NATIONAL SUGAR DEVELOPMENT COUNCIL

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

2013

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 by increasing local production so as to achieve self sufficiency;
- To encourage greater private sector participation in sugar production while reducing direct government involvement;
- 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 continued with annual surveys on industrial consumption and market price of sugar in Nigeria. 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 however, 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 the 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 trend 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. During the period under review, the result of survey was also compared with the national sugar demand and domestic sugar consumption. The estimated national demand for sugar consumption in year 2014 was put 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. Domestic sugar usage 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. During the period under reference, the global sugar prices remained relatively stable as compared from 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 both local refined and international refined sugar 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 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

Nigeria is a full-fledged member of the International Sugar Organization (ISO), having acceded to the 1992 International Sugar Agreement (ISA) in 1999. One of the cardinal responsibilities of member nations is to provide credible data on sugar and sugar related matters to the organization on an annual basis. National Sugar Development Council being the focal agency on sugar therefore embarks on an annual survey to obtain data on industrial sugar consumption in Nigeria.

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 on-going 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 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 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 2013
1	ABIA	PHARMACEUTICALS	922
		FOOD & BEVERAGES	1,440
		BAKERY & CONFECTIONERY	2,670
		SOFT DRINKS	1,107
		DAIRY AND OTHERS	97
		SUB-TOTAL	**6,236**
2	ADAMAWA	PHARMACEUTICALS	0
		FOOD & BEVERAGES	3,960
		BAKERY & CONFECTIONERY	4,391
		SOFT DRINKS	0
		DAIRY AND OTHERS	1,279
		SUB-TOTAL	**9,630**
3	AKWA IBOM	PHARMACEUTICALS	0
		FOOD & BEVERAGES	1,338
		BAKERY & CONFECTIONERY	1,928
		SOFT DRINKS	180
		DAIRY AND OTHERS	36
		SUB-TOTAL	**3,482**
4	ANAMBRA	PHARMACEUTICALS	9,818
		FOOD & BEVERAGES	2,960
		BAKERY & CONFECTIONERY	3,317
		SOFT DRINKS	4,982
		DAIRY AND OTHERS	298
		SUB-TOTAL	**21,375**
5	BAUCHI	PHARMACEUTICALS	0
		FOOD & BEVERAGES	998
		BAKERY & CONFECTIONERY	2,613
		SOFT DRINKS	0
		DAIRY AND OTHERS	378
		SUB-TOTAL	**3,989**

			QUANTITY USED IN METRIC TONNES
S/N	**STATE**	**SECTOR**	
6	BAYELSA	PHARMACEUTICALS	0
		FOOD & BEVERAGES	572
		BAKERY & CONFECTIONERY	910
		SOFT DRINKS	0
		DAIRY AND OTHERS	0
		SUB-TOTAL	**1,482**
7	BENUE	PHARMACEUTICALS	0
		FOOD & BEVERAGES	4,944
		BAKERY & CONFECTIONERY	3,184
		SOFT DRINKS	0
		DAIRY AND OTHERS	84
		SUB-TOTAL	**8,212**
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	1,104
		BAKERY & CONFECTIONERY	2,018
		SOFT DRINKS	0
		DAIRY AND OTHERS	196
		SUB-TOTAL	**3,318**
10	DELTA	PHARMACEUTICALS	0
		FOOD & BEVERAGES	834
		BAKERY & CONFECTIONERY	1,825
		SOFT DRINKS	1,691
		DAIRY AND OTHERS	55
		SUB-TOTAL	**4,405**

S/N	STATE	SECTOR	QUANTITY USED IN METRIC TONNES 2013
11	EBONYI	PHARMACEUTICALS	190
		FOOD & BEVERAGES	1,374
		BAKERY & CONFECTIONERY	1,006
		SOFT DRINKS	0
		DAIRY AND OTHERS	0
		SUB-TOTAL	**2,570**
12	EDO	PHARMACEUTICALS	0
		FOOD & BEVERAGES	1,007
		BAKERY & CONFECTIONERY	1,121
		SOFT DRINKS	0
		DAIRY AND OTHERS	0
		SUB-TOTAL	**2,128**
13	EKITI	PHARMACEUTICALS	0
		FOOD & BEVERAGES	471
		BAKERY & CONFECTIONERY	835
		SOFT DRINKS	0
		DAIRY AND OTHERS	0
		SUB-TOTAL	**1,306**
14	ENUGU	PHARMACEUTICALS	319
		FOOD & BEVERAGES	920
		BAKERY & CONFECTIONERY	3,916
		SOFT DRINKS	4,817
		DAIRY AND OTHERS	0
		SUB-TOTAL	**9,998**
15	GOMBE	PHARMACEUTICALS	0
		FOOD & BEVERAGES	270
		BAKERY & CONFECTIONERY	998
		SOFT DRINKS	0
		DAIRY AND OTHERS	119
		SUB-TOTAL	**1,387**

			QUANTITY USED IN METRIC TONNES
S/N	**STATE**	**SECTOR**	**2013**
16	IMO	PHARMACEUTICALS	1,264
		FOOD & BEVERAGES	2,535
		BAKERY & CONFECTIONERY	2,720
		SOFT DRINKS	5,860
		DAIRY AND OTHERS	271
		SUB-TOTAL	**12,650**
17	JIGAWA	PHARMACEUTICALS	0
		FOOD & BEVERAGES	352
		BAKERY & CONFECTIONERY	1,495
		SOFT DRINKS	0
		DAIRY AND OTHERS	55
		SUB-TOTAL	**1,902**
18	KADUNA	PHARMACEUTICALS	984
		FOOD & BEVERAGES	3,656
		BAKERY & CONFECTIONERY	4,960
		SOFT DRINKS	2,834
		DAIRY AND OTHERS	846
		SUB-TOTAL	**13,280**
19	KANO	PHARMACEUTICALS	1,012
		FOOD & BEVERAGES	3,817
		BAKERY & CONFECTIONERY	4,573
		SOFT DRINKS	3,905
		DAIRY AND OTHERS	1,007
		SUB-TOTAL	**14,310**
20	KATSINA	PHARMACEUTICALS	0
		FOOD & BEVERAGES	536
		BAKERY & CONFECTIONERY	1,152
		SOFT DRINKS	0
		DAIRY AND OTHERS	430
		SUB-TOTAL	**2,118**

