.

2. To enable Council meet up with the annual responsibility and obligation of providing credible information on the Nigerian sugar industries as requested by local and international agencies such as International Sugar Organization (ISO), USAID, F. O. Licht, Federal, States and Local Government Agencies, Private Individuals etc.

3. To provide adequate information for effective management decision making in the process of policy formulation that will guide government intervention in the sugar sub-sector of the Nigerian economy.

3.0 SURVEY METHODOLOGY

3.1 Coverage/Scope

The industrial sugar consumption survey covered only thirty four (34) States of the Federation including the Federal Capital Territory (FCT), Abuja. Two States namely: Yobe and Borno were not covered due to persistent insurgency in these States. The market price survey covered major markets in Lagos, Abuja and Kano only.

3.2 Sample Design

In order to cover major urban cities in the States captured by the survey including the FCT where most of the industrial activities are concentrated, the country was divided into two major zones namely:

- Southern zone; and
- Northern zone.

Due to high concentration of industries in Lagos, the State was further divided into four major areas for an effective coverage. The remaining (15) Southern States were grouped into four sub-zones with each covered by a Planning Officer of the Council. Similarly, Northern zone was sub-divided into four parts based on the numbers of major urban cities as well as number of industries to be covered in the States. This was to enhance effective coverage and supervision of the field enumerators.

3.3 Survey Instrument

Principally, the survey instrument adopted in this survey was a well structured questionnaire designed to capture all the essential data to be collected for analysis. Planning Officers of the Council served as field enumerators that covered various companies, which make use of sugar as raw materials in their production processes in major urban cities, to administer and retrieve the questionnaires.

3.4 Data Collection

In the survey questionnaires, respondents (companies) were to indicate the sector they operate, the nature of business and type of products they produce, the source of sugar they use for their operation, whether directly imported or locally sourced, etc. Respondents were also required to indicate whether there was any specific period within the year that their industries needed higher quantities of sugar more than others, and whether they make use of glucose or other alternative sweeteners as raw materials in their production processes. In order to meet up with the data requirement of several Local and International Organizations the following sectors were covered;

- Bakery and Confectionery;
- Food and Beverages;
- Soft Drinks;
- Pharmaceuticals and
- Dairy amongst others.

Given the fact that not all the companies using sugar could be listed and covered and in order to take care of possible under-declaration of sugar utilized by the companies covered, a 10 per cent margin of error was adopted. Subsequently, the data obtained were processed and analyzed while relevant tables and charts were generated to facilitate proper understanding and dissemination of the information to potential users.

3.5 Sugar Price Survey

Domestic sugar prices were tracked on a weekly basis at three (3) major local markets in Lagos, Kano and Abuja where wholesalers and retailers in each market were randomly picked as respondents. For the international price of sugar (raw and refined), the Council has a number of sources at which it tracks prices. These sources include the Public Ledger, ISA Daily Price and Monthly Market Reports and Statistical Bulletin from the International Sugar Organization as well as Ministry of Agriculture, Livestock and Food Supply. The data collected from these sources were collated, analyzed and presented in the following tables and charts.

4.0 DATA PRESENTATION IN TABLES

TABLE 4.1 SUGAR CONSUMPTION BY DIFFERENT INDUSTRIAL SECTOR BY STATES

S/NO	STATE	SECTOR	QUANTITY USED IN METRIC TONNES 2014
1	ABIA	PHARMACEUTICALS	1,210
		FOOD & BEVERAGES	1,728
		BAKERY & CONFECTIONERY	2,958
		SOFT DRINKS	1,395
		DAIRY AND OTHERS	187
		SUB-TOTAL	**7,478**
2	ADAMAWA	PHARMACEUTICALS	0
		FOOD & BEVERAGES	4,248
		BAKERY & CONFECTIONERY	4,679
		SOFT DRINKS	288
		DAIRY AND OTHERS	1,567
		SUB-TOTAL	**10,782**
3	AKWA IBOM	PHARMACEUTICALS	0
		FOOD & BEVERAGES	1,626
		BAKERY & CONFECTIONERY	2,216
		SOFT DRINKS	468
		DAIRY AND OTHERS	792
		SUB-TOTAL	**5,102**
4	ANAMBRA	PHARMACEUTICALS	9,828
		FOOD & BEVERAGES	3,526
		BAKERY & CONFECTIONERY	3,605
		SOFT DRINKS	5,270
		DAIRY AND OTHERS	586
		SUB-TOTAL	**22,815**
5	BAUCHI	PHARMACEUTICALS	0
		FOOD & BEVERAGES	1,286
		BAKERY & CONFECTIONERY	2,901
		SOFT DRINKS	0
		DAIRY AND OTHERS	953
		SUB-TOTAL	**5,141**

S/N	STATE	SECTOR	QUANTITY USED IN METRIC TONNES
6	BAYELSA	PHARMACEUTICALS	0
		FOOD & BEVERAGES	1,148
		BAKERY & CONFECTIONERY	1,198
		SOFT DRINKS	0
		DAIRY AND OTHERS	288
		SUB-TOTAL	**2,634**
7	BENUE	PHARMACEUTICALS	0
		FOOD & BEVERAGES	4,253
		BAKERY & CONFECTIONERY	3,760
		SOFT DRINKS	290
		DAIRY AND OTHERS	372
		SUB-TOTAL	**8,675**
8	BORNO	PHARMACEUTICALS	N/A
		FOOD & BEVERAGES	N/A
		BAKERY & CONFECTIONERY	N/A
		SOFT DRINKS	N/A
		DAIRY AND OTHERS	N/A
		SUB-TOTAL	**N/A**
9	CROSS - RIVER	PHARMACEUTICALS	0
		FOOD & BEVERAGES	1,680
		BAKERY & CONFECTIONERY	2,594
		SOFT DRINKS	0
		DAIRY AND OTHERS	484
		SUB-TOTAL	**4,758**
10	DELTA	PHARMACEUTICALS	0
		FOOD & BEVERAGES	1,410
		BAKERY & CONFECTIONERY	2,113
		SOFT DRINKS	1,979
		DAIRY AND OTHERS	343
		SUB-TOTAL	**5,845**

S/N	STATE	SECTOR	QUANTITY USED IN METRIC TONNES 2014
11	EBONYI	PHARMACEUTICALS	478
		FOOD & BEVERAGES	1,662
		BAKERY & CONFECTIONERY	1,294
		SOFT DRINKS	0
		DAIRY AND OTHERS	288
		SUB-TOTAL	**3,722**
12	EDO	PHARMACEUTICALS	0
		FOOD & BEVERAGES	1,589
		BAKERY & CONFECTIONERY	1,697
		SOFT DRINKS	0
		DAIRY AND OTHERS	281
		SUB-TOTAL	**3,567**
13	EKITI	PHARMACEUTICALS	0
		FOOD & BEVERAGES	1,047
		BAKERY & CONFECTIONERY	1,411
		SOFT DRINKS	0
		DAIRY AND OTHERS	0
		SUB-TOTAL	**2,458**
14	ENUGU	PHARMACEUTICALS	633
		FOOD & BEVERAGES	1,208
		BAKERY & CONFECTIONERY	4,204
		SOFT DRINKS	5,394
		DAIRY AND OTHERS	0
		SUB-TOTAL	**11,439**
15	GOMBE	PHARMACEUTICALS	0
		FOOD & BEVERAGES	846
		BAKERY & CONFECTIONERY	1,574
		SOFT DRINKS	0
		DAIRY AND OTHERS	407
		SUB-TOTAL	**2,827**

