NATIONAL SUGAR DEVELOPMENT COUNCIL

REPORT OF THE NATIONAL SURVEY ON INDUSTRIAL SUGAR CONSUMPTION AND MARKET PRICE SURVEY IN NIGERIA

(2010)

No 5, Ndola Crescent, Off Michael Okpara Street
Wuse Zone 5, P.M.B 299, Garki – Abuja
Tel (09) 4614870 – 5
Fax: (09) 4614871
E-mail:contact@nsdc.gov.ng
Website: www.nsdc.gov.ng

TABLE OF CONTENT

	Contents	Page
	List of Tables	3
	List of Figures	4
1.0	Introduction	5
2.0	Survey Objectives	5
3.0	Methodology	6
3.1	Coverage	6
3.2	Sample Design	7
3.3	Survey Instrument	7
3.4	Data Collection	7
3.5	Sugar Price survey	8
4.0	Data Presentation in Tables	9
5.0	Data Presentation in Charts	21
5.4.0	Comparison Between National Sugar Demand, Industrial and Domestic Sugar Consumption	22
6	Market Price Survey	25
7	Conclusion	35

List of Tables

	Tables	**Page**
4.1	Quantity of Industrial Sugar Usage in Nigeria by Sectors	9
4.2	Industrial Sugar Consumption in Nigeria by States	17
4.3	Ranking of States by Industrial Sugar Consumption	18
4.4	Computation of Sectoral Industrial Sugar Consumption	19
4.5	National Industrial Sugar Consumption by Sectors 2010	20
5.4.1	Comparison between National Sugar Demands, Industrial and Domestic Sugar Consumption	22
6.1	Summary of International Monthly Average Sugar Prices 2010	25
6.2	Summary of Domestic Monthly Average Sugar Prices (₦/50 KG)	29
6.3	Comparison of the Local and International Monthly Average Prices of Refined sugar (2010)	**33**

Lists of Figures

	Figures	Page
5.1	Total Annual Sugar Consumption by States 2010	21
5.2	Industrial Sugar Consumption Pattern by Various Sectors	21
5.3	Annual Industrial Sugar Consumption Pattern by Sub-Sectors in Percentages 2010	22
5.4.2	Comparison between National Sugar Demand, Industrial and Domestic Consumption	23
5.4.3	Comparison between Industrial, Household Consumption and End of Year Stock 2010	24
5.4.4	Comparison between National Sugar Demands, Industrial and Domestics Consumption 2010	24
6.1A&B	International Monthly Average Prices for Raw and Refined Sugar $/MT 2010	26
6.2A&B	Average Price of Raw Sugar $/MT 2010	27
6.3A&B	Average Price of Refined Sugar $/MT 2010	28
6.4A&B	Summary of Monthly Average Wholesale and Retail Sugar Prices N/50KG 2010	30
6.5A&B	Average Wholesale Sugar Prices N/50KG 2010	31
6.6A&B	Average Retail Sugar Prices N/50KG 2010	32
6.7	Comparison of the Local and International Monthly Average Prices of Refined sugar $/MT (2010)	34
6.8	Graphical Comparison of the Local and International Monthly Average Prices of Refined sugar$/MT (2010)	35

<u>REPORT OF THE ANNUAL SURVEY ON INDUSTRIAL SUGAR CONSUMPTION AND MARKET PRICE IN NIGERIA (2010)</u>

1.0 INTRODUCTION

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 credible 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.

It is in this regard that the Planning Department of the National Sugar Development Council usually embarks on a nationwide survey on industrial sugar consumption in Nigeria on annual basis. The 2010 survey was carried out from August 2010 – March 2011. The Council also routinely tracks both domestic and international market prices in order to ascertain their trends and understand the underlying dynamics of sugar price movement.

2.0 SURVEY OBJECTIVES

The main objectives of the surveys are:

1. To provide the Council with statistical data on sugar prices and usage by different categories of industries such as:
   - Details of sugar consumption by major industrial users in major sectors – 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.
   - Period of the year sugar is mostly consumed by these industries.

