NATIONAL SUGAR DEVELOPMENT COUNCIL

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

2012

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EXECUTIVE SUMMARY

The national survey on industrial consumption and market price of sugar is usually conducted annually. The 2012 exercise was carried out in thirty-four (34) states of the Federation including the FCT Abuja. The market price survey however, covered only the major markets of Abuja, Kano and Lagos.

The major objective of this 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/guide for new entrants in the sugar industry. Data gathering/collection involves the administration and retrieval of well structured questionnaires.

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

1. During the year under review, the trend of industrial sugar consumption shows that Soft Drinks sector was the largest consumer of industrial sugar using 362,379 metric tonnes. This figure represents about 37% of total sugar consumption by industries in 2012.

   The Bakery and Confectionery Sector came second with a consumption figure of 229,284 metric tonnes representing about 23% of total sugar consumed by industries during the period of the survey.

   The Pharmaceutical and Food and Beverages sub-sectors recorded modest consumption figures of 179,054 metric tonnes and 182,708metric tonnes accounting for 18% each of total industrial sugar consumption while the least industrial user is the Dairy sub-sector which consumed about 41,700 metric tonnes representing 4% of total industrial sugar consumption during the period of the survey.

2. The data analysis also revealed that consumption was as usual with past trends, high in Lagos, Ogun and Oyo States perhaps due to the relatively higher number of industries in these locations while Ekiti, Bayelsa and Gombe States recorded low level of industrial sugar consumption.
3. 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 although the quantity used were not specified.

4. During the year under review, the average global sugar prices of both raw and refined sugar witnessed a general downward movement. For instance, the global price of raw sugar was USD523.24/ton in January but this went down and closed the year with an average price of USD421.25/ton in December, 2012. This represents about 19.5% decrease in the global price of raw sugar. Similarly, global price of white refined sugar in January 2012 was USD621.96/ton and this went down to an average price of USD512.83/ton in December, 2012 representing about 17.5% decrease in the global price of white refined sugar.

   The result of the local market price survey also revealed that the prices of sugar followed a similar downward trend in the year. The wholesale price of 50kg bag of sugar was N9,733 in January and the price declined to an average price N8,766 in December 2012. This represents about 9.9% decrease in the wholesale prices of sugar during the period under consideration.

5. The result obtained from the local market price survey of refined sugar carried out during the period under review was also compared with that of the international market. As revealed, there is a wide gap between the prices of refined sugar in the Nigerian market and the international market. For instance, during the period under review, the average price of refined sugar at the international market was $581.87/MT while in the domestic market it was sold at $1,184.3/MT, (local wholesale price) a difference of $602.43/MT or 103.2% between the local and international market price! No doubt, sugar business is very lucrative in Nigeria!

6. The large variance between the local and international prices of sugar is a clear indication of good profit margin being made by importers of sugar even when cost of importation and other associated charges are factored into it. This may also be the reason why most investors are mainly interested in importation rather than direct production 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

As part of its mandate and in the exercise of its statutory functions, the Planning Department of the National Sugar Development Council embarked on a nationwide survey to obtain data on industrial sugar consumption in Nigeria for year 2012. The exercise was carried out from February-June 2013. The Council also normally 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: Lagos, Abuja and Kano. As a full-fledged member of the International Sugar Organization (ISO) and also a focal agency for the sugar sub-sector, one of the cardinal responsibilities of the National Sugar Development Council is to provide reliable data on sugar and sugar related matters to potential investors to aid them in their investment planning and decisions as well as forecasting the future trend of sugar consumption with some degrees of certainty.

2.0 SURVEY OBJECTIVES

The main objectives of the surveys are:

1. To generate reliable statistical data on both sugar prices and consumption by different categories of industries. The data collected include but 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 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 crises lingering 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 above stated States of the Federation 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 six areas for more effective coverage. The remaining (15) Southern states were grouped into six sub-zones where each was covered by a Planning Officer of the Council. Similarly, Northern zone was sub-divided into six 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 which was designed to capture all the essential data to be collected for analysis. Planning Officers of the Council were sent out as field enumerators to cover various companies that 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 both the Local and International Organizations especially the International Sugar Organization (ISO), 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 and Ministry of Agriculture, Livestock and Food Supply. The data collected from the various sources listed above 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 2012
1	ABIA	PHARMACEUTICALS	876
		FOOD & BEVERAGES	1,440
		BAKERY & CONFECTIONERY	2,670
		SOFT DRINKS	1,107
		DAIRY AND OTHERS	97
		SUB-TOTAL	**6,190**
2	ADAMAWA	PHARMACEUTICALS	0
		FOOD & BEVERAGES	3,960
		BAKERY & CONFECTIONERY	4,391
		SOFT DRINKS	
		DAIRY AND OTHERS	1,271
		SUB-TOTAL	**9,622**
3	AKWA IBOM	PHARMACEUTICALS	0
		FOOD & BEVERAGES	1,254
		BAKERY & CONFECTIONERY	1,928
		SOFT DRINKS	180
		DAIRY AND OTHERS	36
		SUB-TOTAL	**3,398**
4	ANAMBRA	PHARMACEUTICALS	9,818
		FOOD & BEVERAGES	2,872
		BAKERY & CONFECTIONERY	3,317
		SOFT DRINKS	4,982
		DAIRY AND OTHERS	298
		SUB-TOTAL	**21,287**
5	BAUCHI	PHARMACEUTICALS	0
		FOOD & BEVERAGES	998
		BAKERY & CONFECTIONERY	2,999
		SOFT DRINKS	0
		DAIRY AND OTHERS	378
		SUB-TOTAL	**4,375**
S/N	**STATE**	**SECTOR**	**QUANTITY USED IN METRIC TONNES 2012**

6	BAYELSA	PHARMACEUTICALS	0
		FOOD & BEVERAGES	175
		BAKERY & CONFECTIONERY	980
		SOFT DRINKS	0
		DAIRY AND OTHERS	107
		SUB-TOTAL	**1,262**
7	BENUE	PHARMACEUTICALS	0
		FOOD & BEVERAGES	3,901
		BAKERY & CONFECTIONERY	3,431
		SOFT DRINKS	0
		DAIRY AND OTHERS	184
		SUB-TOTAL	**7,516**
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	
		FOOD & BEVERAGES	471
		BAKERY & CONFECTIONERY	1,960
		SOFT DRINKS	780
		DAIRY AND OTHERS	56
		SUB-TOTAL	**3,267**
10	DELTA	PHARMACEUTICALS	201
		FOOD & BEVERAGES	1,105
		BAKERY & CONFECTIONERY	1,118
		SOFT DRINKS	1,641
		DAIRY AND OTHERS	46
		SUB-TOTAL	**4,111**

			QUANTITY USED IN METRIC TONNES
S/N	**STATE**	**SECTOR**	**2012**
11	EBONYI	PHARMACEUTICALS	190
		FOOD & BEVERAGES	860
		BAKERY & CONFECTIONERY	1,506
		SOFT DRINKS	0
		DAIRY AND OTHERS	47
		SUB-TOTAL	**2,603**
12	EDO	PHARMACEUTICALS	0
		FOOD & BEVERAGES	898
		BAKERY & CONFECTIONERY	1,153
		SOFT DRINKS	0
		DAIRY AND OTHERS	35
		SUB-TOTAL	**2,086**
13	EKITI	PHARMACEUTICALS	0
		FOOD & BEVERAGES	0
		BAKERY & CONFECTIONERY	1,098
		SOFT DRINKS	0
		DAIRY AND OTHERS	78
		SUB-TOTAL	**1,176**
14	ENUGU	PHARMACEUTICALS	419
		FOOD & BEVERAGES	1,228
		BAKERY & CONFECTIONERY	3,937
		SOFT DRINKS	4,981
		DAIRY AND OTHERS	26
		SUB-TOTAL	**10,591**
15	GOMBE	PHARMACEUTICALS	0
		FOOD & BEVERAGES	272
		BAKERY & CONFECTIONERY	1,028
		SOFT DRINKS	0
		DAIRY AND OTHERS	180
		SUB-TOTAL	**1,480**