			QUANTITY USED IN METRIC TONNES
S/N	**STATE**	**SECTOR**	**2013**
21	KEBBI	PHARMACEUTICALS	0
		FOOD & BEVERAGES	215
		BAKERY & CONFECTIONERY	1,496
		SOFT DRINKS	0
		DAIRY AND OTHERS	179
		SUB-TOTAL	**1,890**
22	KOGI	PHARMACEUTICALS	0
		FOOD & BEVERAGES	136
		BAKERY & CONFECTIONERY	2,870
		SOFT DRINKS	0
		DAIRY AND OTHERS	134
		SUB-TOTAL	**3,140**
23	KWARA	PHARMACEUTICALS	0
		FOOD & BEVERAGES	1,788
		BAKERY & CONFECTIONERY	2,980
		SOFT DRINKS	860
		DAIRY AND OTHERS	456
		SUB-TOTAL	**6,084**
24	LAGOS	PHARMACEUTICALS	124,436
		FOOD & BEVERAGES	216,455
		BAKERY & CONFECTIONERY	100,800
		SOFT DRINKS	230,800
		DAIRY AND OTHERS	22,510
		SUB-TOTAL	**695,001**
25	NASARAWA	PHARMACEUTICALS	0
		FOOD & BEVERAGES	227
		BAKERY & CONFECTIONERY	2,721
		SOFT DRINKS	0
		DAIRY AND OTHERS	197
		SUB-TOTAL	**3,145**

S/N	STATE	SECTOR	QUANTITY USED IN METRIC TONNES 2013
26	NIGER	PHARMACEUTICALS	0
		FOOD & BEVERAGES	726
		BAKERY & CONFECTIONERY	2,692
		SOFT DRINKS	0
		DAIRY AND OTHERS	162
		SUB-TOTAL	**3,580**
27	OGUN	PHARMACEUTICALS	28,194
		FOOD & BEVERAGES	5,435
		BAKERY & CONFECTIONERY	6,861
		SOFT DRINKS	55,230
		DAIRY AND OTHERS	1,750
		SUB-TOTAL	**97,470**
28	ONDO	PHARMACEUTICALS	0
		FOOD & BEVERAGES	690
		BAKERY & CONFECTIONERY	1,890
		SOFT DRINKS	0
		DAIRY AND OTHERS	0
		SUB-TOTAL	**2,580**
29	OSUN	PHARMACEUTICALS	0
		FOOD & BEVERAGES	380
		BAKERY & CONFECTIONERY	1,450
		SOFT DRINKS	0
		DAIRY AND OTHERS	0
		SUB-TOTAL	**1,830**
30	OYO	PHARMACEUTICALS	17,250
		FOOD & BEVERAGES	6,980
		BAKERY & CONFECTIONERY	5,870
		SOFT DRINKS	14,650
		DAIRY AND OTHERS	560
		SUB-TOTAL	**45,310**

S/N	STATE	SECTOR	QUANTITY USED IN METRIC TONNES
31	PLATEAU	PHARMACEUTICALS	0
		FOOD & BEVERAGES	1,060
		BAKERY & CONFECTIONERY	895
		SOFT DRINKS	0
		DAIRY AND OTHERS	25
		SUB-TOTAL	**1,980**
32	RIVERS	PHARMACEUTICALS	1,350
		FOOD & BEVERAGES	3,725
		BAKERY & CONFECTIONERY	2,750
		SOFT DRINKS	2,528
		DAIRY AND OTHERS	127
		SUB-TOTAL	**10,480**
33	SOKOTO	PHARMACEUTICALS	0
		FOOD & BEVERAGES	0
		BAKERY & CONFECTIONERY	1,835
		SOFT DRINKS	0
		DAIRY AND OTHERS	45
		SUB-TOTAL	**1,880**
34	TARABA	PHARMACEUTICALS	0
		FOOD & BEVERAGES	0
		BAKERY & CONFECTIONERY	1,490
		SOFT DRINKS	0
		DAIRY AND OTHERS	65
		SUB-TOTAL	**1,555**
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**	**2013**
36	ZAMFARA	PHARMACEUTICALS	0
		FOOD & BEVERAGES	0
		BAKERY & CONFECTIONERY	1470
		SOFT DRINKS	0
		DAIRY AND OTHERS	120
		SUB-TOTAL	**1,590**
37	ABUJA FCT	PHARMACEUTICALS	
		FOOD & BEVERAGES	810
		BAKERY & CONFECTIONERY	2,916
		SOFT DRINKS	1,321
		DAIRY AND OTHERS	405
		SUB-TOTAL	**5,452**
		GRAND TOTAL	**1,006,745**

TABLE 4.1B ALTERNATIVE SWEETNERS CONSUMED BY DIFFERENT INDUSTRIAL SECTORS

SECTOR	NAME OF SWEETNER	QUANTITY USED (KG)	PRICE (N)/KG
PHARMACEUTICALS	GLUCOSE	19,256	N/A
	ASPERTAME	N/A	N/A
FOOD & BEVERAGES	GLUCOSE	3,400	N/A
	ACESULFAMME K.	N/A	N/A
	SUCRALOSE	N/A	N/A
SOFT DRINKS	ASPERTAME	N/A	N/A
	SUCRALOSE	N/A	N/A
TOTAL		**22,656**	