- 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 at the wholesale and retail markets
- 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.
- Utilization of Glucose 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 the much needed 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

The industrial sugar consumption survey covered all the thirty six (36) states of the federation including the Federal Capital Territory (FCT), Abuja while the market price survey covered only Abuja, Kano and Lagos.

3.2 Sample Design

In order to cover major urban cities in the thirty six (36) 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 localization/or high concentration of industries in Lagos, the State was further divided into eight areas for more effective coverage. The remaining (15) Southern states were grouped into eight sub-zones where each was covered by a Planning Officer of the Council. Similarly, Northern zone was further grouped into eight parts depending on the numbers of major urban cities as well as number of industries to be covered in the State.

3.3 Survey Instrument

Principally, the survey instrument adopted in this survey was a well structured questionnaire. 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 these questionnaires

3.4 Data Collection

Planning Staff of the Council were sent as field enumerators where they carried out the 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 are specific periods within the year that their industries needed higher quantities of sugar more than others, and whether they make use of glucose 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.

The data collected were subjected to skim/spot checking in order to ensure completeness, accuracy and reliability. Subsequently, the data obtained were processed and analyzed while relevant tables and charts were generated to facilitate proper understanding and dissemination of the information.

3.5 Sugar Price Survey

For the price survey, three (3) major local markets at Lagos, Kano and Abuja were picked and Planning Officers visited several wholesalers and retailers in each market to obtain prices on a weekly basis. For the international price, 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 from the International Sugar Organization. The data collected are also collated and analyzed and presented either in tables or charts and posted on the Council's Website.

4. DATA PRESENTATION (IN TABLES)

TABLE 4.1

			QUANTITY USED IN METRIC TONNES
S/NO	**STATE**	**SECTOR**	**2010**
1	ABIA	PHARMACEUTICALS	347
		FOOD & BEVERAGES	1,238
		BAKERY & CONFECTIONERY	2,671
		SOFT DRINKS	
		DAIRY AND OTHERS	
		SUB-TOTAL	**4,256**
2	ADAMAWA	PHARMACEUTICALS	
		FOOD & BEVERAGES	2,912
		BAKERY & CONFECTIONERY	4,091
		SOFT DRINKS	
		DAIRY AND OTHERS	1,201
		SUB-TOTAL	**8,204**
3	AKWA IBOM	PHARMACEUTICALS	
		FOOD & BEVERAGES	245
		BAKERY & CONFECTIONERY	779
		SOFT DRINKS	138
		DAIRY AND OTHERS	
		SUB-TOTAL	**1,162**
4	ANAMBRA	PHARMACEUTICALS	9,570
		FOOD & BEVERAGES	1,620
		BAKERY & CONFECTIONERY	3,217
		SOFT DRINKS	3,228
		DAIRY AND OTHERS	
		SUB-TOTAL	**17,635**
5	BAUCHI	PHARMACEUTICALS	
		FOOD & BEVERAGES	1,287
		BAKERY & CONFECTIONERY	2,982
		SOFT DRINKS	
		DAIRY AND OTHERS	306
		SUB-TOTAL	**4,575**

S/N	STATE	SECTOR	2010
6	BAYELSA	PHARMACEUTICALS	
		FOOD & BEVERAGES	65
		BAKERY & CONFECTIONERY	910
		SOFT DRINKS	
		DAIRY AND OTHERS	97
		SUB-TOTAL	**1,072**
7	BENUE	PHARMACEUTICALS	
		FOOD & BEVERAGES	3,901
		BAKERY & CONFECTIONERY	3,431
		SOFT DRINKS	
		DAIRY AND OTHERS	184
		SUB-TOTAL	**7,516**
8	BORNO	PHARMACEUTICALS	
		FOOD & BEVERAGES	201
		BAKERY & CONFECTIONERY	1,013
		SOFT DRINKS	
		DAIRY AND OTHERS	1,061
		SUB-TOTAL	**2,275**
9	CROSS RIVER	PHARMACEUTICALS	
		FOOD & BEVERAGES	171
		BAKERY & CONFECTIONERY	1,660
		SOFT DRINKS	670
		DAIRY AND OTHERS	40
		SUB-TOTAL	**2,601**
10	DELTA	PHARMACEUTICALS	
		FOOD & BEVERAGES	805
		BAKERY & CONFECTIONERY	819
		SOFT DRINKS	1,641
		DAIRY AND OTHERS	50
		SUB-TOTAL	**3,315**