S/N	STATE	SECTOR	QUANTITY USED IN METRIC TONNES 2014
16	IMO	PHARMACEUTICALS	1,552
		FOOD & BEVERAGES	2,823
		BAKERY & CONFECTIONERY	3,008
		SOFT DRINKS	6,148
		DAIRY AND OTHERS	559
		SUB-TOTAL	**14,090**
17	JIGAWA	PHARMACEUTICALS	0
		FOOD & BEVERAGES	640
		BAKERY & CONFECTIONERY	2,071
		SOFT DRINKS	0
		DAIRY AND OTHERS	343
		SUB-TOTAL	**3,054**
18	KADUNA	PHARMACEUTICALS	1,560
		FOOD & BEVERAGES	3,944
		BAKERY & CONFECTIONERY	5,248
		SOFT DRINKS	3,410
		DAIRY AND OTHERS	846
		SUB-TOTAL	**15,008**
19	KANO	PHARMACEUTICALS	1,588
		FOOD & BEVERAGES	4,105
		BAKERY & CONFECTIONERY	4,861
		SOFT DRINKS	4,193
		DAIRY AND OTHERS	1,095
		SUB-TOTAL	**15,842**
20	KATSINA	PHARMACEUTICALS	0
		FOOD & BEVERAGES	1,112
		BAKERY & CONFECTIONERY	1,728
		SOFT DRINKS	0
		DAIRY AND OTHERS	718
		SUB-TOTAL	**3,558**

S/N	STATE	SECTOR	QUANTITY USED IN METRIC TONNES 2014
21	KEBBI	PHARMACEUTICALS	0
		FOOD & BEVERAGES	503
		BAKERY & CONFECTIONERY	1,784
		SOFT DRINKS	0
		DAIRY AND OTHERS	467
		SUB-TOTAL	**2,754**
22	KOGI	PHARMACEUTICALS	0
		FOOD & BEVERAGES	712
		BAKERY & CONFECTIONERY	3,158
		SOFT DRINKS	0
		DAIRY AND OTHERS	422
		SUB-TOTAL	**4,292**
23	KWARA	PHARMACEUTICALS	288
		FOOD & BEVERAGES	2,076
		BAKERY & CONFECTIONERY	3,268
		SOFT DRINKS	1,436
		DAIRY AND OTHERS	460
		SUB-TOTAL	**8,216**
24	LAGOS	PHARMACEUTICALS	125,300
		FOOD & BEVERAGES	216,743
		BAKERY & CONFECTIONERY	101,088
		SOFT DRINKS	231,085
		DAIRY AND OTHERS	22,800
		SUB-TOTAL	**697,016**
25	NASARAWA	PHARMACEUTICALS	0
		FOOD & BEVERAGES	803
		BAKERY & CONFECTIONERY	3,009
		SOFT DRINKS	0
		DAIRY AND OTHERS	485
		SUB-TOTAL	**4,297**

S/N	STATE	SECTOR	QUANTITY USED IN METRIC TONNES 2014
26	NIGER	PHARMACEUTICALS	0
		FOOD & BEVERAGES	1,302
		BAKERY & CONFECTIONERY	2,980
		SOFT DRINKS	0
		DAIRY AND OTHERS	450
		SUB-TOTAL	**4,732**
27	OGUN	PHARMACEUTICALS	28,770
		FOOD & BEVERAGES	5,723
		BAKERY & CONFECTIONERY	7,149
		SOFT DRINKS	55,806
		DAIRY AND OTHERS	1,760
		SUB-TOTAL	**99,208**
28	ONDO	PHARMACEUTICALS	0
		FOOD & BEVERAGES	1,266
		BAKERY & CONFECTIONERY	2,178
		SOFT DRINKS	0
		DAIRY AND OTHERS	288
		SUB-TOTAL	**3,444**
29	OSUN	PHARMACEUTICALS	0
		FOOD & BEVERAGES	956
		BAKERY & CONFECTIONERY	1,738
		SOFT DRINKS	0
		DAIRY AND OTHERS	88
		SUB-TOTAL	**2,782**
30	OYO	PHARMACEUTICALS	17,826
		FOOD & BEVERAGES	7,268
		BAKERY & CONFECTIONERY	6,158
		SOFT DRINKS	15,938
		DAIRY AND OTHERS	348
		SUB-TOTAL	**48,038**

S/N	STATE	SECTOR	QUANTITY USED IN METRIC TONNES 2014
31	PLATEAU	PHARMACEUTICALS	0
		FOOD & BEVERAGES	1,636
		BAKERY & CONFECTIONERY	1,471
		SOFT DRINKS	288
		DAIRY AND OTHERS	125
		SUB-TOTAL	**3,520**
32	RIVERS	PHARMACEUTICALS	1,926
		FOOD & BEVERAGES	4,013
		BAKERY & CONFECTIONERY	3,036
		SOFT DRINKS	3,816
		DAIRY AND OTHERS	227
		SUB-TOTAL	**13,020**
33	SOKOTO	PHARMACEUTICALS	0
		FOOD & BEVERAGES	0
		BAKERY & CONFECTIONERY	2,411
		SOFT DRINKS	0
		DAIRY AND OTHERS	621
		SUB-TOTAL	**3,032**
34	TARABA	PHARMACEUTICALS	0
		FOOD & BEVERAGES	0
		BAKERY & CONFECTIONERY	2,066
		SOFT DRINKS	0
		DAIRY AND OTHERS	353
		SUB-TOTAL	**2,419**
35	YOBE	PHARMACEUTICALS	N/A
		FOOD & BEVERAGES	N/A
		BAKERY & CONFECTIONERY	N/A
		SOFT DRINKS	N/A
		DAIRY AND OTHERS	N/A
		SUB-TOTAL	**N/A**

			QUANTITY USED IN METRIC TONNES
S/N	**STATE**	**SECTOR**	**2014**
36	ZAMFARA	PHARMACEUTICALS	0
		FOOD & BEVERAGES	0
		BAKERY & CONFECTIONERY	1,758
		SOFT DRINKS	0
		DAIRY AND OTHERS	408
		SUB-TOTAL	**2,166**
37	ABUJA FCT	PHARMACEUTICALS	0
		FOOD & BEVERAGES	1,386
		BAKERY & CONFECTIONERY	3,204
		SOFT DRINKS	4,321
		DAIRY AND OTHERS	485
		SUB-TOTAL	**9,396**
		GRAND TOTAL	**1,057,127**

TABLE 4.1B ALTERNATIVE SWEETNERS CONSUMED BY DIFFERENT INDUSTRIAL SECTORS

SECTOR	**NAME OF SWEETNER**	**QUANTITY USED (KG)**	**PRICE (N)/KG**
PHARMACEUTICALS	GLUCOSE	44,550	N/A
	ASPERTAME	136.9	N/A
FOOD & BEVERAGES	GLUCOSE	3,670	N/A
	ACESULFAMME K.	N/A	N/A
	SUCRALOSE	N/A	N/A
SOFT DRINKS	ASPERTAME	128.6	N/A
	SUCRALOSE	N/A	N/A
TOTAL		**48,485.5**	

TABLE 4.2 TOTAL INDUSTRIAL SUGAR CONSUMPTION IN NIGERIA BY STATES

S/NO	STATE	QUANTITY USED IN (MT)
1	ABIA	7,478
2	ADAMAWA	10,782
3	AKWA IBOM	5,102
4	ANAMBRA	22,815
5	BAUCHI	5,141
6	BAYELSA	2,634
7	BENUE	8,675
8	BORNO	N/A
9	CROSS RIVER	4,758
10	DELTA	5,845
11	EBONYI	3,722
12	EDO	3,567
13	EKITI	2,458
14	ENUGU	11,439
15	GOMBE	2,827
16	IMO	14,090
17	JIGAWA	3,054
18	KADUNA	15,008
19	KANO	15,842
20	KATSINA	3,558
21	KEBBI	2,754
22	KOGI	4,292
23	KWARA	8,216
24	LAGOS	697,016
25	NASSARAWA	4,297
26	NIGER	4,732
27	OGUN	99,208
28	ONDO	3,444
29	OSUN	2,782
30	OYO	48,038
31	PLATEAU	3,520
32	RIVERS	13,020
33	SOKOTO	3,032
34	TARABA	2,419
35	YOBE	N/A
36	ZAMFARA	2,166
37	FCT ABUJA	9,396
	TOTAL	**1,057,127**