TABLE 4.1C QUANTITY OF ETHANOL USED BY DIFFERENT INDUSTRIAL SECTORS

SECTOR	QUANTITY USED (L)	PRICE (N)/ L
PHARMACEUTICALS	36,000	N/A
FOOD & BEVERAGES	4.589	N/A
TOTAL	**40,589**	

TABLE 4.2 INDUSTRIAL SUGAR CONSUMPTION IN NIGERIA BY STATES

S/NO	STATE	QUANTITY USED IN (MT)
1	ABIA	6,236
2	ADAMAWA	9,630
3	AKWA IBOM	3,482
4	ANAMBRA	21,375
5	BAUCHI	3,989
6	BAYELSA	1,482
7	BENUE	8,212
8	BORNO	N/A
9	CROSS RIVER	3,318
10	DELTA	4,405
11	EBONYI	2,570
12	EDO	2,128
13	EKITI	1,306
14	ENUGU	9,998
15	GOMBE	1,387
16	IMO	12,650
17	JIGAWA	1,902
18	KADUNA	13,280
19	KANO	14,310
20	KATSINA	2,118
21	KEBBI	1,890
22	KOGI	3,140
23	KWARA	6,084
24	LAGOS	695,001
25	NASSARAWA	3,145
26	NIGER	3,580
27	OGUN	97,470
28	ONDO	2,580
29	OSUN	1,830
30	OYO	45,310
31	PLATEAU	1,980
32	RIVERS	10,480
33	SOKOTO	1,880
34	TARABA	1,555
35	YOBE	N/A
36	ZAMFARA	1,590
37	FCT ABUJA	5,452
	TOTAL	**1,006,745**

TABLE 4.3 RANKING OF STATES BY INDUSTRIAL SUGAR USAGE

S/No	STATE	QUANTITY USED (METRIC TONNES)
1	LAGOS	695,001
2	OGUN	97,470
3	OYO	45,310
4	ANAMBRA	21,375
5	KANO	14,310
6	KADUNA	13,280
7	IMO	12,650
8	RIVERS	10,480
9	ENUGU	9,998
10	ADAMAWA	9,630
11	BENUE	8,212
12	ABIA	6,236
13	KWARA	6,084
14	FCT ABUJA	5,452
15	DELTA	4,405
16	BAUCHI	3,989
17	NIGER	3,580
18	AKWA IBOM	3,482
19	CROSS RIVER	3,318
20	KOGI	3,140
21	NASSARAWA	3,145
22	ONDO	2,580
23	EBONYI	2,570
24	EDO	2,128
25	KATSINA	2,118
26	PLATEAU	1,980
27	JIGAWA	1,902
28	KEBBI	1,890
29	SOKOTO	1,880
30	OSUN	1,830
31	ZAMFARA	1,590
32	TARABA	1,555
33	BAYELSA	1,482
34	GOMBE	1,387
35	EKITI	1,306
36	BORNO	N/A
37	YOBE	N/A
	TOTAL	**1,006,745**

TABLE 4.4 SECTORAL INDUSTRIAL SUGAR CONSUMPTION BY STATES

S/NO	STATE	PHARM.	FOOD & BEVERAGES	BAKERY & CONF.	SOFT DRINKS	DAIRY	TOTAL (MT)
1	ABIA	922	1,440	2,670	1,107	97	**6,236**
2	ADAMAWA	0	3,960	4,391	0	1,279	**9,630**
3	AKWA IBOM	0	1,338	1,928	180	36	**3,482**
4	ANAMBRA	9,818	2,960	3,317	4,982	298	**21,375**
5	BAUCHI	0	998	2,613	0	378	**3,989**
6	BAYELSA	0	572	910	0	0	**1,482**
7	BENUE	0	4,944	3,184	0	84	**8,212**
8	BORNO	N/A	N/A	N/A	N/A	N/A	**N/A**
9	C/RIVER	0	1,104	2,018	0	196	**3,318**
10	DELTA	0	834	1,825	1,691	55	**4,405**
11	EBONYI	190	1,374	1,006	0	0	**2,570**
12	EDO	0	1,007	1,121	0	0	**2,128**
13	EKITI	0	471	835	0	0	**1,306**
14	ENUGU	319	946	3,916	4,817	0	**9,998**
15	GOMBE	0	270	998	0	119	**1,387**
16	IMO	1,264	2,5 35	2,720	5,860	271	**12,650**
17	JIGAWA	0	352	1,495	0	55	**1,902**
18	KADUNA	984	3,656	4,960	2,834	846	**13,280**
19	KANO	1,012	3,817	4,573	3,905	1,003	**14,310**
20	KATSINA	0	536	1,152	0	430	**2,118**
21	KEBBI	0	215	1,496	0	179	**1,890**
22	KOGI	0	136	2,870	0	134	**3,140**
23	KWARA	0	1,788	2,980	860	456	**6,084**
24	LAGOS	124,436	216,455	100,800	230,800	22,510	**695,001**
25	NASSARAWA	0	227	2,721	0	197	**3,145**
26	NIGER	0	726	2,692	0	162	**3,580**
27	OGUN	28,194	5,435	6,861	55,230	1,750	**97,470**
28	ONDO	0	690	1,890	0	0	**2,580**
29	OSUN	0	380	1,450	0	0	**1,830**
30	OYO	17,250	6,980	5,870	14,650	560	**45,310**
31	PLATEAU	0	1,060	895	0	25	**1,980**
32	RIVERS	1,350	3,725	2,750	2,528	127	**10,480**
33	SOKOTO	0	0	1,835	0	45	**1,880**
34	TARABA	0	0	1,490	0	65	**1,555**
35	YOBE	N/A	N/A	N/A	N/A	N/A	**N/A**
36	ZAMFARA	0	0	1,470	0	120	**1,590**
37	FCT ABUJA	0	810	2,916	1,321	405	**5,452**
	TOTAL	**185,739**	**271,741**	**186,618**	**330,765**	**31,882**	**1,006,745**