S/N	STATE	SECTOR	2010
11	EBONYI	PHARMACEUTICALS	190
		FOOD & BEVERAGES	860
		BAKERY & CONFECTIONERY	506
		SOFT DRINKS	
		DAIRY AND OTHERS	
		SUB-TOTAL	**1,556**
12	EDO	PHARMACEUTICALS	
		FOOD & BEVERAGES	698
		BAKERY & CONFECTIONERY	1,121
		SOFT DRINKS	
		DAIRY AND OTHERS	
		SUB-TOTAL	**1,819**
13	EKITI	PHARMACEUTICALS	
		FOOD & BEVERAGES	
		BAKERY & CONFECTIONERY	875
		SOFT DRINKS	
		DAIRY AND OTHERS	128
		SUB-TOTAL	**1,003**
14	ENUGU	PHARMACEUTICALS	319
		FOOD & BEVERAGES	928
		BAKERY & CONFECTIONERY	3,916
		SOFT DRINKS	4,817
		DAIRY AND OTHERS	
		SUB-TOTAL	**9,980**
15	GOMBE	PHARMACEUTICALS	
		FOOD & BEVERAGES	272
		BAKERY & CONFECTIONERY	928
		SOFT DRINKS	
		DAIRY AND OTHERS	180
		SUB-TOTAL	**1,380**

S/N	STATE	SECTOR	QUANTITY USED IN METRIC TONNES 2010
16	IMO	PHARMACEUTICALS	189
		FOOD & BEVERAGES	530
		BAKERY & CONFECTIONERY	1,876
		SOFT DRINKS	
		DAIRY AND OTHERS	67
		SUB-TOTAL	**2,662**
17	JIGAWA	PHARMACEUTICALS	
		FOOD & BEVERAGES	
		BAKERY & CONFECTIONERY	1510
		SOFT DRINKS	
		DAIRY AND OTHERS	111
		SUB-TOTAL	**1,621**
18	KADUNA	PHARMACEUTICALS	411
		FOOD & BEVERAGES	1,236
		BAKERY & CONFECTIONERY	4,919
		SOFT DRINKS	1,991
		DAIRY AND OTHERS	817
		SUB-TOTAL	**9,374**
19	KANO	PHARMACEUTICALS	234
		FOOD & BEVERAGES	1,967
		BAKERY & CONFECTIONERY	3,435
		SOFT DRINKS	3,899
		DAIRY AND OTHERS	943
		SUB-TOTAL	**10,478**
20	KATSINA	PHARMACEUTICALS	
		FOOD & BEVERAGES	126
		BAKERY & CONFECTIONERY	1,411
		SOFT DRINKS	
		DAIRY AND OTHERS	194
		SUB-TOTAL	**1,731**

S/N	STATE	SECTOR	QUANTITY USED IN METRIC TONNES 2010
21	KEBBI	PHARMACEUTICALS	
		FOOD & BEVERAGES	
		BAKERY & CONFECTIONERY	1,516
		SOFT DRINKS	
		DAIRY AND OTHERS	147
		SUB-TOTAL	**1,663**
22	KOGI	PHARMACEUTICALS	
		FOOD & BEVERAGES	122
		BAKERY & CONFECTIONERY	2,823
		SOFT DRINKS	
		DAIRY AND OTHERS	132
		SUB-TOTAL	**3,077**
23	KWARA	PHARMACEUTICALS	137
		FOOD & BEVERAGES	687
		BAKERY & CONFECTIONERY	2,116
		SOFT DRINKS	1,316
		DAIRY AND OTHERS	434
		SUB-TOTAL	**4,690**
24	LAGOS	PHARMACEUTICALS	129,106
		FOOD & BEVERAGES	132,949
		BAKERY & CONFECTIONERY	147,750
		SOFT DRINKS	246,100
		DAIRY AND OTHERS	29,702
		SUB-TOTAL	**685,607**
25	NASARAWA	PHARMACEUTICALS	
		FOOD & BEVERAGES	
		BAKERY & CONFECTIONERY	1,892
		SOFT DRINKS	
		DAIRY AND OTHERS	124
		SUB-TOTAL	**2,016**