TABLE 4.3 RANKING OF STATES BY INDUSTRIAL SUGAR USAGE

S/No	STATE	QUANTITY USED (METRIC TONNES)
1	LAGOS	697,016
2	OGUN	99,208
3	OYO	48,038
4	ANAMBRA	22,815
5	KANO	15,842
6	KADUNA	15,008
7	IMO	14,090
8	RIVERS	13,020
9	ENUGU	11,439
10	ADAMAWA	10,782
11	FCT ABUJA	9,396
12	BENUE	8,675
13	KWARA	8,216
14	ABIA	7,478
15	DELTA	5,845
16	BAUCHI	5,141
17	AKWA IBOM	5,102
18	CROSS RIVER	4,758
19	NIGER	4,732
20	NASSARAWA	4,297
21	KOGI	4,292
22	EBONYI	3,722
23	EDO	3,567
24	KATSINA	3,558
25	PLATEAU	3,520
26	ONDO	3,444
27	JIGAWA	3,054
28	SOKOTO	3,032
29	GOMBE	2,827
30	OSUN	2,782
31	KEBBI	2,754
32	BAYELSA	2,634
33	EKITI	2,458
34	TARABA	2,419
35	ZAMFARA	2,166
36	BORNO	N/A
37	YOBE	N/A
	TOTAL	**1,057,127**

TABLE 4.4 SECTORAL CLASSIFICATION OF INDUSTRIAL SUGAR CONSUMPTION BY STATES

S/NO	STATE	PHARM.	FOOD & BEVERAGES	BAKERY & CONF.	SOFT DRINKS	DAIRY	TOTAL (MT)
1	ABIA	1,210	1,728	2,958	1,395	187	**7,478**
2	ADAMAWA	0	4,248	4,679	288	1,567	**10,782**
3	AKWA IBOM	0	1,626	2,216	468	792	**5,102**
4	ANAMBRA	9,828	3,526	3,605	5,270	586	**22,815**
5	BAUCHI	0	1,286	2,901	0	953	**5,141**
6	BAYELSA	0	1,148	1,198	0	288	**2,634**
7	BENUE	0	4,253	3,760	290	372	**8,675**
8	BORNO	NIL	NIL	NIL	NIL	NIL	**NIL**
9	C/RIVER	0	1,680	2,594	0	484	**4,758**
10	DELTA	0	1,410	2,113	1,979	343	**5,845**
11	EBONYI	478	1,662	1,294	0	288	**3,722**
12	EDO	0	1,589	1,697	0	281	**3,567**
13	EKITI	0	1,047	1,411	0	0	**2,458**
14	ENUGU	633	1,208	4,204	5,394	0	**11,439**
15	GOMBE	0	846	1,574	0	407	**2,827**
16	IMO	1,552	2,823	3,008	6,148	559	**14,090**
17	JIGAWA	0	640	2,071	0	343	**3,054**
18	KADUNA	1,560	3,944	5,248	3,410	846	**15,008**
19	KANO	1,588	4,105	4,861	4,193	1,095	**15,842**
20	KATSINA	0	1,112	1,728	0	718	**3,558**
21	KEBBI	0	503	1,784	0	467	**2,754**
22	KOGI	0	712	3,158	0	422	**4,292**
23	KWARA	288	2,076	3,268	1,436	460	**8,216**
24	LAGOS	125,300	216,743	101,088	231,985	22,800	**697,016**
25	NASSARAWA	0	803	3,009	0	485	**4,297**
26	NIGER	0	1,302	2,980	0	450	**4,732**
27	OGUN	28,770	5,723	7,149	55,806	1,760	**99,208**
28	ONDO	0	1,266	2,178	0	288	**3,444**
29	OSUN	0	956	1,738	0	88	**2,782**
30	OYO	17,826	7,268	6,158	15,938	348	**48,038**
31	PLATEAU	0	1,636	1,471	288	125	**3,520**
32	RIVERS	1,926	4,013	3,036	3,816	227	**13,020**
33	SOKOTO	0	0	2,411	0	621	**3,032**
34	TARABA	0	0	2,066	0	353	**2,419**
35	YOBE	NIL	NIL	NIL	NIL	NIL	**NIL**
36	ZAMFARA	0	0	1,758	0	408	**2,166**
37	FCT ABUJA	0	1,386	3,204	4,321	485	**9,396**
	TOTAL	**190,959**	**284,268**	**199,579**	**342,425**	**39,896**	**1,057,127**

ABLE 4.5 NATIONAL INDUSTRIAL SUGAR CONSUMPTION BY SECTORS

S/NO	SECTOR	QUANTITY USED IN (MT)
1	PHARMACEUTICAL	**190,959**
2	FOOD AND BEVERAGES	**284,268**
3	BAKERY AND CONFECTIONERY	**199,579**
4	SOFT DRINKS	**342,425**
5	DAIRY AMONG OTHERS	**39,896**
	GRAND TOTAL	**1,057,127**

The total quantity of sugar consumed in each State on sectoral basis is presented in Table 4.1. Table 4.1B shows the quantities of alternative sweeteners namely: Glucose, Aspertame, Acesulfamme K. Sucralose etc. used by different industrial sectors while 4.2 represents the quantity of sugar consumed on State by State basis. The data obtained from the thirty-four (34) States of the Federation including the Federal Capital Territory, Abuja covered in the survey were presented in chronological order and is presented in Table 4.3. Table 4.4 shows the sectoral classification of industrial sugar consumption by States covered in 2014 while Table 4.5 represents computation of National Industrial Sugar Consumption in the country on sectoral basis in 2014.

From Table 4.5, the Soft Drinks sub-sector accounted for the highest consumption of sugar. The sector consumed (342,425 or 32%) metric tons of sugar, followed by the Food and Beverages sub-sector which had (284,268 or 27%) metric tons of industrial sugar usage. Bakery/Confectionery and Pharmaceutical sectors accounted for (199,579 or 19%) and (190,959 or 18%) metric tons respectively. The sector that consumed the least is Dairy which accounted for only (39,896) metric tons representing just 4% of total sugar consumed by industries during the period under review.

As revealed by the survey, Five (5) top industrial sugar consuming states during the period were as listed below:

Table 4.6 Five Top Industrial Sugar Consuming States

Ranking	States	Qty (MT)	% Usage
1st	LAGOS	697,016	66%
2nd	OGUN	99,208	9.4%
3rd	OYO	48,038	4.5%
4th	ANAMBRA	22,815	2.2%
5th	KANO	15,842	1.5%

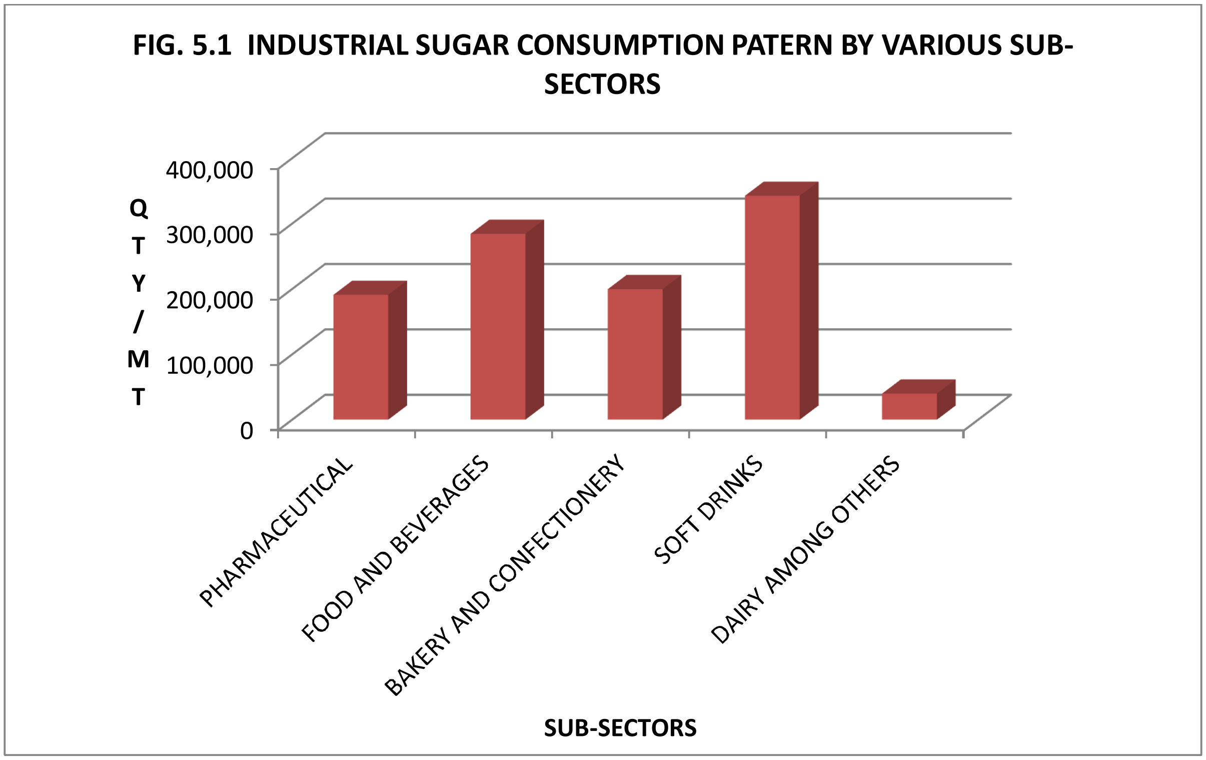
Furthermore, five least industrial sugar consuming States as revealed by the survey result were as listed below:

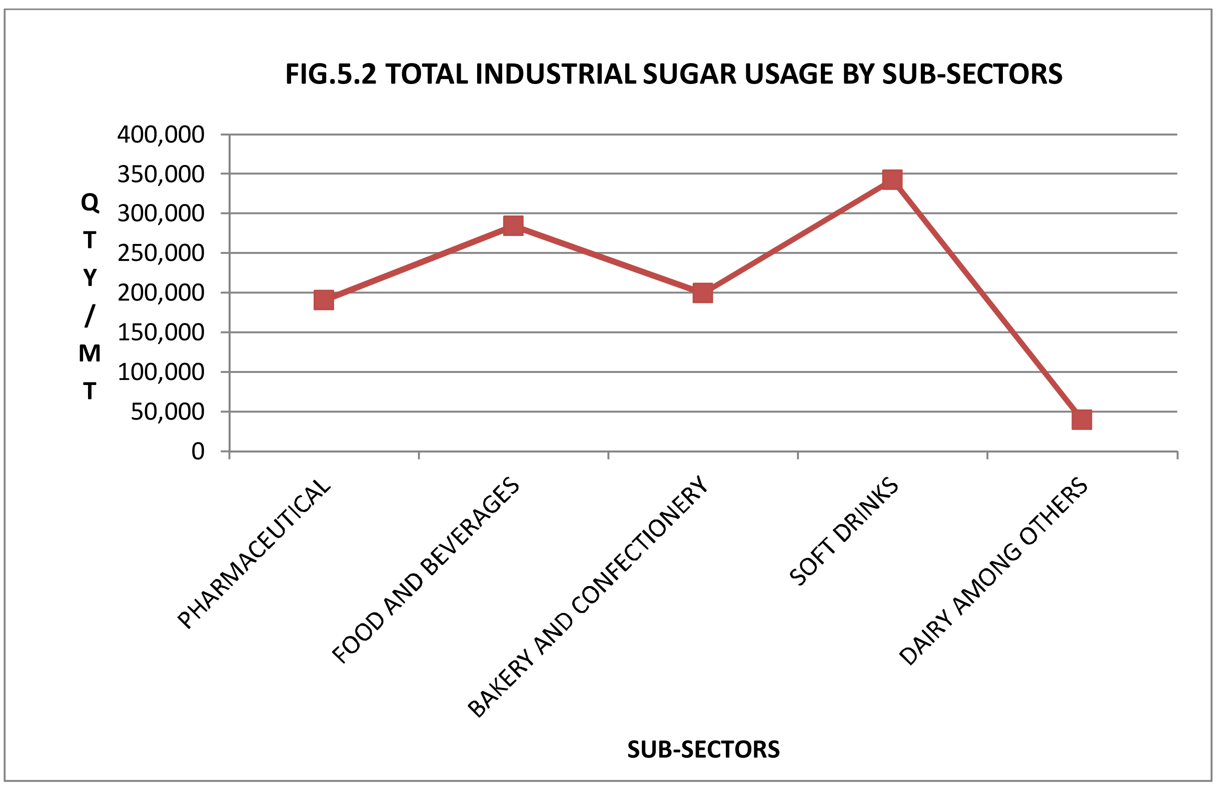
Table 4.7 Five Least Industrial Sugar Consuming States

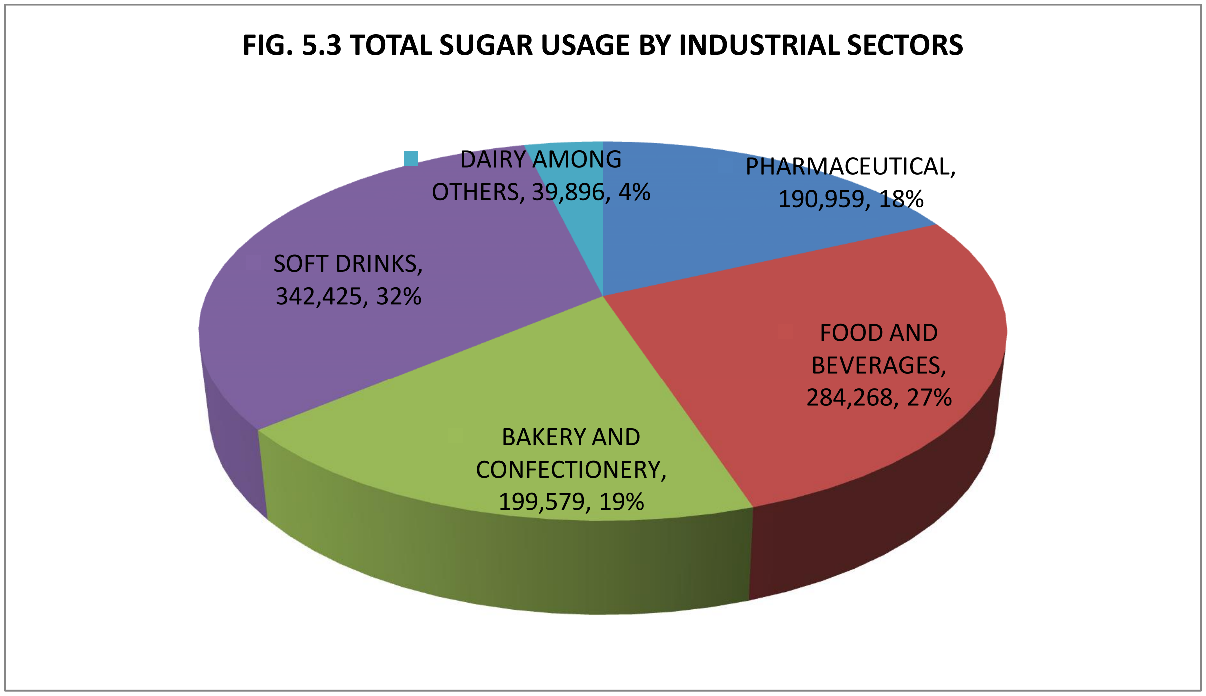
Ranking	States	Qty (MT)	% Usage
1st	ZAMFARA	2,166	0.20%
2nd	TARABA	2,419	0.22%
3rd	EKITI	2,458	0.23%
4th	BAYELSA	2,634	0.25%
5th	KEBBI	2,754	0.26%

The result in most cases is a barometer or indicator of the level of industrialization of the States concerned. For instance, Lagos State which recorded the highest quantity of sugar consumption is still indisputably, the most industrialized State in Nigeria. Two States namely; Yobe and Borno were not covered due to security challenges in these States.

5.0 DATA PRESENTATION IN CHARTS







National Sugar Demand versus Industrial and Household Sugar Consumption

The national sugar demand for 2014 in Nigeria was 1,540,000 metric tons. In order to have an absolute depiction of sugar consumption pattern in Nigeria, the quantity of sugar consumed by the industrial and household sectors were compared with national sugar consumption figures obtained from other studies by the Council.