			QUANTITY USED IN METRIC TONNES
S/N	**STATE**	**SECTOR**	**2012**
16	IMO	PHARMACEUTICALS	389
		FOOD & BEVERAGES	1,330
		BAKERY & CONFECTIONERY	2,871
		SOFT DRINKS	8,886
		DAIRY AND OTHERS	111
		SUB-TOTAL	**13,587**
17	JIGAWA	PHARMACEUTICALS	0
		FOOD & BEVERAGES	202
		BAKERY & CONFECTIONERY	1,510
		SOFT DRINKS	0
		DAIRY AND OTHERS	112
		SUB-TOTAL	**1,824**
18	KADUNA	PHARMACEUTICALS	438
		FOOD & BEVERAGES	1,435
		BAKERY & CONFECTIONERY	4,979
		SOFT DRINKS	4,398
		DAIRY AND OTHERS	879
		SUB-TOTAL	**12,129**
19	KANO	PHARMACEUTICALS	484
		FOOD & BEVERAGES	2,897
		BAKERY & CONFECTIONERY	3,835
		SOFT DRINKS	5,991
		DAIRY AND OTHERS	967
		SUB-TOTAL	**14,174**
20	KATSINA	PHARMACEUTICALS	0
		FOOD & BEVERAGES	268
		BAKERY & CONFECTIONERY	1,616
		SOFT DRINKS	0
		DAIRY AND OTHERS	204
		SUB-TOTAL	**2,088**

			QUANTITY USED IN METRIC TONNES
S/N	**STATE**	**SECTOR**	**2012**
21	KEBBI	PHARMACEUTICALS	0
		FOOD & BEVERAGES	0
		BAKERY & CONFECTIONERY	1,876
		SOFT DRINKS	
		DAIRY AND OTHERS	159
		SUB-TOTAL	**2,035**
22	KOGI	PHARMACEUTICALS	0
		FOOD & BEVERAGES	152
		BAKERY & CONFECTIONERY	2,823
		SOFT DRINKS	0
		DAIRY AND OTHERS	187
		SUB-TOTAL	**3,162**
23	KWARA	PHARMACEUTICALS	234
		FOOD & BEVERAGES	980
		BAKERY & CONFECTIONERY	2,689
		SOFT DRINKS	1,654
		DAIRY AND OTHERS	440
		SUB-TOTAL	**5,997**
24	LAGOS	PHARMACEUTICALS	125,461
		FOOD & BEVERAGES	134,947
		BAKERY & CONFECTIONERY	139,755
		SOFT DRINKS	256,243
		DAIRY AND OTHERS	29,707
		SUB-TOTAL	**686,113**
25	NASARAWA	PHARMACEUTICALS	0
		FOOD & BEVERAGES	0
		BAKERY & CONFECTIONERY	2,450
		SOFT DRINKS	0
		DAIRY AND OTHERS	143
		SUB-TOTAL	**2,592**

			QUANTITY USED IN METRIC TONNES
S/N	**STATE**	**SECTOR**	**2012**
26	NIGER	PHARMACEUTICALS	0
		FOOD & BEVERAGES	0
		BAKERY & CONFECTIONERY	2,567
		SOFT DRINKS	0
		DAIRY AND OTHERS	231
		SUB-TOTAL	**2,798**
27	OGUN	PHARMACEUTICALS	27,124
		FOOD & BEVERAGES	6,780
		BAKERY & CONFECTIONERY	6,990
		SOFT DRINKS	54,870
		DAIRY AND OTHERS	2,476
		SUB-TOTAL	**98,240**
28	ONDO	PHARMACEUTICALS	0
		FOOD & BEVERAGES	391
		BAKERY & CONFECTIONERY	1,990
		SOFT DRINKS	0
		DAIRY AND OTHERS	178
		SUB-TOTAL	**2,559**
29	OSUN	PHARMACEUTICALS	0
		FOOD & BEVERAGES	0
		BAKERY & CONFECTIONERY	1,724
		SOFT DRINKS	0
		DAIRY AND OTHERS	146
		SUB-TOTAL	**1,870**
30	OYO	PHARMACEUTICALS	12,760
		FOOD & BEVERAGES	9,801
		BAKERY & CONFECTIONERY	8,234
		SOFT DRINKS	12,160
		DAIRY AND OTHERS	321
		SUB-TOTAL	**42,955**

			QUANTITY USED IN METRIC TONNES
S/N	**STATE**	**SECTOR**	**2012**
31	PLATEAU	PHARMACEUTICALS	0
		FOOD & BEVERAGES	946
		BAKERY & CONFECTIONERY	1,101
		SOFT DRINKS	0
		DAIRY AND OTHERS	47
		SUB-TOTAL	**2,094**
32	RIVERS	PHARMACEUTICALS	660
		FOOD & BEVERAGES	1,776
		BAKERY & CONFECTIONERY	2,884
		SOFT DRINKS	4,506
		DAIRY AND OTHERS	550
		SUB-TOTAL	**10,376**
33	SOKOTO	PHARMACEUTICALS	0
		FOOD & BEVERAGES	0
		BAKERY & CONFECTIONERY	1,6 60
		SOFT DRINKS	0
		DAIRY AND OTHERS	207
		SUB-TOTAL	**1,867**
34	TARABA	PHARMACEUTICALS	0
		FOOD & BEVERAGES	0
		BAKERY & CONFECTIONERY	1,540
		SOFT DRINKS	0
		DAIRY AND OTHERS	870
		SUB-TOTAL	**2,410**
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**	**2012**
36	ZAMFARA	PHARMACEUTICALS	0
		FOOD & BEVERAGES	0
		BAKERY & CONFECTIONERY	1,296
		SOFT DRINKS	0
		DAIRY AND OTHERS	330
		SUB-TOTAL	**1,626**
37	ABUJA FCT	PHARMACEUTICALS	0
		FOOD & BEVERAGES	1,369
		BAKERY & CONFECTIONERY	3,326
		SOFT DRINKS	0
		DAIRY AND OTHERS	507
		SUB-TOTAL	**5,202**
		GRAND TOTAL	**994,662**

Table 4.1shows the total quantity of sugar consumed in each State on sectoral basis while table 4.2 shows the quantity of sugar used on State by State basis. The data obtained from thirty-four (34) States of the Federation including the Federal Capital Territory, Abuja covered in the survey were presented in alphabetical order. Table 4.3 represents the ranking of total industrial sugar usage in every State. Lagos State as usual, recorded the highest annual industrial sugar consumption with 686,113 metric tonnes or about 69% of total national industrial consumption during the period under review. This was followed by Ogun (98,240 or 9.88%), Oyo (42,955 or 4.32%), Anambra (21,287 or 2.14%), Kano (14,174 or 1.43%) and Imo (13,587 or 1.37%) metric tonnes of total industrial sugar consumption during the period respectively.

Furthermore, the table shows that industrial sugar consumption in the following States; Ekiti with 1,176, Bayelsa with 1,262 and Gombe States with 1,480 metric tonnes, was very low. The result in most cases indicates the level of industrialization of the States concerned. For instance, Lagos State which posted 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.