			QUANTITY USED IN METRIC TONNES
S/N	**STATE**	**SECTOR**	**2010**
26	NIGER	PHARMACEUTICALS	
		FOOD & BEVERAGES	
		BAKERY & CONFECTIONERY	1,567
		SOFT DRINKS	
		DAIRY AND OTHERS	
		SUB-TOTAL	**1,567**
27	OGUN	PHARMACEUTICALS	17,422
		FOOD & BEVERAGES	4,989
		BAKERY & CONFECTIONERY	5,977
		SOFT DRINKS	64,370
		DAIRY AND OTHERS	1,276
		SUB-TOTAL	**94,034**
28	ONDO	PHARMACEUTICALS	
		FOOD & BEVERAGES	91
		BAKERY & CONFECTIONERY	1,990
		SOFT DRINKS	
		DAIRY AND OTHERS	76
		SUB-TOTAL	**2,157**
29	OSUN	PHARMACEUTICALS	
		FOOD & BEVERAGES	
		BAKERY & CONFECTIONERY	1,724
		SOFT DRINKS	
		DAIRY AND OTHERS	64
		SUB-TOTAL	**1,788**
30	OYO	PHARMACEUTICALS	9,987
		FOOD & BEVERAGES	7,998
		BAKERY & CONFECTIONERY	3,412
		SOFT DRINKS	10,560
		DAIRY AND OTHERS	301
		SUB-TOTAL	**32,258**

			QUANTITY USED IN METRIC TONNES
S/N	**STATE**	**SECTOR**	**2010**
31	PLATEAU	PHARMACEUTICALS	306
		FOOD & BEVERAGES	1, 568
		BAKERY & CONFECTIONERY	1,764
		SOFT DRINKS	725
		DAIRY AND OTHERS	508
		SUB-TOTAL	**4,871**
32	RIVERS	PHARMACEUTICALS	206
		FOOD & BEVERAGES	175
		BAKERY & CONFECTIONERY	1,280
		SOFT DRINKS	4,200
		DAIRY AND OTHERS	150
		SUB-TOTAL	**6,011**
33	SOKOTO	PHARMACEUTICALS	
		FOOD & BEVERAGES	
		BAKERY & CONFECTIONERY	1,460
		SOFT DRINKS	
		DAIRY AND OTHERS	197
		SUB-TOTAL	**1,657**
34	TARABA	PHARMACEUTICALS	
		FOOD & BEVERAGES	
		BAKERY & CONFECTIONERY	1,316
		SOFT DRINKS	
		DAIRY AND OTHERS	167
		SUB-TOTAL	**1,483**
35	YOBE	PHARMACEUTICALS	-
		FOOD & BEVERAGES	
		BAKERY & CONFECTIONERY	1,219
		SOFT DRINKS	
		DAIRY AND OTHERS	170
		SUB-TOTAL	**1,389**

S/N	STATE	SECTOR	QUANTITY USED IN METRIC TONNES 2010
36	ZAMFARA	PHARMACEUTICALS	
		FOOD & BEVERAGES	
		BAKERY & CONFECTIONERY	1,271
		SOFT DRINKS	121
		DAIRY AND OTHERS	129
		SUB-TOTAL	**1,521**
37	ABUJA FCT	PHARMACEUTICALS	
		FOOD & BEVERAGES	1,007
		BAKERY & CONFECTIONERY	2,316
		SOFT DRINKS	
		DAIRY AND OTHERS	321
		SUB-TOTAL	**3,644**
		GRAND TOTAL	**943,648**

Table 4.1 represents the total quantity of sugar consumed in each state on sectoral basis. All the (36) thirty-six States of the Federation including the Federal Capital Territory, Abuja were covered and the total industrial sugar usage are hereby presented in alphabetical order on state basis as illustrated in table 4.2.