Table 5.1 Comparison between National Sugar Demand, Industrial and Household Consumption

SECTOR	2014 (MT)	PERCENTAGE
National Sugar Demand *	1,540,000.0	100%
Industrial Sugar Consumption	1,057,127.0	68.6%
Household Sugar Consumption	380,275.0	24.7%
End of Year Stock for 2014	102,598	6.7%

NB *This includes sugar imported and those produced locally.

From the illustration in the above table, the national demand for sugar consumption in year 2014 stood at 1,540,000 metric tonnes. Out of this, industrial sugar consumption accounted for 1,057,127 metric tonnes or 68.6% of national sugar demand.

Similarly, the result of the household sugar consumption carried out by the Council in conjunction with National Bureau of Statistics (NBS) during the period under consideration was 380,275 metric tonnes, representing 24.7% of national sugar demand. The End of Year Stock for the period under review was 102,598metric tons; thus accounting for only 6.7% of national sugar demand. The following graphs and charts illustrate comparison between national sugar demand, industrial and domestics sugar consumption as well as the end of year stock.

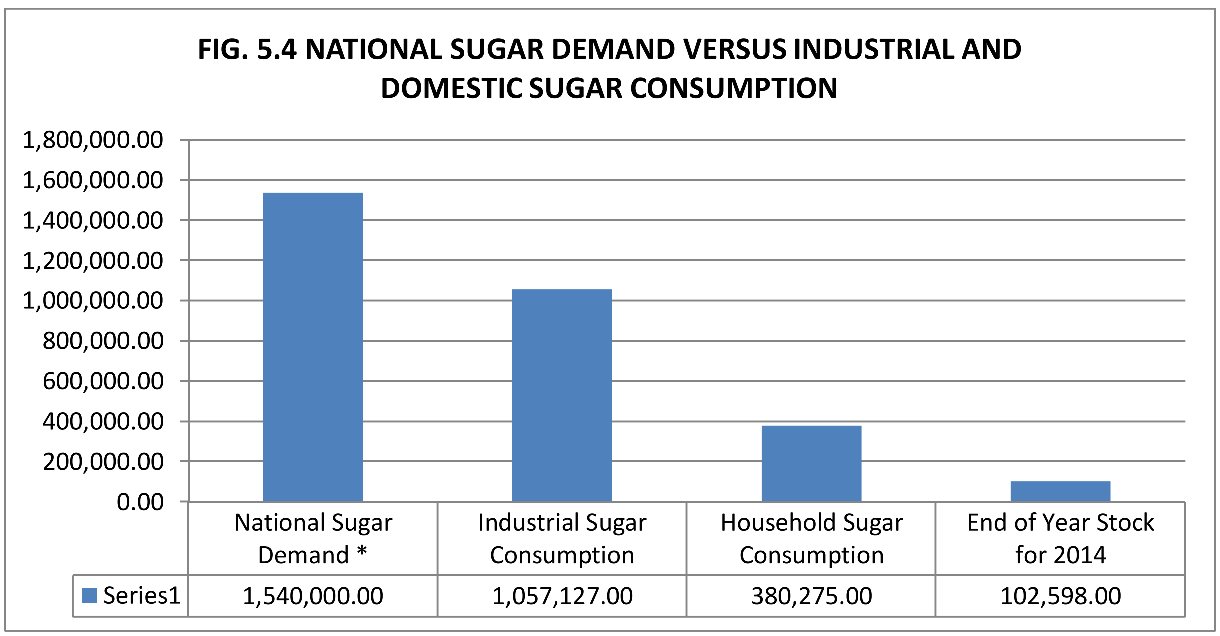


FIG.5.5 COMPARISON BETWEEN INDUSTRIAL AND HOUSEHOLD SUGAR CONSUMPTION

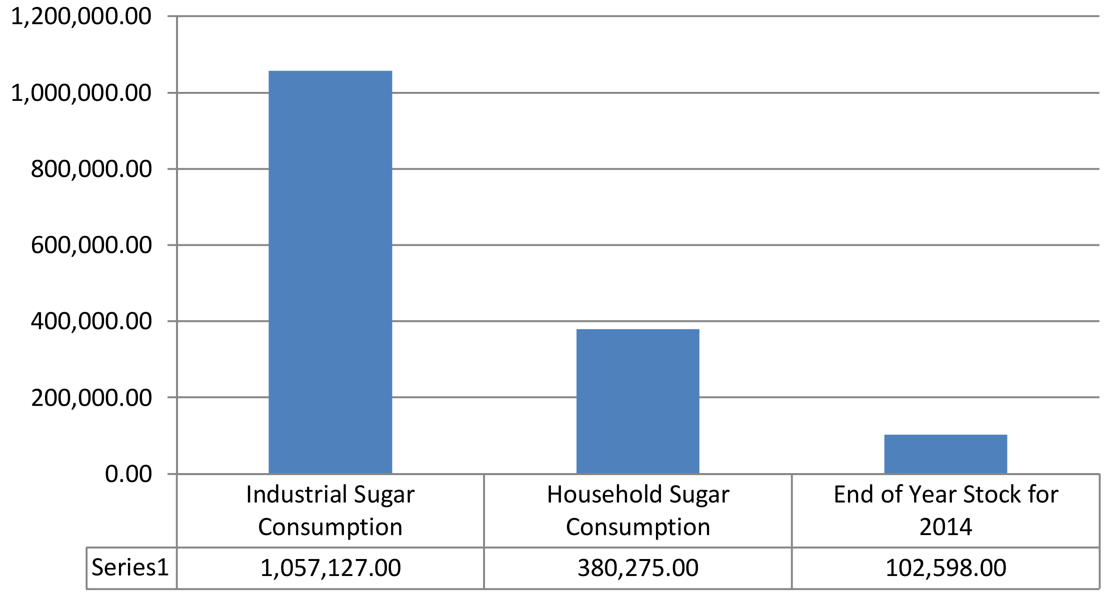


FIG.5.6 COMPARISON BETWEEN INDUSTRIAL HOUSEHOLD AND END OF YEAR STOCK

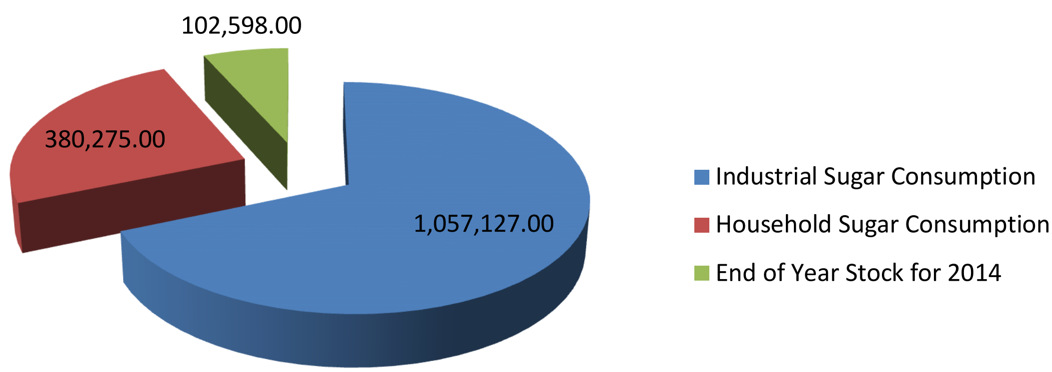


TABLE 5.2 ANNUAL NATIONAL INDUSTRIAL SUGAR CONSUMPTION BY SUB-SECTORS 2010-2014

	2010	2011	2012	2013	2014
PHARMACEUTICAL	168,424	159,123	179,054	172,815	190,959
FOOD AND BEVERAGES	169,187	167,453	182,708	277,821	284,268
BAKRY & CONFECTIONARY	223,463	207,328	229,384	189,266	199,579
SOFT DRINKS	343,665	359,663	362,379	340,622	342,425
DAIRY AMONG OTHERS	38,919	39,404	41,700	30,924	39,896
GRAND TOTAL	**943,658**	**932,971**	**995,225**	**1,011,448**	**1,057,127**