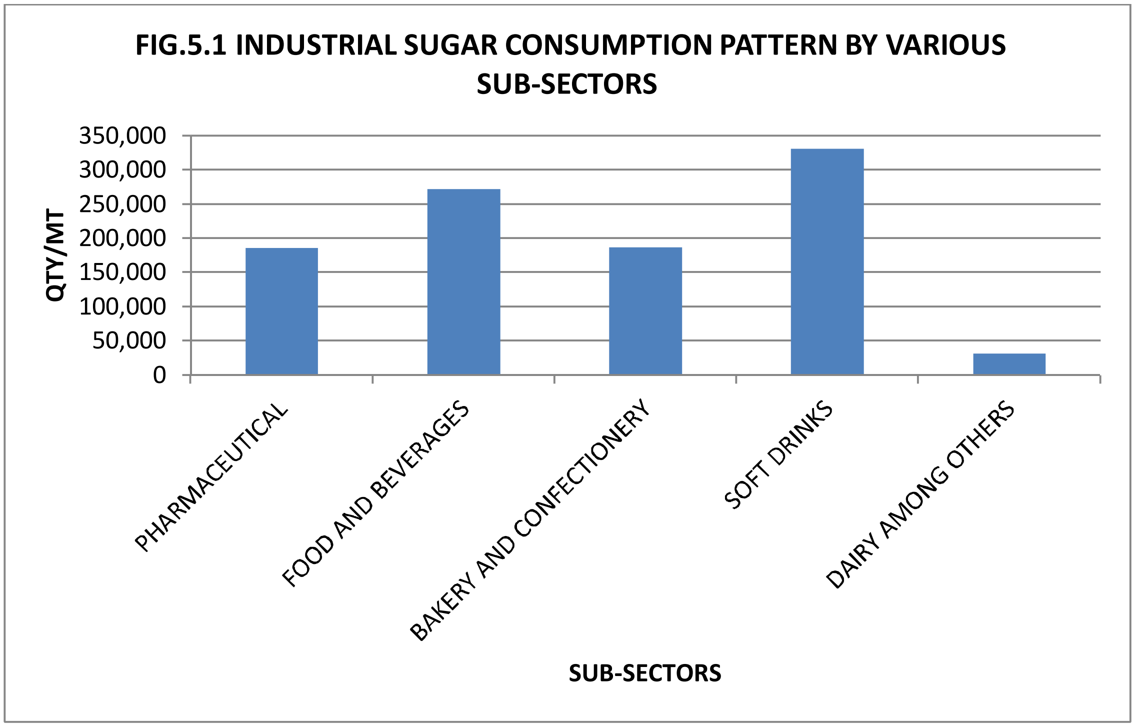
ABLE 4.5 NATIONAL INDUSTRIAL SUGAR CONSUMPTION BY SECTORS

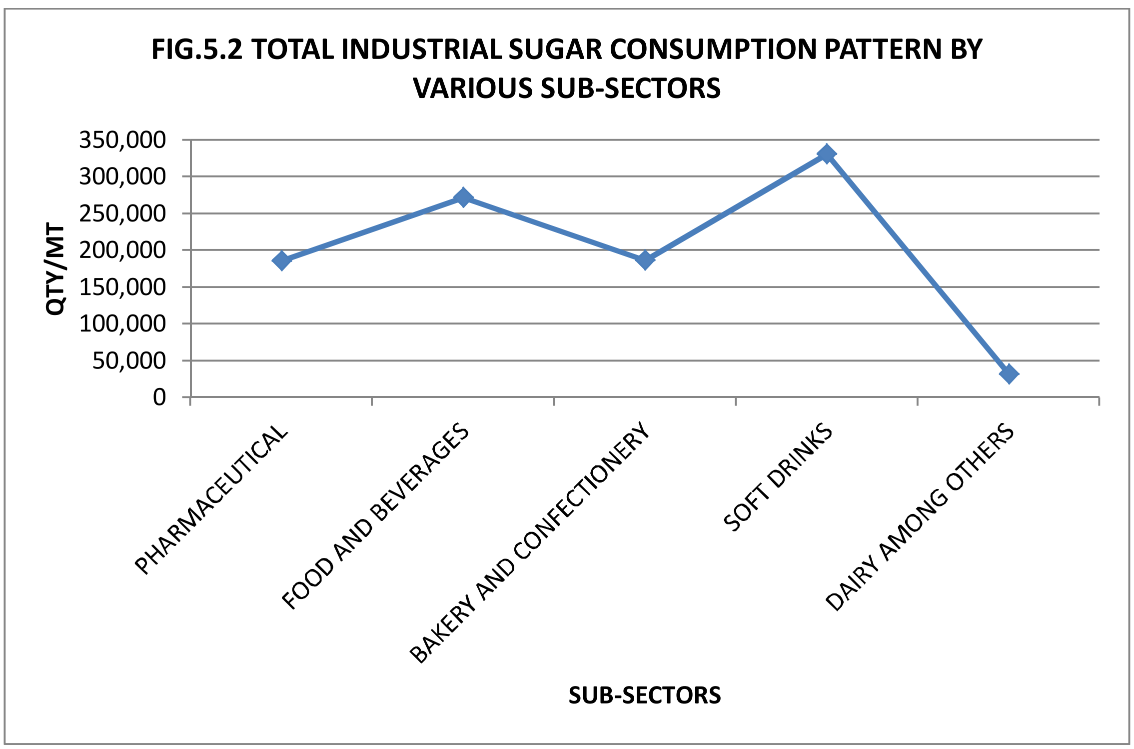
S/NO	SECTOR	QUANTITY USED IN (MT)
1	PHARMACEUTICAL	185,739
2	FOOD AND BEVERAGES	271,741
3	BAKERY AND CONFECTIONERY	186,618
4	SOFT DRINKS	330,765
5	DAIRY AMONG OTHERS	31,882
	GRAND TOTAL	**1,006,745**