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 685,607 metric tonnes during the period under review. This is followed by Ogun State with 94,034 metric tonnes while Oyo State had 32,258 metric tonnes. The three least sugar consuming States as revealed by this survey were Ekiti with 1,003, Bayelsa with 1,072 and Akwa Ibom with 1,162 metric tonnes respectively. This 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 undisputably, the most industrialized State in Nigeria.

TABLE 4.2 INDUSTRIAL SUGAR CONSUMPTION IN NIGERIA BY STATES (2010)

S/NO	STATE	2010 (MT)
1	ABIA	4,256
2	ADAMAWA	8,204
3	AKWA IBOM	1,162
4	ANAMBRA	17,635
5	BAUCHI	4,575
6	BAYELSA	1,072
7	BENUE	7,516
8	BORNO	2,275
9	CROSS RIVER	2,601
10	DELTA	3,315
11	EBONYI	1,556
12	EDO	1,819
13	EKITI	1,003
14	ENUGU	9,980
15	GOMBE	1,380
16	IMO	2,662
17	JIGAWA	1,621
18	KADUNA	9,374
19	KANO	10,478
20	KATSINA	1,731
21	KEBBI	1,663
22	KOGI	3,077
23	KWARA	4,690
24	LAGOS	685,607
25	NASSARAWA	2,016
26	NIGER	1,567
27	OGUN	94,034
28	ONDO	2,157
29	OSUN	1,788
30	OYO	32,258
31	PLATEAU	4,871
32	RIVERS	6,011
33	SOKOTO	1,657
34	TARABA	1,483
35	YOBE	1,389
36	ZAMFARA	1,521
37	FCT ABUJA	3,644

TABLE 4.3 RANKING OF STATES BY INDUSTRIAL SUGAR USAGE (2010)

		2010
S/No	**State**	**QUANTITY (METRIC TONNES)**
1	LAGOS	685,607
2	OGUN	94,034
3	OYO	32,258
4	ANAMBRA	17,635
5	KANO	10,478
6	ENUGU	9,980
7	KADUNA	9,374
8	ADAMAWA	8,204
9	BENUE	7,516
10	RIVERS	6,011
11	PLATEAU	4,871
12	KWARA	4,690
13	BAUCHI	4,575
14	ABIA	4,256
15	FCT ABUJA	3,644
16	DELTA	3,315
17	KOGI	3,077
18	IMO	2,662
19	CROSS RIVER	2,601
20	BORNO	2,275
21	ONDO	2,157
22	NASSARAWA	2,016
23	EDO	1,819
24	OSUN	1,788
25	KATSINA	1,731
26	KEBBI	1,663
27	SOKOTO	1,657
28	JIGAWA	1,621
29	NIGER	1,567
30	EBONYI	1,556
31	ZAMFARA	1,521
32	TARABA	1,483
33	YOBE	1,389
34	GOMBE	1,380
35	AKWA IBOM	1,162
36	BAYELSA	1,072
37	EKITI	1,003
	TOTAL	**943,648**

4.4 COMPUTATION OF SECTORAL INDUSTRIAL SUGAR CONSUMPTION (2010)

S/NO	STATE	PHARM	FOOD & BEVERAGES	BAKERY & CONF.	SOFT DRINKS	DAIRY
1	ABIA	347	1,238	2,671	-	-
2	ADAMAWA	-	2,912	4,091	-	1,201
3	AKWA IBOM	-	245	779	138	-
4	ANAMBRA	9,570	1,620	3,217	3,228	-
5	BAUCHI	-	1,287	2,982	-	306
6	BAYELSA	-	65	910	-	97
7	BENUE	-	3,901	3,431	-	184
8	BORNO	-	201	1,013	-	1,061
9	C/RIVER	-	171	1,660	670	40
10	DELTA	-	805	819	1,641	50
11	EBONYI	190	860	506	-	-
12	EDO	-	698	1,121	-	-
13	EKITI	-	-	875	-	128
14	ENUGU	318	1,928	3,916	4,817	-
15	GOMBE	-	281	928	-	180
16	IMO	189	530	1,876	-	67
17	JIGAWA	-	-	1,510	-	111
18	KADUNA	411	1,236	4,919	1,991	817
19	KANO	234	1,236	3,435	3,899	943
20	KATSINA	-	126	1,411	-	194
21	KEBBI	-	-	1,516	-	147
22	KOGI	-	122	2,823	-	132
23	KWARA	137	687	2,116	1,316	434
24	LAGOS	129,106	132,949	147,750	246,100	29,702
25	NASSARAWA	-	-	1,892	-	124
26	NIGER	-	-	1,567	-	-
27	OGUN	17,422	4,989	5,977	64,370	1,276
28	ONDO	-	91	1,990	-	76
29	OSUN	-	-	1,724	-	64
30	OYO	9,987	7,998	3,412	10,560	301
31	PLATEAU	306	1,568	1,764	725	150
32	RIVERS	206	315	1,280	4,200	150
33	SOKOTO	-	-	1,460	-	197
34	TARABA	-	-	1,316	-	167
35	YOBE	-	-	1,219	-	170
36	ZAMFARA	-	121	1,271	-	129
37	FCT ABUJA	-	1,007	2,316	-	321
	TOTAL	**168,424**	**169,187**	**223,463**	**343,655**	**38,919**