TABLE 4.2 INDUSTRIAL SUGAR CONSUMPTION IN NIGERIA BY STATES (2012)

S/NO	STATE	2012(MT)
1	ABIA	6,190
2	ADAMAWA	9,622
3	AKWA IBOM	3,398
4	ANAMBRA	21,287
5	BAUCHI	4,375
6	BAYELSA	1,262
7	BENUE	7,516
8	BORNO	N/A
9	CROSS RIVER	3,267
10	DELTA	4,111
11	EBONYI	2,603
12	EDO	2,086
13	EKITI	1,176
14	ENUGU	10,591
15	GOMBE	1,480
16	IMO	13,587
17	JIGAWA	1,824
18	KADUNA	12,129
19	KANO	14,174
20	KATSINA	2,088
21	KEBBI	2,035
22	KOGI	3,162
23	KWARA	5,997
24	LAGOS	686,113
25	NASSARAWA	2,592
26	NIGER	2,798
27	OGUN	98,240
28	ONDO	2,559
29	OSUN	1,870
30	OYO	42,955
31	PLATEAU	2,094
32	RIVERS	10,376
33	SOKOTO	1,867
34	TARABA	2,410
35	YOBE	N/A
36	ZAMFARA	1,626
37	FCT ABUJA	5,202
	TOTAL	994,662

TABLE 4.3 RANKING OF STATES BY INDUSTRIAL SUGAR USAGE (2012)

	2012	
S/No	**State**	**QUANTITY (METRIC TONNES)**
1	LAGOS	686,133
2	OGUN	98,240
3	OYO	42,955
4	ANAMBRA	21,287
5	KANO	14,174
6	IMO	13,587
7	KADUNA	12,129
8	ENUGU	10,591
9	RIVERS	10,376
10	ADAMAWA	9,622
11	BENUE	7,516
12	ABIA	6,190
13	KWARA	5,997
14	FCT ABUJA	5,202
15	BAUCHI	4,375
16	DELTA	4,111
17	AKWA IBOM	3,398
18	CROSS RIVER	3,268
19	KOGI	3,162
20	NIGER	2,798
21	EBONYI	2,603
22	NASSARAWA	2,592
23	ONDO	2,559
24	TARABA	2,410
25	PLATEAU	2,094
26	KATSINA	2,088
27	EDO	2,086
28	KEBBI	2,035
29	OSUN	1,870
30	SOKOTO	1,867
31	JIGAWA	1,824
32	ZAMFARA	1,626
33	GOMBE	1,480
34	BAYELSA	1,262
35	EKITI	1,176
36	BORNO	N/A
37	YOBE	N/A
	TOTAL	**994,662**

TABLE 4.4 SECTORAL INDUSTRIAL SUGAR CONSUMPTION BY STATES (2012)

S/NO	STATE	PHARM.	FOOD & BEVERAGES	BAKERY & CONF.	SOFT DRINKS	DAIRY	TOTAL (MT)
1	ABIA	876	1,440	2,670	1,107	97	**6,190**
2	ADAMAWA	0	3,960	4,391	0	1,271	**9,622**
3	AKWA IBOM	0	1,254	1,928	180	36	**3,398**
4	ANAMBRA	9,818	2,872	3,317	4,982	298	**21,287**
5	BAUCHI	0	998	2,999	0	378	**4,375**
6	BAYELSA	0	175	980	0	107	**1,262**
7	BENUE	0	3,901	3,431	0	184	**7,516**
8	BORNO	N/A	N/A	N/A	N/A	N/A	**N/A**
9	C/RIVER	0	471	1,960	780	56	**3,267**
10	DELTA	201	1,105	1,118	1,641	46	**4,111**
11	EBONYI	190	860	1,506	0	47	**2,603**
12	EDO	0	898	1,153	0	35	**2,086**
13	EKITI	0	0	1,098	0	78	**1,176**
14	ENUGU	419	1,228	3,937	4,981	26	**10,591**
15	GOMBE	0	272	1,028	0	180	**1,480**
16	IMO	389	1,330	2,871	8,886	111	**13,587**
17	JIGAWA	0	202	1,519	0	112	**1,824**
18	KADUNA	438	1,435	4,979	4,398	879	**12,129**
19	KANO	484	2,897	3,835	5,991	967	**14,174**
20	KATSINA	0	268	1,616	0	204	**2,088**
21	KEBBI	0	0	1,876	0	158	**2,035**
22	KOGI	0	152	2,823	0	187	**3,162**
23	KWARA	234	980	2,689	1,654	440	**5,997**
24	LAGOS	125,461	134,947	139,755	256,243	29,707	**686,113**
25	NASSARAWA	0	0	2,450	0	143	**2,592**
26	NIGER	0	0	2,567	0	231	**2,798**
27	OGUN	27,124	6,780	6,990	54,870	2,476	**98,240**
28	ONDO	0	391	1,990	0	178	**2,559**
29	OSUN	0	0	1,724	0	146	**1,870**
30	OYO	12,760	9,801	8,234	12,160	321	**42,955**
31	PLATEAU	0	946	1,101	0	47	**2,094**
32	RIVERS	660	1,776	2,884	4,506	550	**10,376**
33	SOKOTO	0	0	1,660	0	207	**1,867**
34	TARABA	0	0	1540	0	870	**2,410**
35	YOBE	N/A	N/A	N/A	N/A	N/A	**N/A**
36	ZAMFARA	0	0	1,296	0	330	**1,626**
37	FCT ABUJA	0	1,369	3,369	0	597	**5,202**
	TOTAL	**179,054**	**182,708**	**229,284**	**362,379**	**41,700**	**994,662**

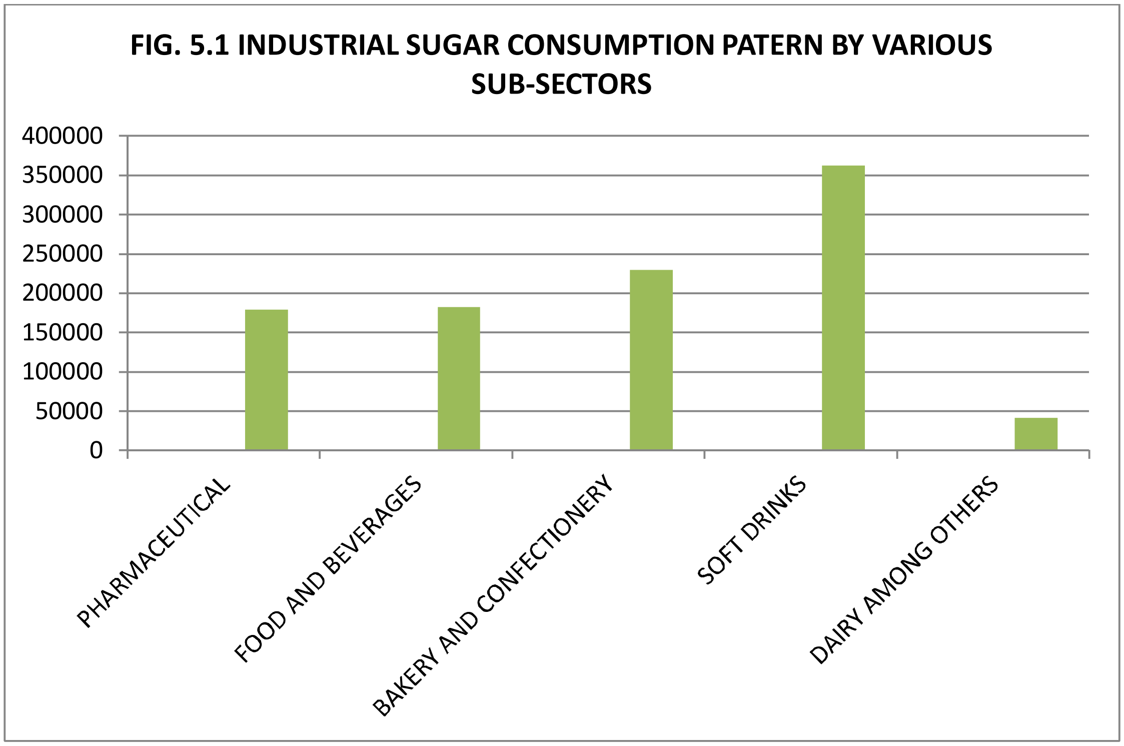
TABLE 4.5 NATIONAL INDUSTRIAL SUGAR CONSUMPTION BY SECTORS (2012)