FIG.5.7 ANNUAL INDUSTRIAL SUGAR CONSUMPTION PATTERN BY VARIOUS SUB-SECTORS

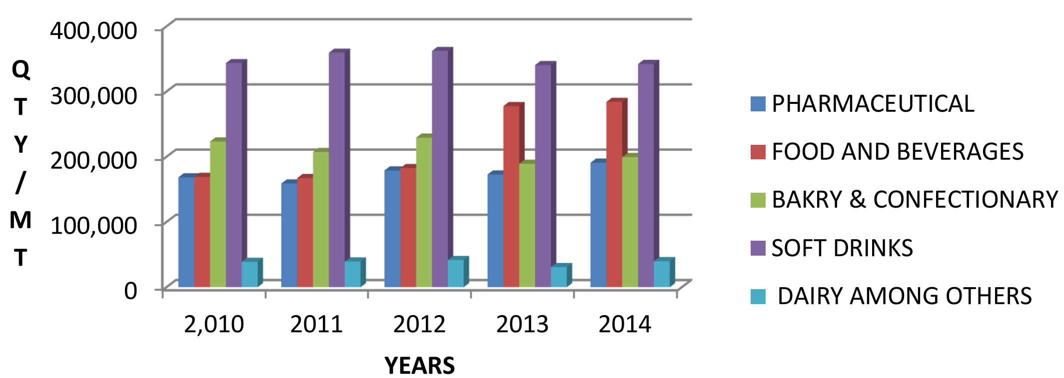
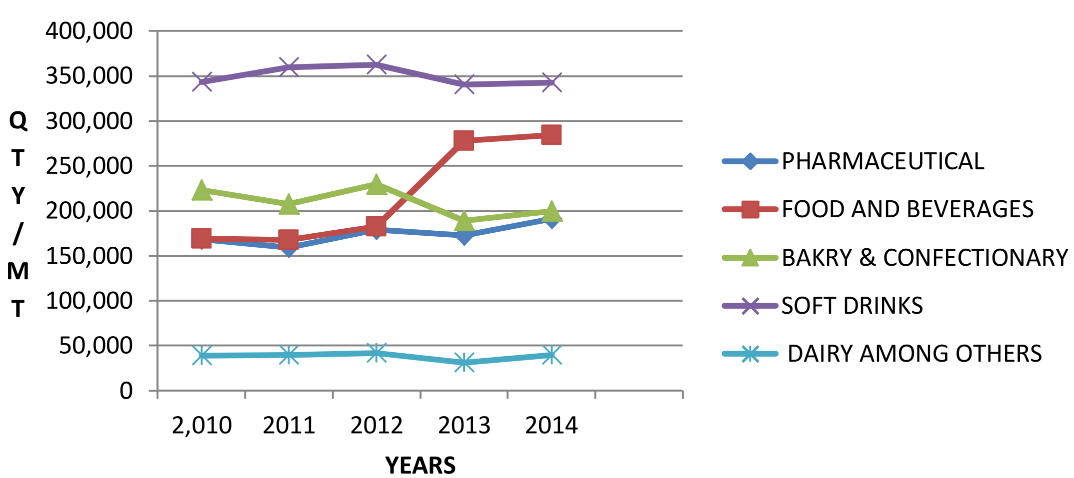


FIG.5.8 ANNUAL SUGAR CONSUMPTION TREND BY SUB-SECTORS



6.0 DOMESTIC AND INTERNATIONAL MARKET PRICE SURVEY

During the period under review, market price survey was conducted in three (3) major densely populated cities in Nigeria namely; Abuja, Lagos and Kano. Planning Officers normally serves as enumerators and randomly visits wholesalers and retailers in each market to obtain sugar prices. The international prices of raw and refined sugar were obtained from various sources including the ***Public Ledger***, ISA Daily Price and Monthly Market Reports and Statistical Bulletin from the International Sugar Organization as well as the Ministry of Agriculture, Livestock and Food Supply in Brazil. The summary at the end of each week, month, quarter, half year and annual data were compiled, analyzed and presented in the following tables and charts:

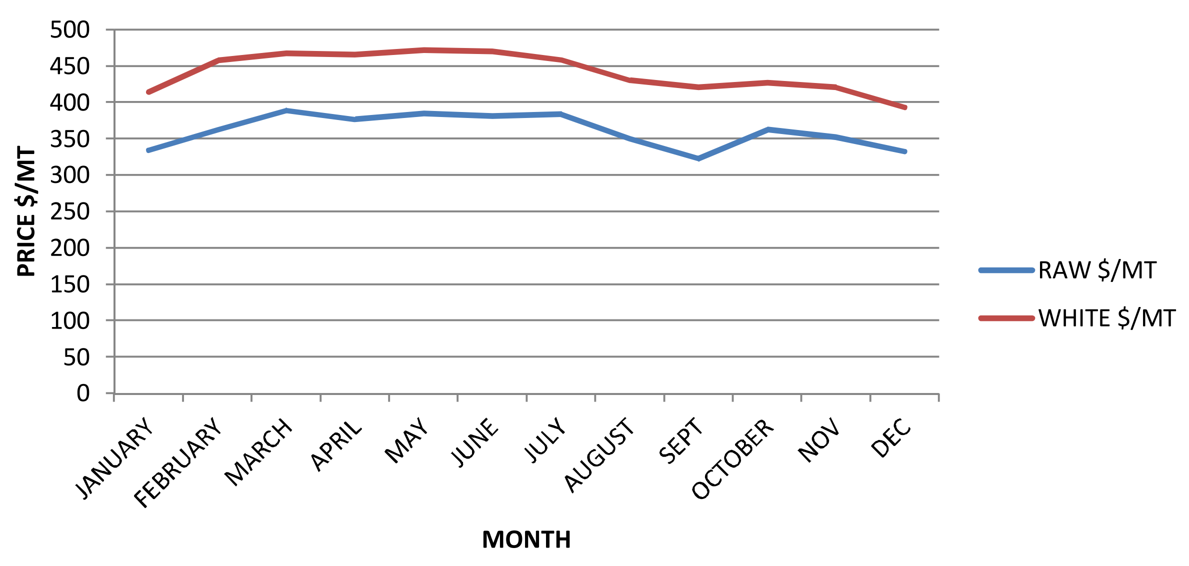
INTERNATIONAL MONTHLY AVERAGE SUGAR PRICES ($) (2014)