The total quantity of sugar consumed in each State on sectoral basis is illustrated in Table 4.1. Table4.1B represents the quantities of alternative sweeteners used by different industrial sectors while 4.1C is the volume of ethanol used by the Pharmaceutical and Food and Beverages Sectors. The quantity of sugar consumed on State by State basis is also presented in table 4.2. 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 695,001 metric tonnes or about 69% of total national industrial consumption during the period under review. This was followed by Ogun (97,470 or 9.6%), Oyo (45,310 or 4.5%), Anambra (21,375 or 2.1%), Kano (14,310 or 1.4%) and Imo (12,650 or 1.2%) metric tonnes of total industrial sugar consumption during the period respectively.

Furthermore, the survey result clearly shows that the three least industrial sugar consuming States were; Ekiti with 1,306 metric tonnes, Gombe with 1,387metric tonness and Bayelsa with 1,482 metric tonnes. The result in most cases is a pointer to 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.

5.0 DATA PRESENTATION IN CHARTS





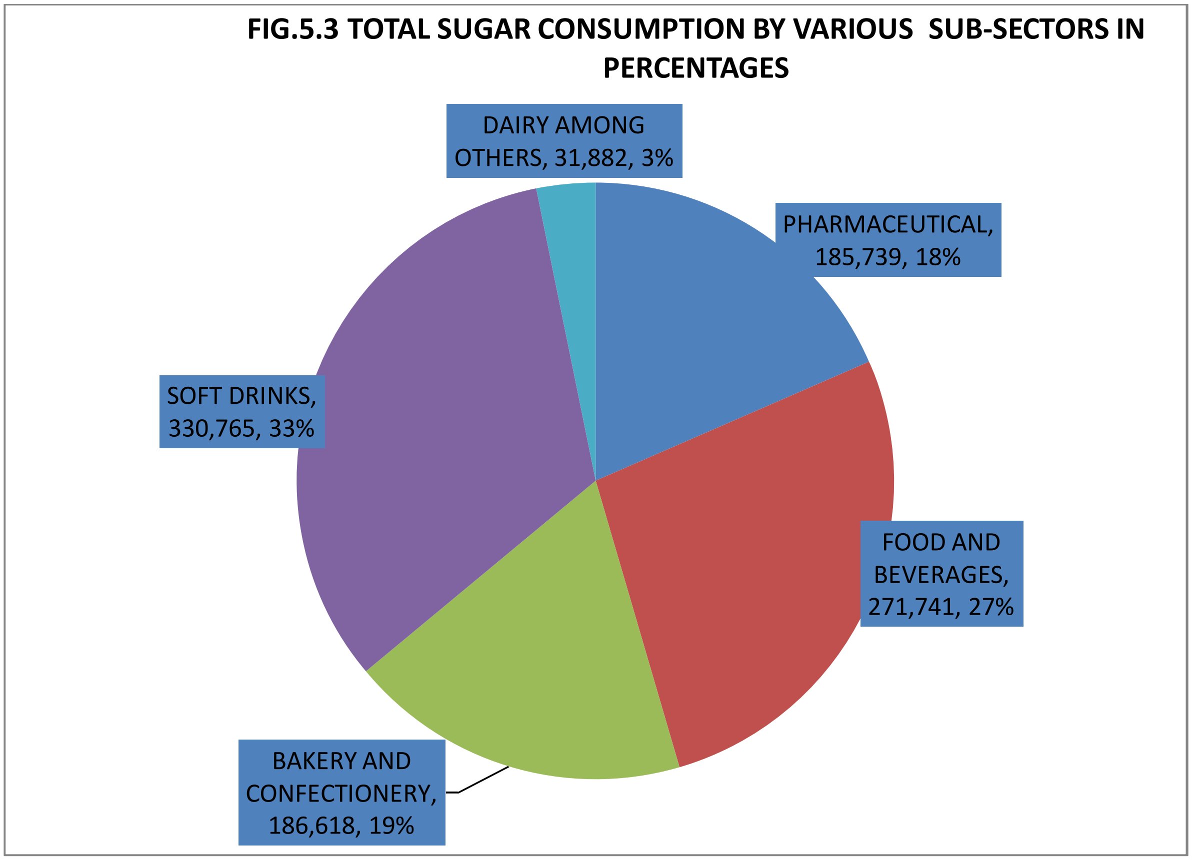


FIG.5.3 TOTAL SUGAR CONSUMPTION BY VARIOUS SUB-SECTORS IN PERCENTAGES
DAIRY AMONG OTHERS, 31,882, 3%
PHARMACEUTICAL, 185,739, 18%
SOFT DRINKS, 330,765, 33%
FOOD AND BEVERAGES, 271,741, 27%
BAKERY AND CONFECTIONERY, 186,618, 19%