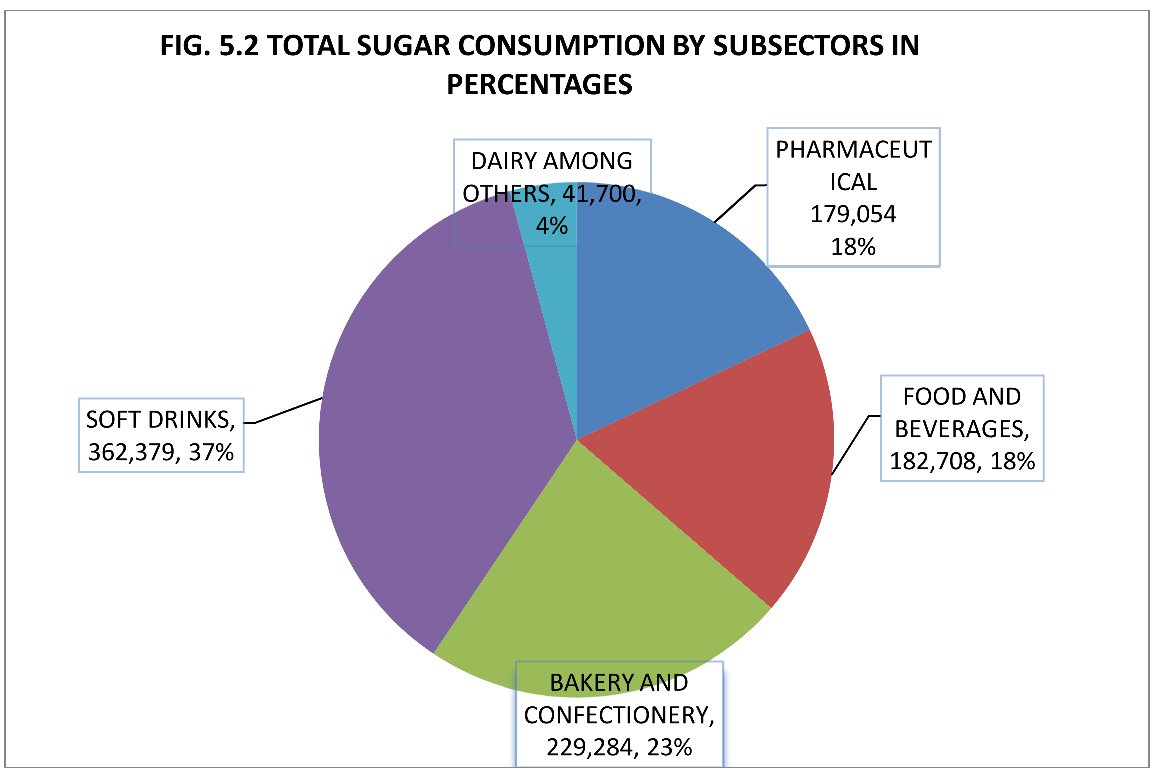
S/NO	SECTOR	2012 (MT)
1	PHARMACEUTICAL	179,054
2	FOOD AND BEVERAGES	182,708
3	BAKERY AND CONFECTIONERY	229,284
4	SOFT DRINKS	362,379
5	DAIRY AMONG OTHERS	41,700
	GRAND TOTAL	**994,662**

Table 4.4 gives an insight on sectoral industrial sugar usage by States during the period under review. It also shows the total industrial sugar consumption by each sector in 2012. All the States of the Federation covered by this survey, including the FCT had data on sugar consumption for the Bakery and Confectionery Sector meaning that the industries in this sector were widely spread throughout the country. The data also revealed that other sectors such as Pharmaceutical, Food and Beverages as well as Soft Drinks are mostly sited in industrialized States like Lagos, Ogun, Oyo, Anambra, Kano and Kaduna etc. 12 out of the 34 States covered yielded data for all the 5 sectors covered by the survey. In the remaining 22 States and the FCT, industries using sugar in some sectors are not available and therefore posted zero returns for such sectors. This also helps to highlight the spread of industrial sectors in the States.

Table 4.5 represents the national industrial sugar consumption on sectoral basis. It presents the total quantities of industrial sugar used in all States of the Federation.

5.0 DATA PRESENTATION IN CHARTS





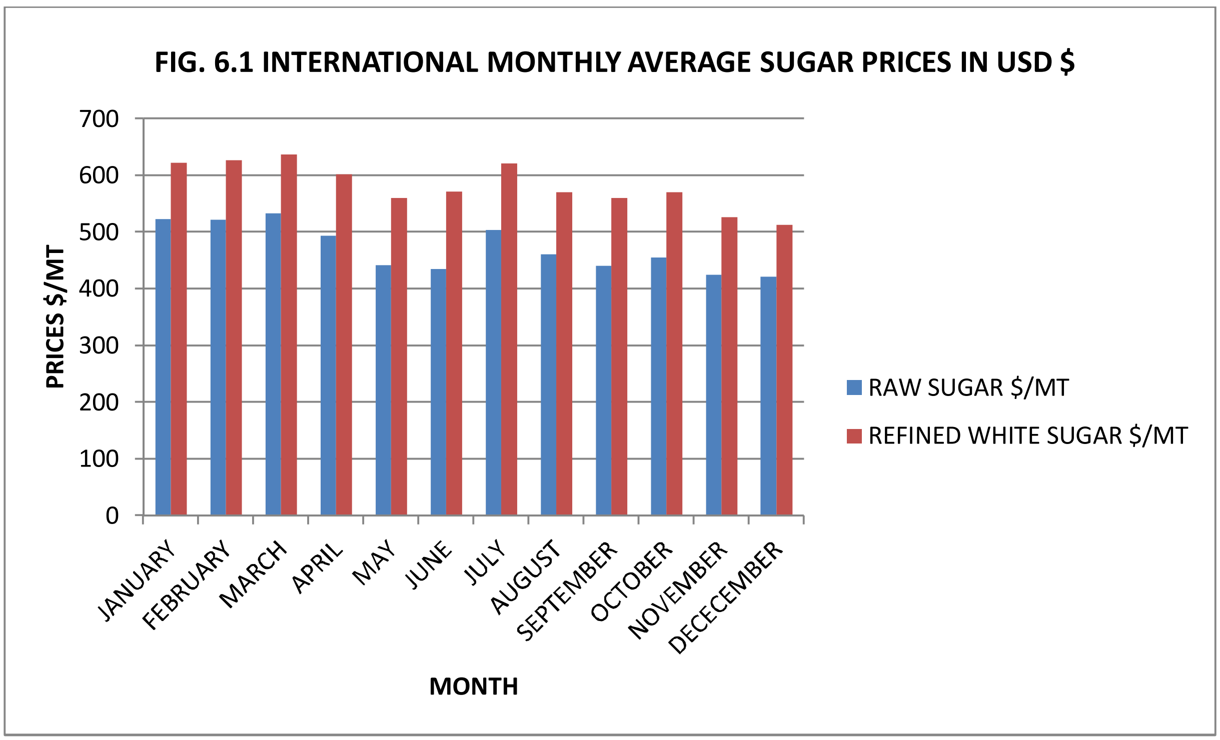
6.0. DOMESTIC AND INTERNATIONAL MARKET PRICE SURVEY

Domestic market sugar price survey was conducted in three (3) major densely populated cities in Nigeria namely; Abuja, Lagos and Kano. Planning Officers served as enumerators and randomly visited five (5) wholesalers and ten (10) retailers in each market to obtain sugar prices. The international sugar 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:

TABLE 6.1 INTERNATIONAL MONTHLY AVERAGE SUGAR PRICES IN USD

MONTH	RAW SUGAR $/MT	REFINED WHITE SUGAR $/MT
JANUARY	523.24	621.96
FEBRUARY	522.06	627.17
MARCH	533	637.34
APRIL	494.24	602
MAY	441.62	560
JUNE	435	571.96
JULY	504.27	620.86
AUGUST	461.52	571.05
SEPTEMBER	440.58	560.48
OCTOBER	454.85	570.62
NOVEMBER	425.15	526.26
DECECEMBER	421.25	512.83
ANNUAL AVERAGE	**471.39**	**581.87**

During period under review, ie year 2012, the global average sugar prices of both raw and refined sugar witnessed a downward movement. For instance, the global price of raw sugar was USD523.24/ton in January and the raw sugar price decreased to an average price of USD421.25/ton in December, 2012. This represents about 19.5% decrease in the international tonnage price of raw sugar. Similarly, international price of white refined sugar in the month of January 2012 was USD 621.96/ton declining to an average price of USD512.83/ton at the end of year in December. This represents about 17.5% decrease in the international price of white refined sugar. The sugar market price trend was influenced mostly by changes in macroeconomic factors such as currency movements and prices of other agricultural commodities. The downward movement in both international raw and white refined sugar prices as depicted in figures 6.1 and 6.2 was as a result of high volume of cane production in the major producing countries.



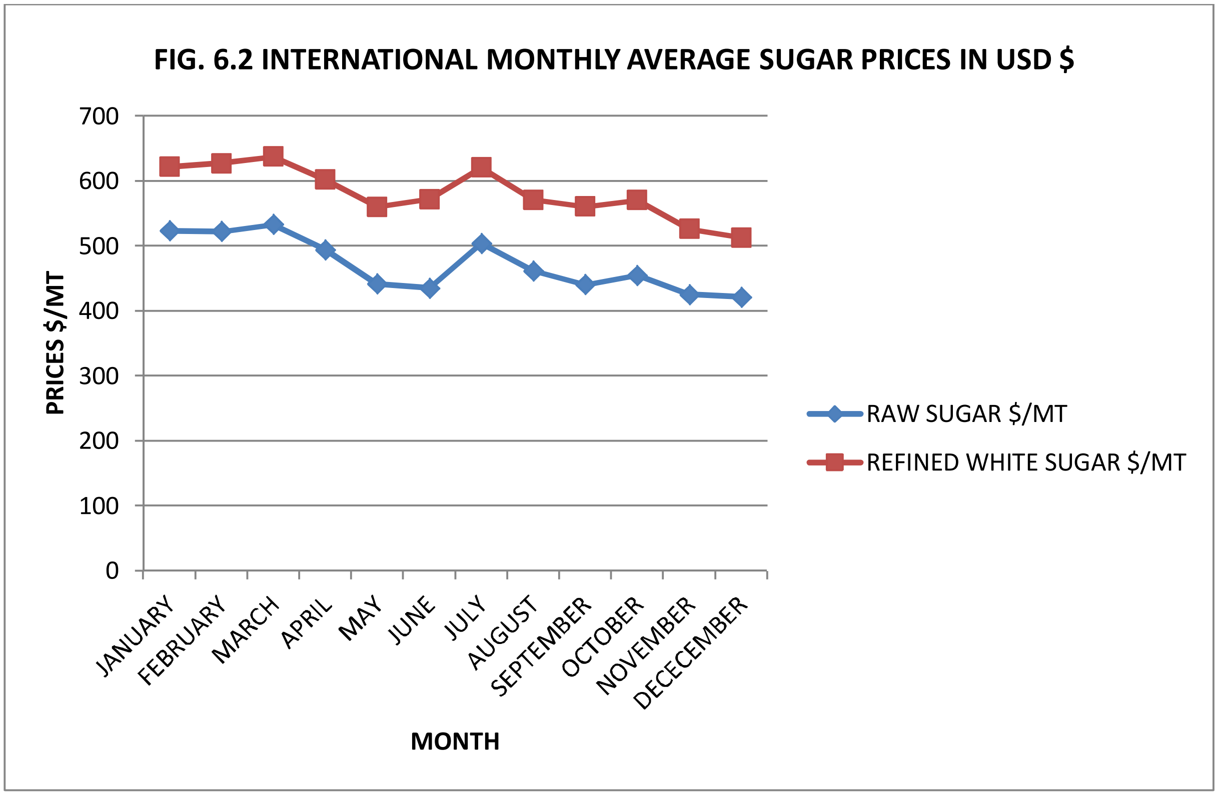


TABLE 6.2. MONTHLY AVERAGE PRICE OF SUGAR N/50 KG BAG AT THE LOCAL MARKET

MONTH	WHOLESALE ₦/50KG	RETAIL ₦/50KG
JANUARY	9733	9850
FEBRUARY	9653	9776.7
MARCH	9613.28	9739.74
APRIL	9533	9695.74
MAY	9533	9695.75
JUNE	9533	9746.59
JULY	9500	9733
AUGUST	9500	9733
SEPTEMBER	9200	9600
OCTOBER	8999.99	9291.66
NOVEMBER	8766.53	8999.93
DECEMBER	8766.53	8999.93
ANNUAL AVERAGE	**9360.94**	**9571.84**