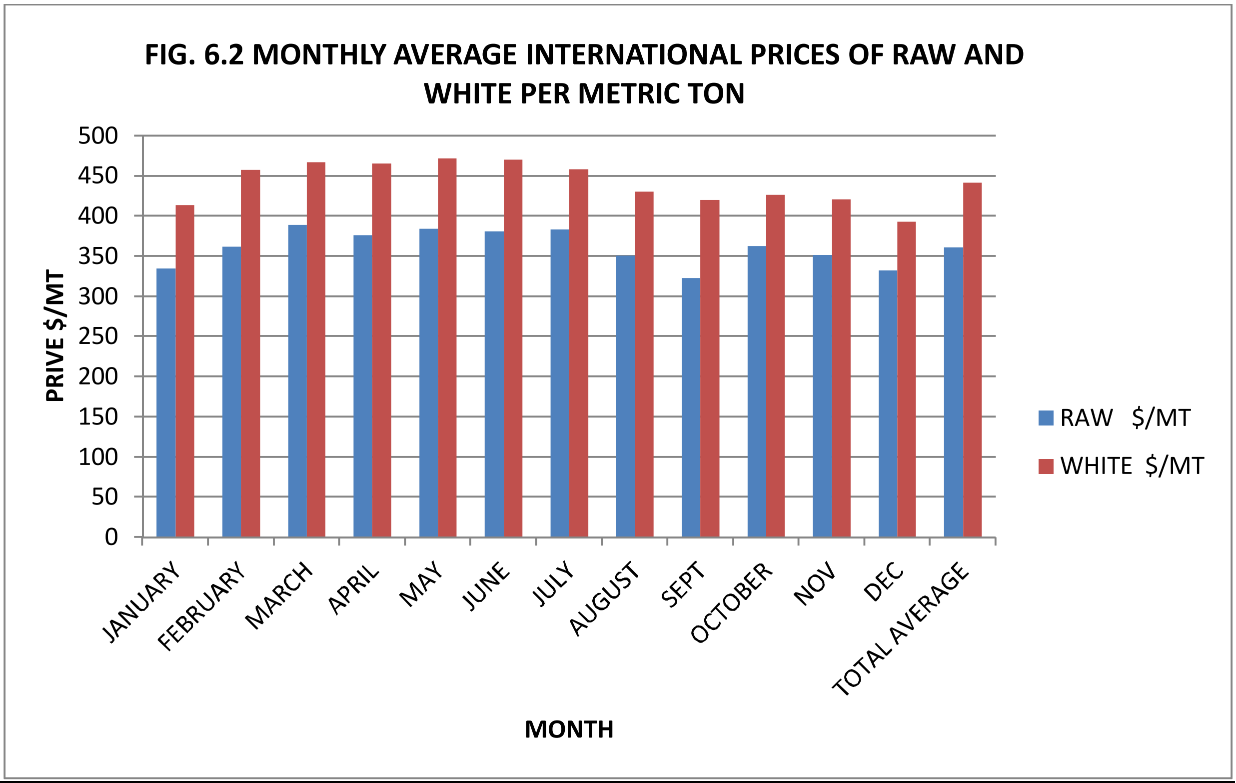
Table 6.1

MONTH	RAW $/MT	WHITE $/MT
JANUARY	334.68	414.12
FEBRUARY	362.33	457.80
MARCH	388.90	467.50
APRIL	376.61	465.35
MAY	384.41	471.68
JUNE	380.73	470.35
JULY	383.38	458.18
AUGUST	350.54	430.16
SEPT	323.10	420.47
OCTOBER	362.61	426.86
NOV	351.88	421.05
DEC	332.66	393.26
AVERAGE	**360.98**	**441.39**

During the period under review, the global sugar prices remained relatively stable as compared with the preceding year. Although the price of raw sugar shows a gentle rising and falling trend, starting from raw sugar at the cost of USD334.68/ton in January, 2014 and continued to rise to USD383.38/ton in July, then declined to USD351.88/ton in November and closed the year with USD332.66/ton in December. On the other hand, there was a general decrease in the global average sugar prices of refined sugar. For instance, the global price of refined sugar in January was USD414.12/ton and rose to USD471.68 in May. This however declined to an average of USD393.26/ton in December, 2014. This decrease represents just about 5.03% of the international price of refined sugar per ton. The following figures demonstrated the movement of sugar prices in the global market.

FIG. 6.1 MONTHLY AVERAGE OF INTERTIONAL RAW & WHITE SUAGR PRICES





MONTHLY AVERAGE SUGAR PRICES (N/50KG) IN NIGERIA (2014)

TABLE 6.2

MONTH	WHOLESALE N/50KG	RETAIL N/50KG
JANUARY	6358.33	6525.00
FEBRUARY	6421.66	6633.33
MARCH	6675.00	6791.67
APRIL	6695.83	6845.83
MAY	6580.00	6806.67
JUNE	6766.66	6979.16
JULY	7466.67	7625.00
AUGUST	7166.66	7412.49
SEPT	7179.16	7412.49
OCTOBER	7216.67	7500.00
NOV	7500.00	7766.67
DEC	7955.55	8277.77
AVERAGE	**6998.51**	**7214.67**

FIG.6.3 MONTHLY AVERAGE PRICES OF LOCAL SUGAR IN NIGERIA

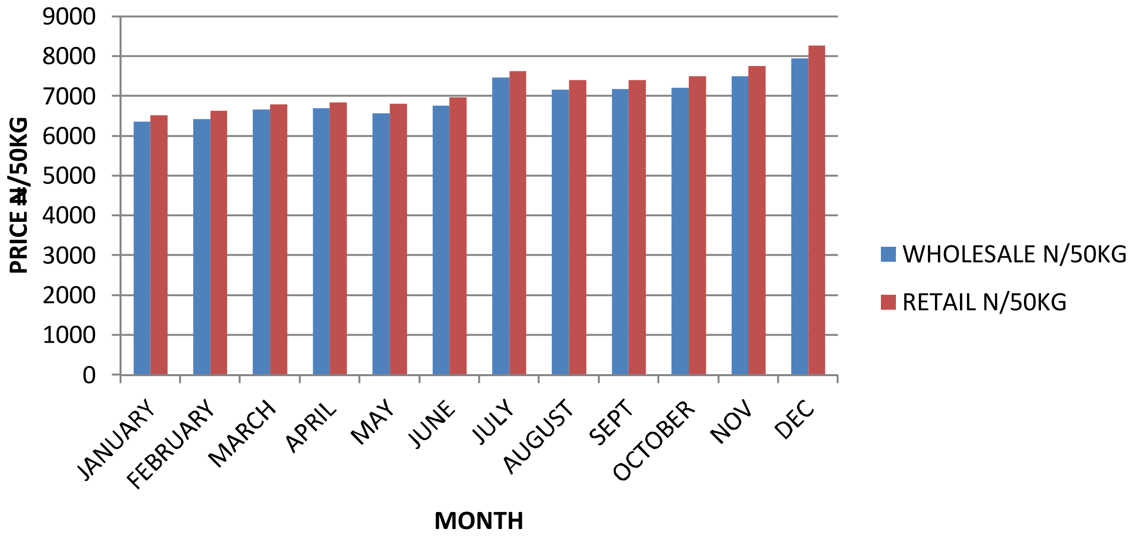


FIG.6.4 MONTHLY AVERAGE PRICES OF LOCAL SUGAR IN NIGERIA

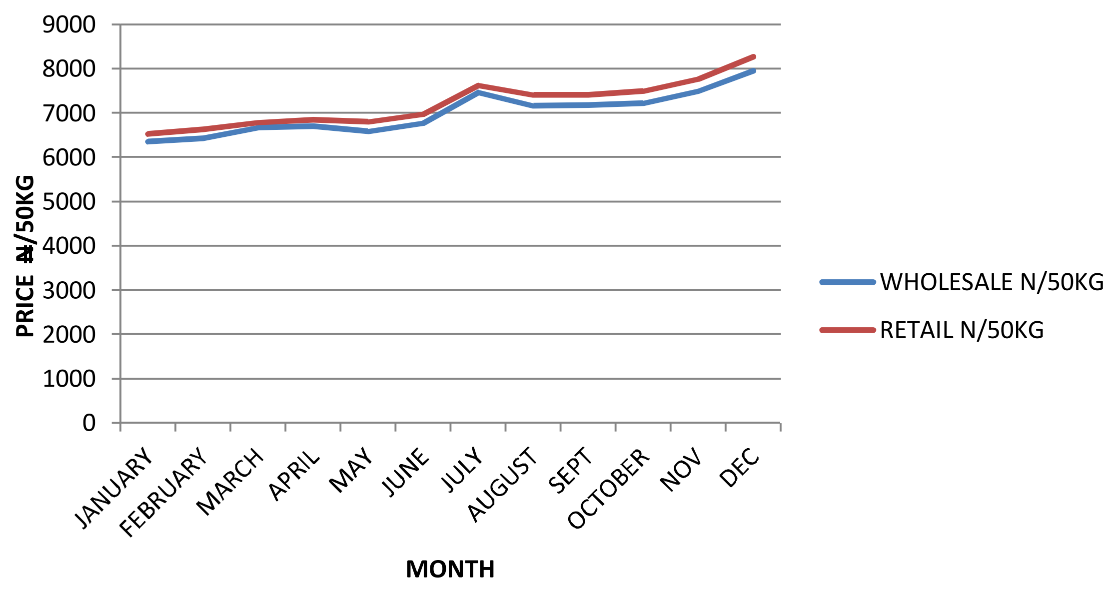


TABLE 6.3 COMPARISONS OF THE LOCAL AND INTERNATIONAL AVERAGE MONTHLY PRICES OF REFINED SUGAR

MONTH	INT'L WHITE $/MT	LOCALLY REFINED $/MT	VARIATION BETWEEN LOCAL AND INT'L PRICES $/MT	%
JANUARY	414.12	706.48	292.52	70.6%
FEBRUARY	457.80	713.51	255.71	55.8%
MARCH	467.50	741.66	274.16	58.6%
APRIL	465.35	743.98	278.63	59.8%
MAY	471.68	731.11	259.43	55.0%
JUNE	470.35	751.85	281.50	59.8%
JULY	458.18	829.63	371.45	81.0%
AUGUST	430.16	796.29	366.13	85.1%
SEPT	420.47	797.68	378.21	89.9%
OCTOBER	426.86	803.85	376.99	88.3%
NOV	421.05	833.33	412.28	97.9%
DEC	393.26	883.95	490.69	124.7%
ANNUAL AVERAGE	**441.39**	**777.77**	**336.38**	**76.2%**