6.0. DOMESTIC AND INTERNATIONAL MARKET PRICE SURVEY

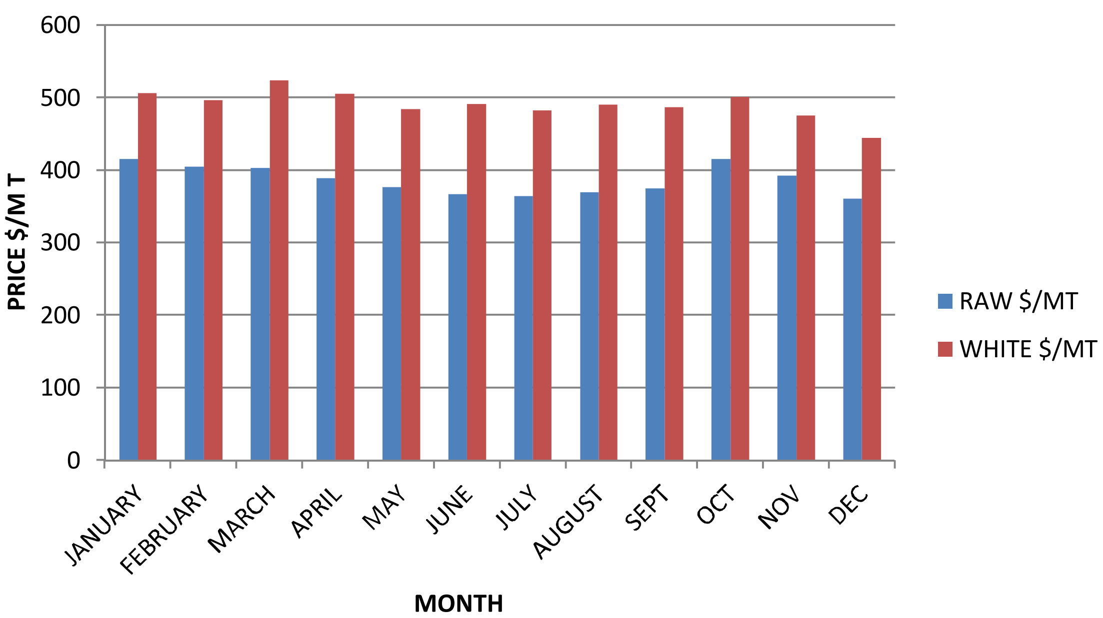
Domestic market sugar price survey was conducted in three (3) major densely populated cities in Nigeria namely; Abuja, Lagos and Kano. Planning Officers served as enumerators and randomly visited five (5) wholesalers and ten (10) retailers in each market to obtain sugar prices. The international sugar 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	415.23	506.15
FEBRUARY	404.86	496.55
MARCH	403.27	524
APRIL	389.28	505.3
MAY	376.88	484.45
JUNE	366.79	491.62
JULY	364.61	482.72
AUGUST	369.21	490.18
SEPTEMBER	375	487.27
OCTOBER	415.39	501.32
NOVEMBER	392.83	475.78
DECEMBER	360.57	444.16
ANNUAL AVERAGE	**386.16**	**490.79**

The downward movement of global sugar prices continued from the previous year. During the period under review, ie year 2013, there was a downward movement in the global average sugar prices of both raw and refined sugar. For instance, the global price of raw sugar in January was USD415.23/ton and this declined to an average of USD360.57/ton in December, 2013. This represents about 13.2% decrease in the international tonnage price of raw sugar. Similarly, international price of white refined sugar in January 2013 was USD 506.15/ton declining to an average of USD444.16/ton in December. This represents about 13% decrease in the international price of white refined sugar. The sugar market price trend is mostly influenced by changes in macroeconomic factors such as currency movements and prices of other agricultural commodities. However, the downward movement noticed in 2013 in both international raw and white refined sugar prices as depicted in figures 6.1 and 6.2 could also be due to the high volume of cane production in the major producing countries resulting to high volume of sugar surpluses, which normally depresses prices.

FIG. 6.1 INTERNATIONAL MONTHLY AVERAGE SUGAR PRICES IN USD $



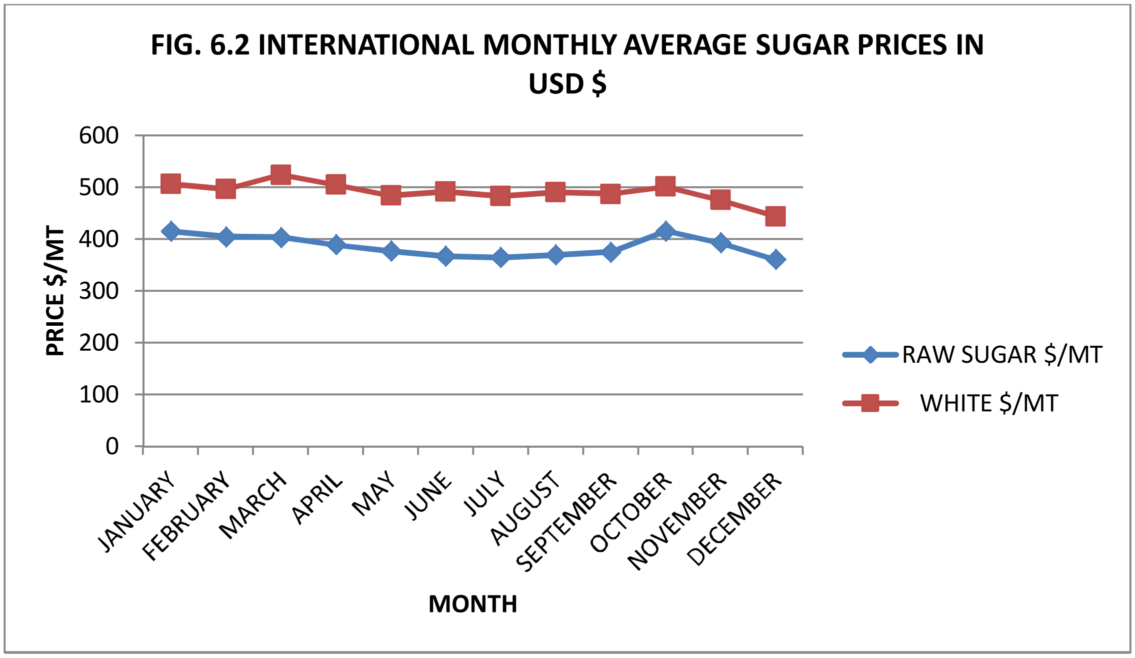


TABLE 6.2. MONTHLY AVERAGE PRICE OF SUGAR N/50 KG BAG AT LOCAL MARKETS

MONTH	WHOLESALE ₦/50KG	RETAIL ₦/50KG
JANUARY	7237.41	7699.98
FEBRUARY	8208.25	8539.58
MARCH	8499.83	8941.5
APRIL	7575	7900
MAY	7527	7900
JUNE	7516	7925
JULY	7274.84	7708.25
AUGUST	7053.13	7309.86
SEPTEMBER	6816	6987.5
OCTOBER	6874.91	7016.66
NOVEMBER	6790	6956.67
DECEMBER	6238.88	6422.22
ANNUAL AVERAGE	**7300.938**	**7608.935**