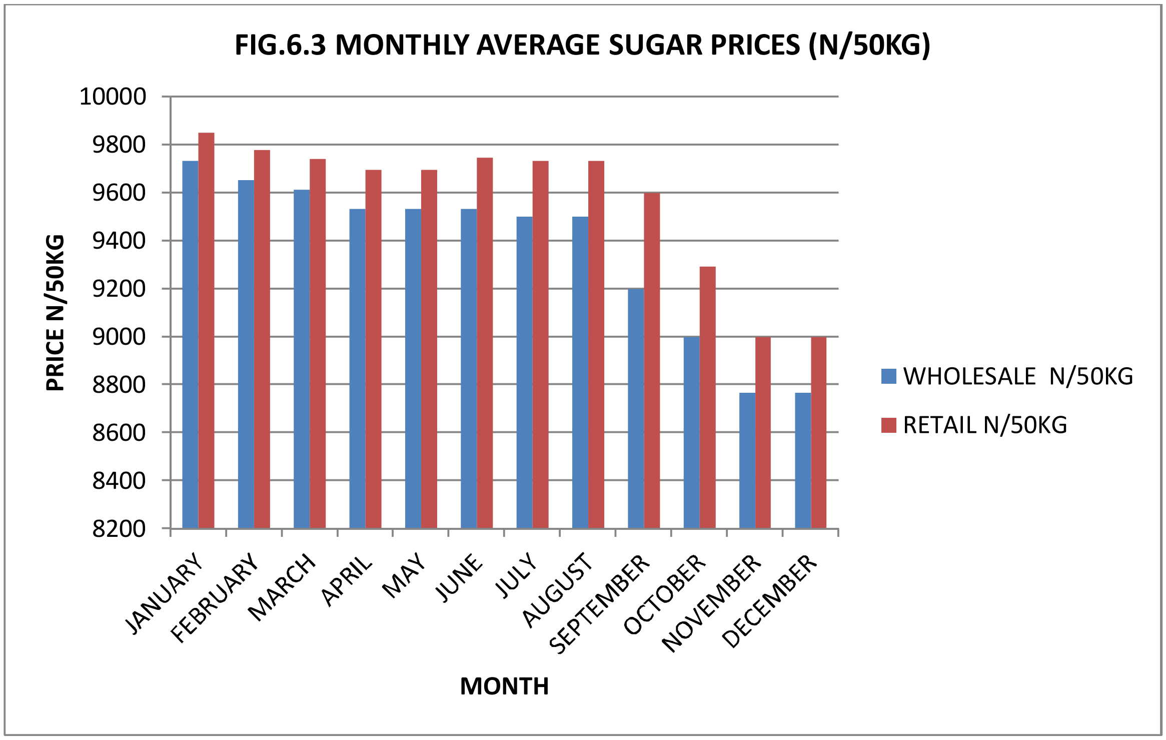


FIG.6.3 MONTHLY AVERAGE SUGAR PRICES (N/50KG)
PRICE N/50KG
10000
9800
9600
9400
9200
9000
8800
8600
8400
8200
JANUARY
FEBRUARY
MARCH
APRIL
MAY
JUNE
JULY
AUGUST
SEPTEMBER
OCTOBER
NOVEMBER
DECEMBER
MONTH
WHOLESALE N/50KG
RETAIL N/50KG

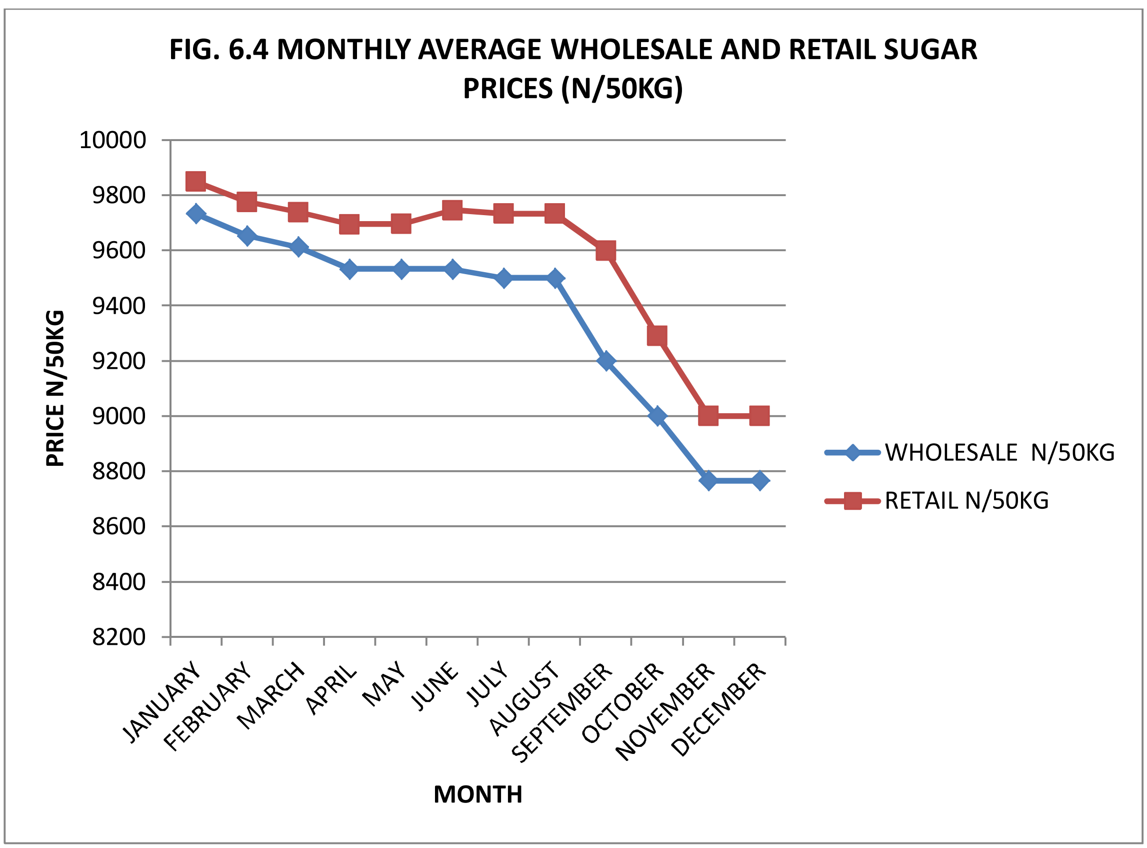
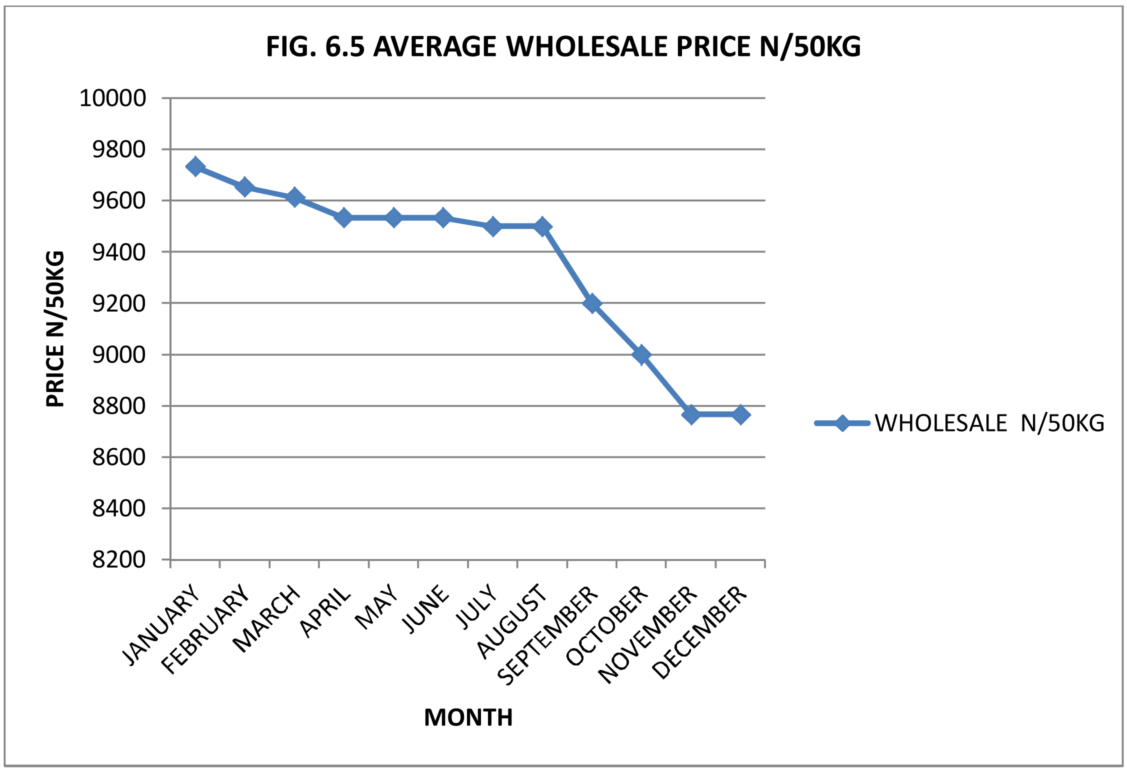


FIG. 6.4 MONTHLY AVERAGE WHOLESALE AND RETAIL SUGAR PRICES (N/50KG)
PRICE N/50KG
10000
9800
9600
9400
9200
9000
8800
8600
8400
8200
JANUARY
FEBRUARY
MARCH
APRIL
MAY
JUNE
JULY
AUGUST
SEPTEMBER
OCTOBER
NOVEMBER
DECEMBER
MONTH
WHOLESALE N/50KG
RETAIL N/50KG

The result of the local market price survey also revealed that the prices of sugar followed a similar downward trend in the year. Wholesale sugar price started with N9,733/50kg bag of sugar in January and the price continued to decline consistently and closed the year on an average price N8,766/50kg bag in December 2012. This represents about 9.9% fall in the wholesale prices of sugar during the period under consideration. Similarly, retail sugar prices followed the same downward trend. Starting with N9,850/50kg in the month of January, there was a downward movement till the month of May with the price at N9,695.75/50kg which rose again in the month of June to N9,746.59/50kg . From July, the price consistently declined gradually to close the year at N8,999.93/50kg in the month of December. The annual average retail price of 50kg bag of sugar in 2012 was N9,571.84k/ 50kg.