The result obtained from the local market price survey carried out during the period was also compared with the prices of refined sugar in the international market. The comparison reveals that there is a wide gap between the prices of refined sugar sold in the Nigerian markets and in the international market. For instance, in January 2014, the price of refined sugar was $706.48/MT in Nigeria, while at the international market it was sold at $414.12/MT- a difference of $292.52/MT or 70.6% between the local and international market price. The comparative analysis is illustrated in Tables 6.3 above as well as the proceeding Figures 6.5 and 6.6 respectively.

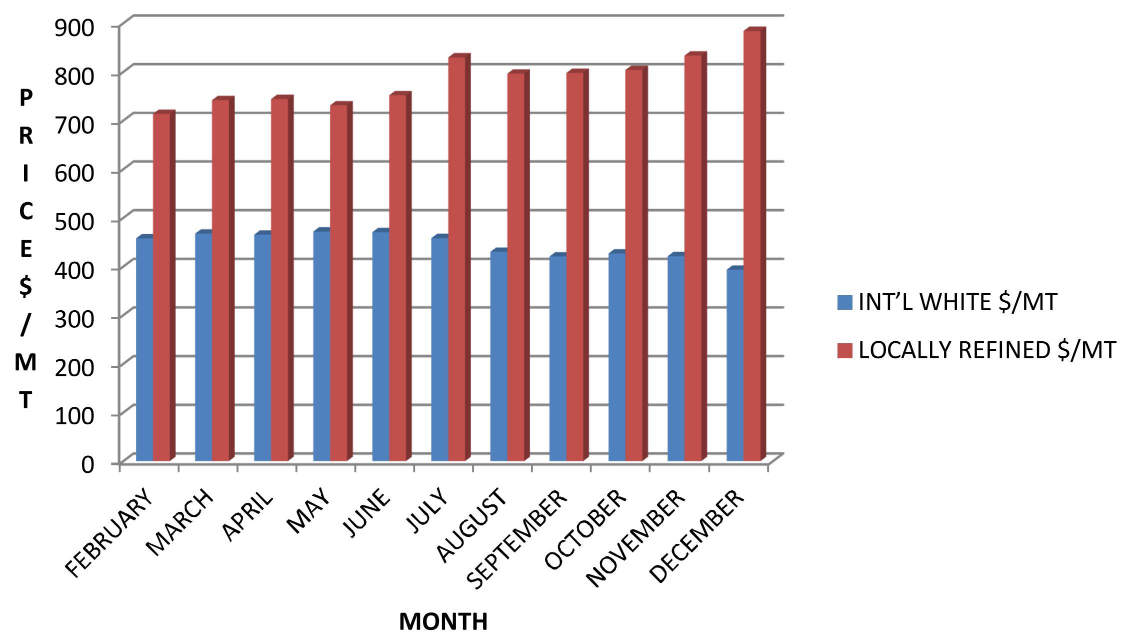


FIG.6.5 GRAPHICAL COMPARISON BETWEEN PRICES OF INTERNATIONAL AND LOCALLY REFINED SUGAR

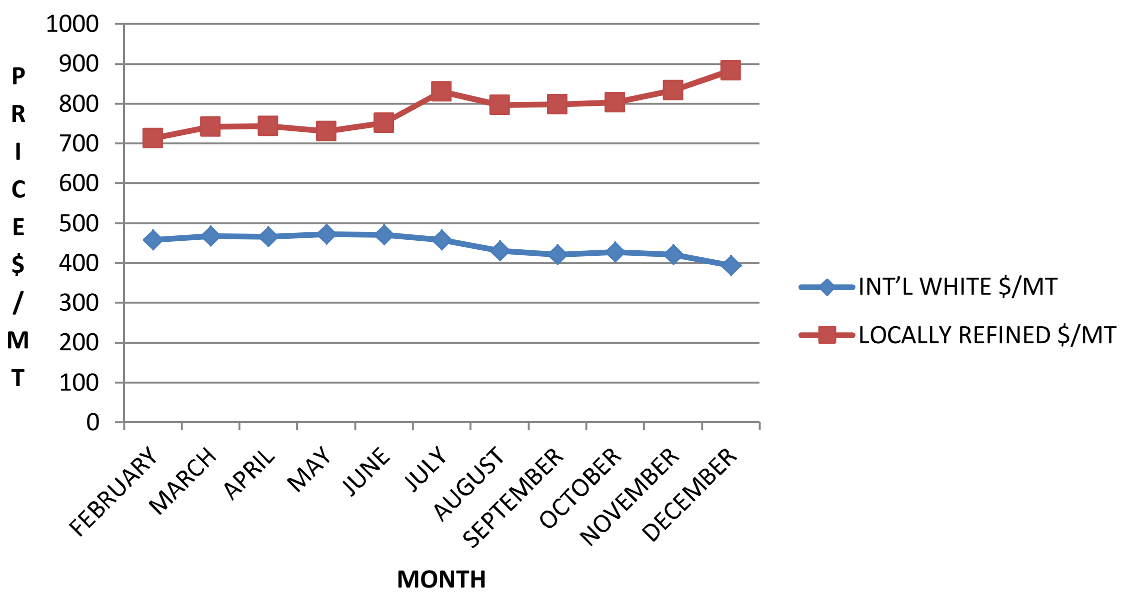


FIG.6.6 GRAPHICAL COMPARISON BETWEEN PRICES OF INTERNATIONAL AND LOCALLY REFINED SUGAR

As witnessed in the international market, the prices of locally refined sugar also gradually moved upward from $713.51 in February and closed the year with $883.95 in December. Similarly, on the average, prices stood at $777.77/MT and $441.39/MT for both local refined and international refined sugar respectively in 2014- a disparity of 336.38/ton or 76.2%.

The large variance between the local and international prices of sugar is a clear indication of profit margin being made by refiners of sugar even when cost of importation and other associated refining charges are taken into consideration. This may also be the reason why most investors are mainly interested in refinery activities rather than direct production from sugarcane. However, the unbridled importation has its negative impact on the economy in terms of employment and wealth creation and other deliverables accruable from local production and NSDC through the implementation of the Nigeria Sugar Master Plan (NSMP) is set to reverse the trend!.

7. CONCLUSION

With the successful completion of these two surveys, i.e survey on industrial sugar consumption and market price survey in Nigeria, a fairly reliable data on the nationôs industrial sugar consumption pattern as well as the nationôs sugar prices for the period have been obtained. This information will go into our databank and shall also be posted on our website as usual. These are now available for planning purposes and policy articulation. They are also available for investors wishing to go into the sugar sub-sector who may need information on both the level of industrial consumption by different sectors and sale prices.

We wish to express deep gratitude to the Executive Secretary and Management for approving the necessary funds for the execution of the survey. The efforts and dedication of the Policy, Planning, Research and Statistics Department Staff who participated in the various data gathering and analyses are commendable as well.

Finally, we wish to express the Councilôs appreciation to the industrial sector, sugar users and traders especially companies and organizations that responded to our questionnaires. Without their inputs, this exercise would have been impossible.

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AUGUST, 2015

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