FIG. 6.3 MONTHLY AVERAGE SUGAR PRICES (N/50KG)

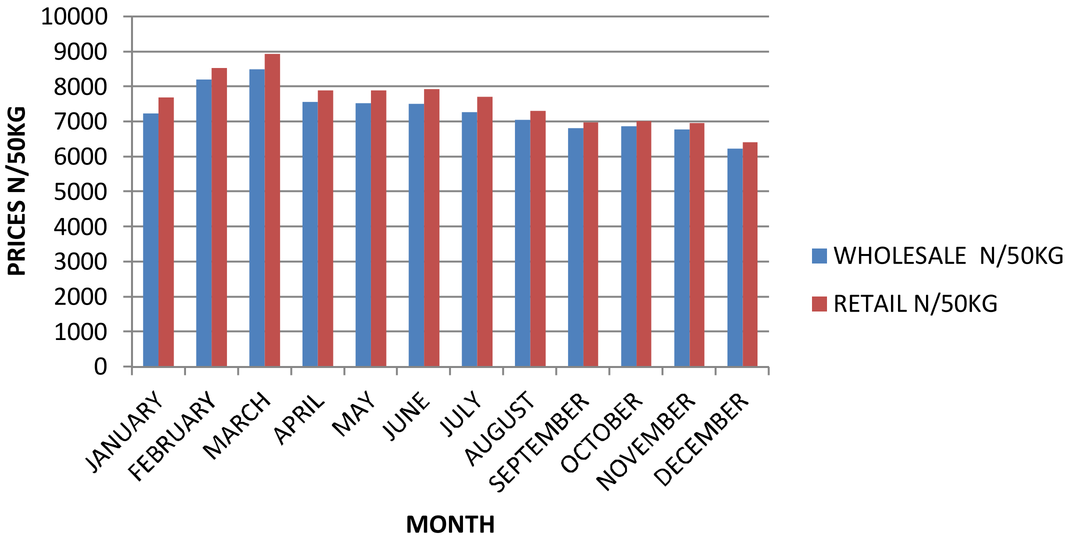
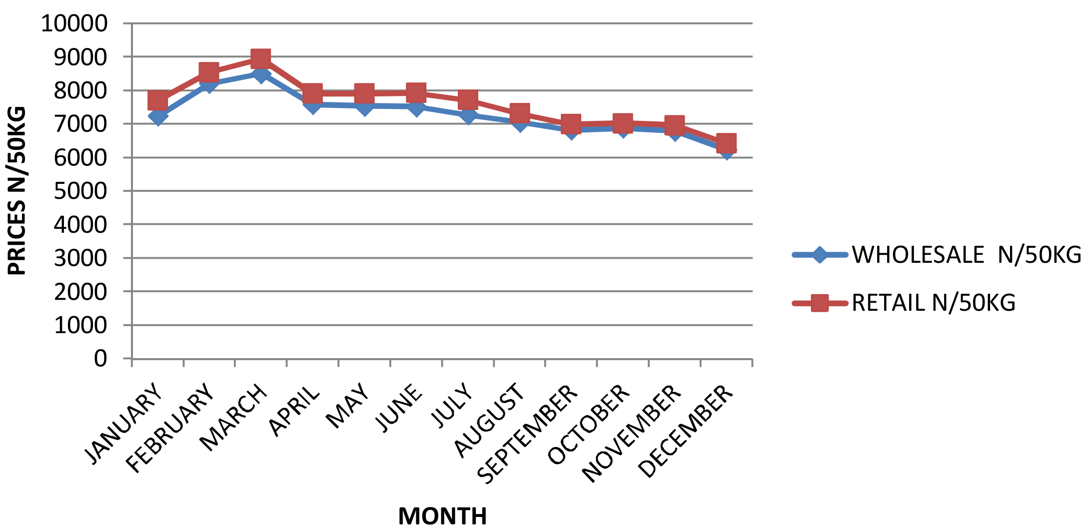


FIG.6.4 MONTHLY AVERAGE WHOLESALE AND RETAIL PRICES (N/50KG BAG)



The result of the local market price survey also revealed that the prices of sugar generally followed a similar downward trend in the year 2013. Although, wholesale sugar price started with N7,237.41/50kg bag of sugar in January and rose to N8,499.83/50kg in March, the price later declined to N7,575/50kg in April and continued to decline consistently thereby closing the year with N6,238.88/50kg bag in December 2013. Retail prices of sugar followed a similar fluctuating (upward and downward) trend. Starting with an average price of N7,699.98/50kg in January and rising to an average of N8,941.5/50kg in March, the price continued to decline gradually from April thereby closing the year at N6,422.22/50kg in December. The annual average retail price of 50kg bag of sugar in 2013 was N7,608.94k/ 50kg.