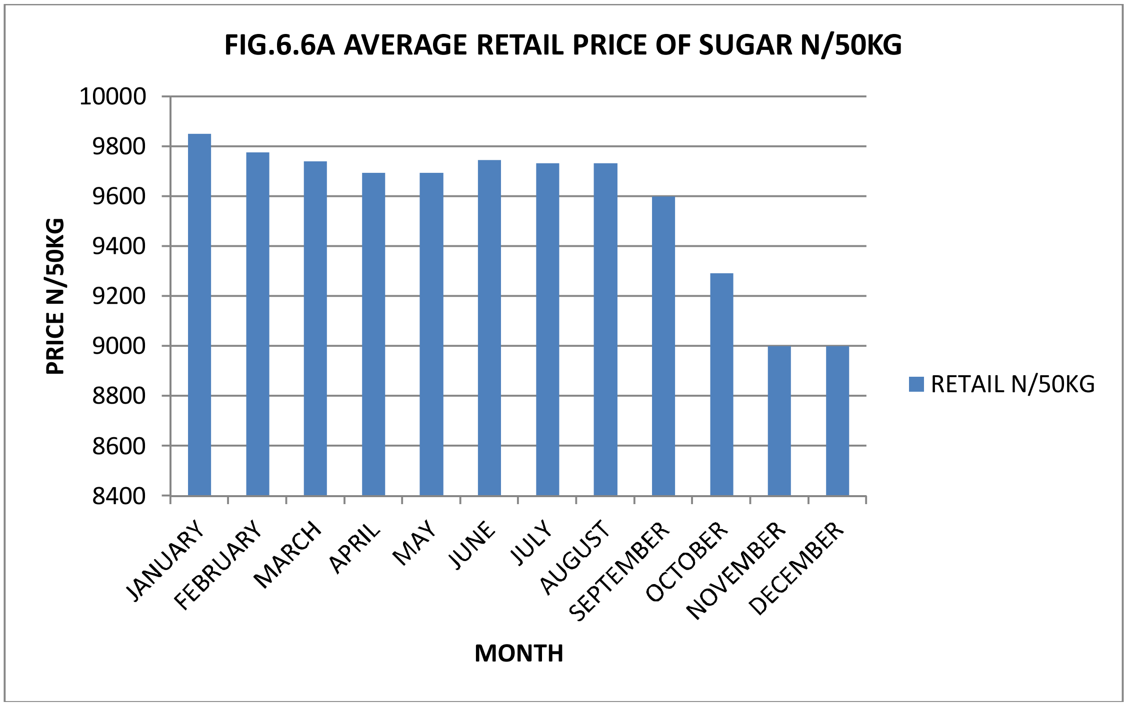


FIG.6.6A AVERAGE RETAIL PRICE OF SUGAR N/50KG
PRICE N/50KG
10000
9800
9600
9400
9200
9000
8800
8600
8400
JANUARY
FEBRUARY
MARCH
APRIL
MAY
JUNE
JULY
AUGUST
SEPTEMBER
OCTOBER
NOVEMBER
DECEMBER
MONTH
RETAIL N/50KG

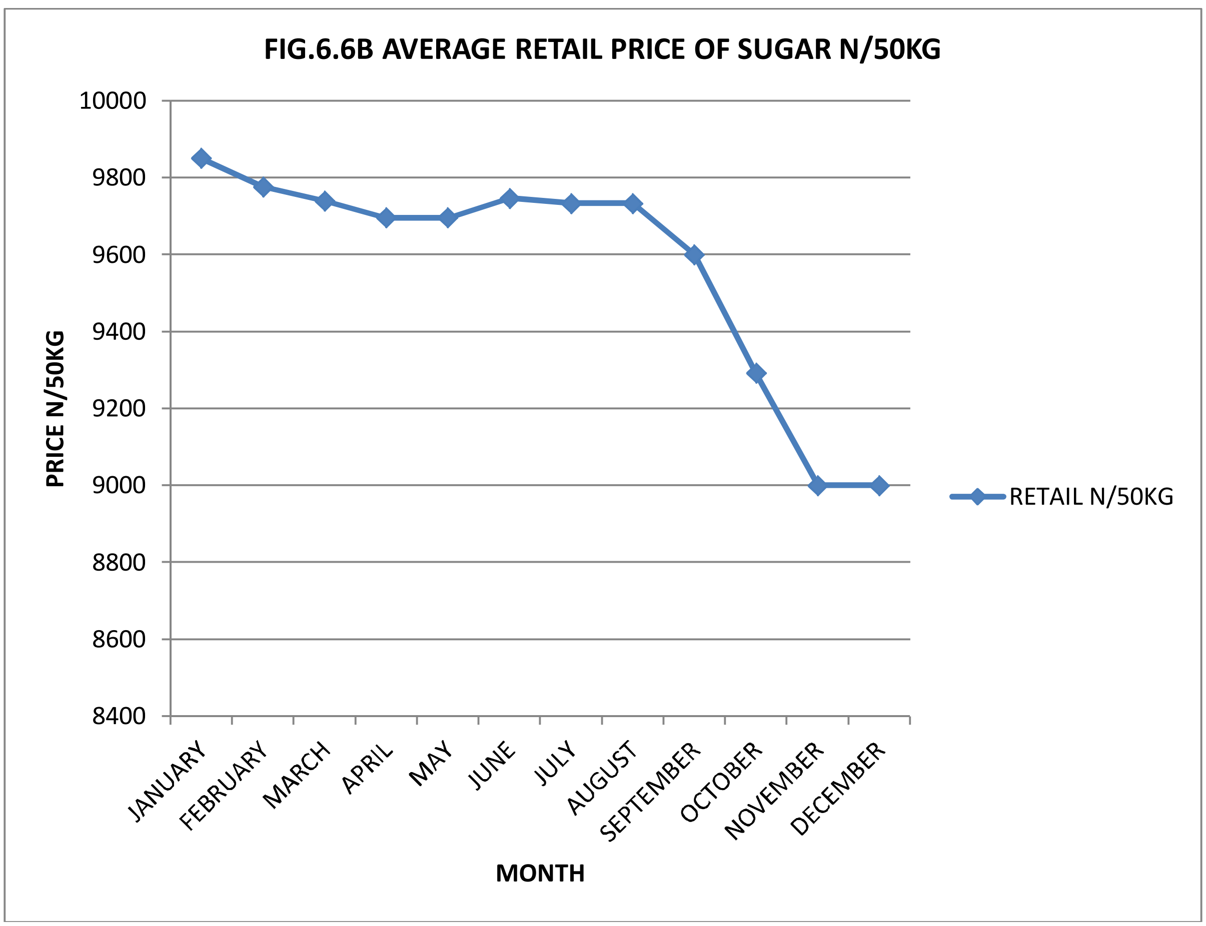


FIG.6.6B AVERAGE RETAIL PRICE OF SUGAR N/50KG
PRICE N/50KG
10000
9800
9600
9400
9200
9000
8800
8600
8400
JANUARY
FEBRUARY
MARCH
APRIL
MAY
JUNE
JULY
AUGUST
SEPTEMBER
OCTOBER
NOVEMBER
DECEMBER
MONTH
RETAIL N/50KG

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

MONTH	INT'L WHITE $/MT	LOCALLY REFINED $/MT	% INCREASE OF LOCAL OVER INT'L
JANUARY	621.96	1201.6	93.2%
FEBRUARY	627.17	1206.62	92.4%
MARCH	637.34	1209.22	89.7%
APRIL	602.00	1199.12	99.2%
MAY	560.00	1199.12	114.1%
JUNE	571.96	1169.69	104.5%
JULY	620.86	1218.96	96.3%
AUGUST	571.05	1219.27	113.5%
SEPT	560.48	1184.95	111.4%
OCTOBER	570.62	1155.62	102.5%
NOV	526.26	1125.72	113.9%
DEC	512.83	1121.75	118.7%
ANNUAL AVERAGE	**581.87**	**1184.3**	**103.5%**

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 comparative analysis is illustrated in tables 6.3 and 6.4 as well as figures 6.7 and 6.8 respectively.

FIG.6.7 GRAPHICAL COMPARISON BETWEEN PRICES OF INTERNATIONAL AND LOCALLY REFINED SUGAR

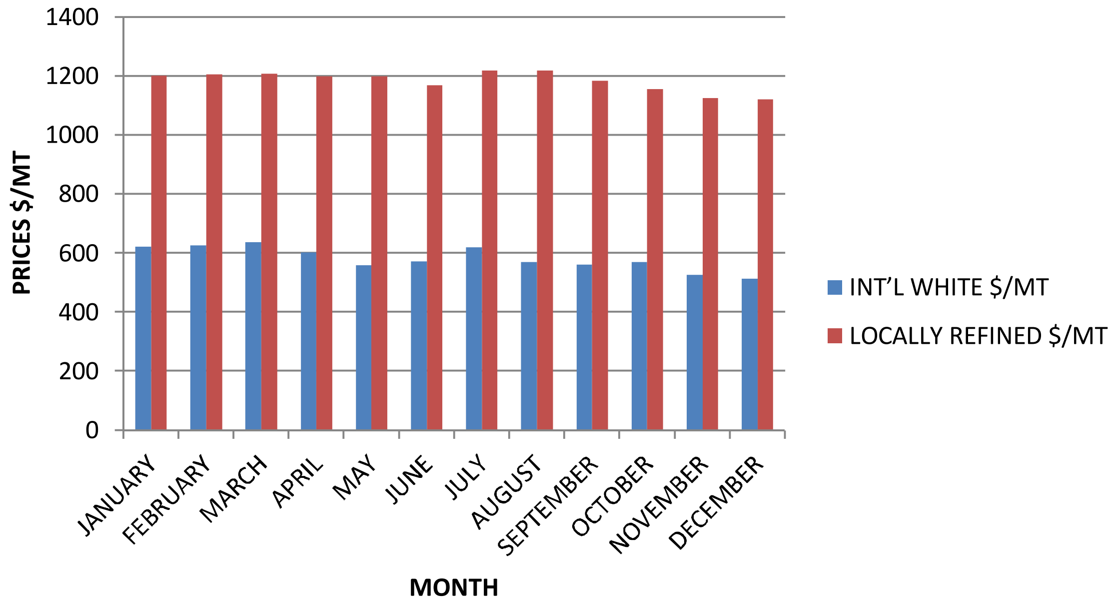
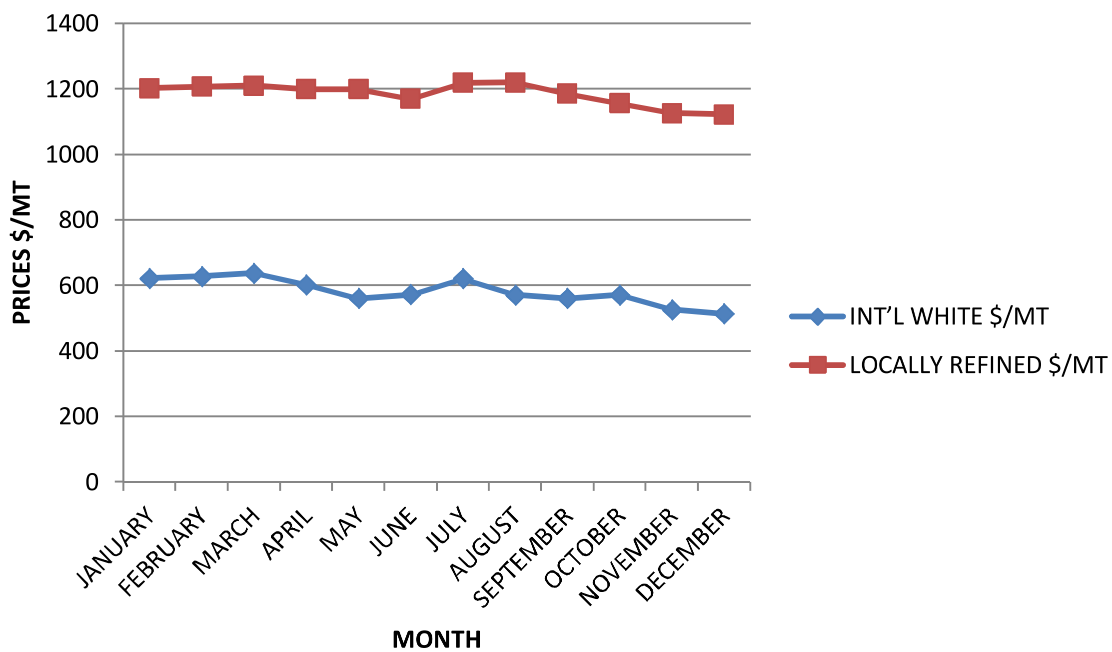


FIG.6.8 GRAPHICAL COMPARISON BETWEEN PRICES OF INTERNATIONAL AND LOCALLY REFINED SUGAR



The study reveals that there is wide gap between the prices of refined sugar sold in the Nigerian markets and that of refined sugar in the international markets. For instance, during the month of January 2012, the price of refined sugar (wholesale price) was $1,201.6/MT in Nigeria, while at the international market it was sold at $621.96/MT. A difference of $579.64/MT or 93.2%.

Similarly, in the month of December 2012, the price of local refined sugar was $1,121.75/MT, whereas international price was $512.83/MT. The result also shows that the average prices stood at $1,184.3/MT and $581.87/MT for both local refined and international refined sugar respectively. This accounted for $602.43/MT or 103.5% difference between the local and international market prices during the period under review.

The large variance between the local and international prices of sugar is indicative of high profit margin being made by importers of sugar even when cost of importation and other subsidiary charges are added into it. It shows that sugar business in Nigeria is highly lucrative and should ordinarily help attract investors to the sector. This may also be the reason why most investors are mainly interested in importation rather than direct production from sugarcane. However, the unbridled importation will now be effectively controlled with the adoption of the Nigerian Sugar Master Plan which emphasizes Backward Integration projects (BIP) for the refinery for an enhanced local production of sugar. This will also enable the country derive the accrued benefits in terms of jobs and wealth creation, rural industrialization and development.

7. CONCLUSION

With the successful completion of the 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 of the Policy, Planning, Research and Statistics Department Staff who participated in the various data gathering and analyses with dedication is 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.

POLICY, PLANNING, RESEARCH
AND STATISTICS DEPARTMENT
AUGUST, 2013.