TABLE 6.3 COMPARISON OF THE AVERAGE MONTHLY PRICES OF LOCAL AND INTERNATIONAL REFINED SUGAR IN USD ($)

MONTH	INT'L WHITE $/MT	LOCALLY REFINED $/MT	DIFF B/W LOCAL & INT'L REFINED $/MT	% DIFFERENCE OF LOCAL OVER INT'L
JANUARY	506.15	904.67	398.52	78.74%
FEBRUARY	496.55	1,026.03	529.48	106.63%
MARCH	524	1,062.47	538.47	103.00%
APRIL	505.3	946.87	441.58	87.38%
MAY	484.45	940.87	456.64	94.22%
JUNE	491.62	939.50	447.88	91.10%
JULY	482.72	909.35	426.63	88.38%
AUGUST	490.18	881.64	391.46	80.00%
SEPTEMBER	487.27	852.00	364.73	74.85%
OCTOBER	501.32	859.36	358.04	71.41%
NOVEMBER	475.78	848.75	372.97	79.00%
DECEMBER	444.16	779.86	335.70	76.00%
ANNUAL AVERAGE	**490.79**	**912.62**	**421.85**	**85.90%**

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 as well as Figures 6.5 and 6.6 respectively. 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, in January 2013, the price of refined sugar (wholesale price) was $904.67/MT in Nigeria, while at the international market it was sold at $506.15/MT. A difference of $398.52/MT or 78.74%.

Similarly, in December 2013, the price of local refined sugar was $779.86/MT, whereas international price was $444.16/MT. The result also shows that the annual average prices stood at $912.62/MT and $490.79/MT for both local refined and international refined sugar respectively. This accounted for $421.85/MT or 85.90% difference between the local and international market prices during the period under review.

The large difference 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 ñinvestorsò 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. It will also be checked through Sugar Import Quota Administration which restricts the importation of any kind of sugar to the approval granted by the President. This will enable the country derive the traditional benefits of a vibrant sugar industry including; jobs and wealth creation, rural industrialization and development, rural poverty alleviation etc.

FIG.6.5 COMPARISON BETWEEN PRICES OF INTERNATIONAL AND LOCAL REFINED SUGAR

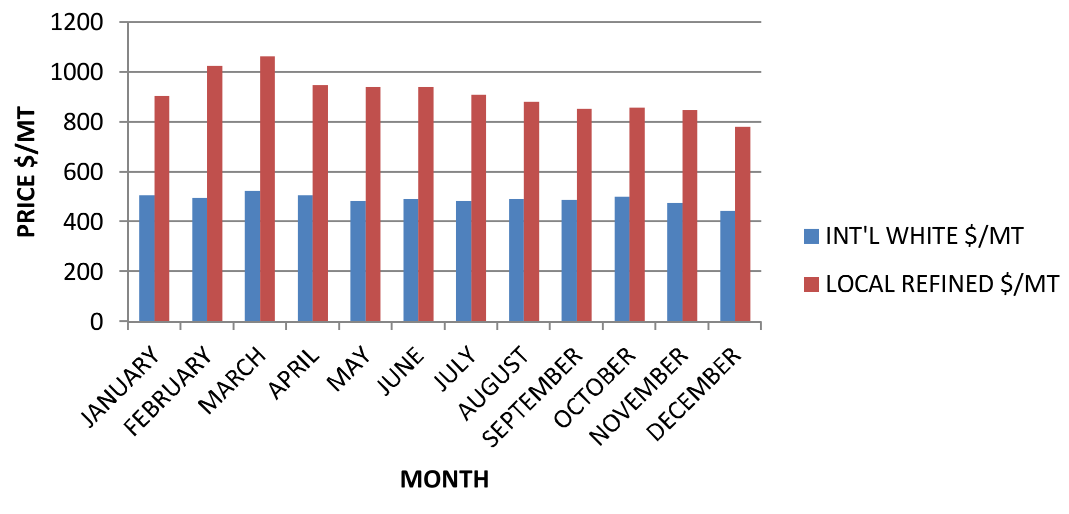
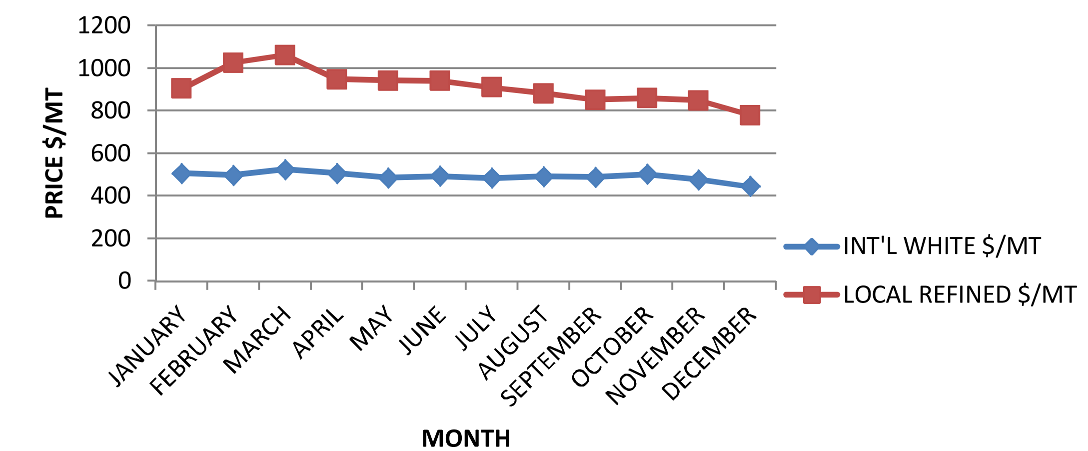


FIG.6.6 GRAPHICAL COMPARISON BETWEEN PRICES OF INTERNATIONAL AND LOCAL REFINED SUGAR



7. CONCLUSION

With the successful completion of the two surveys, i.e survey on industrial sugar consumption and market price survey in Nigeria, 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
JULY, 2014.