Table 4.5 **NATIONAL INDUSTRIAL SUGAR CONSUMPTION BY SECTORS (2010)**

SECTOR	2010 (MT)
PHARMACEUTICAL	168,424
FOOD AND BEVERAGES	169,187
BAKERY AND CONFECTIONERY	223,463
SOFT DRINKS	343,655
DAIRY AMONG OTHERS	38,919
GRAND TOTAL	**943,648**

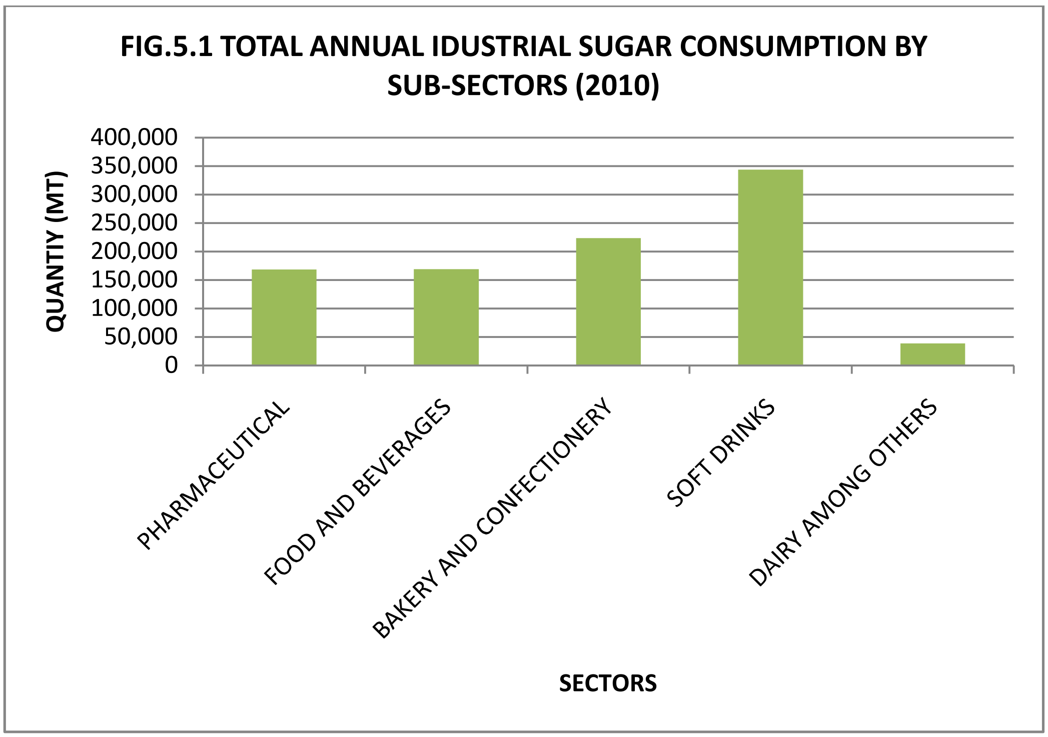


FIG.5.2 INDUSTRIAL SUGAR CONSUMPTION PATTERN BY VARIOUS SECTORS (2010)

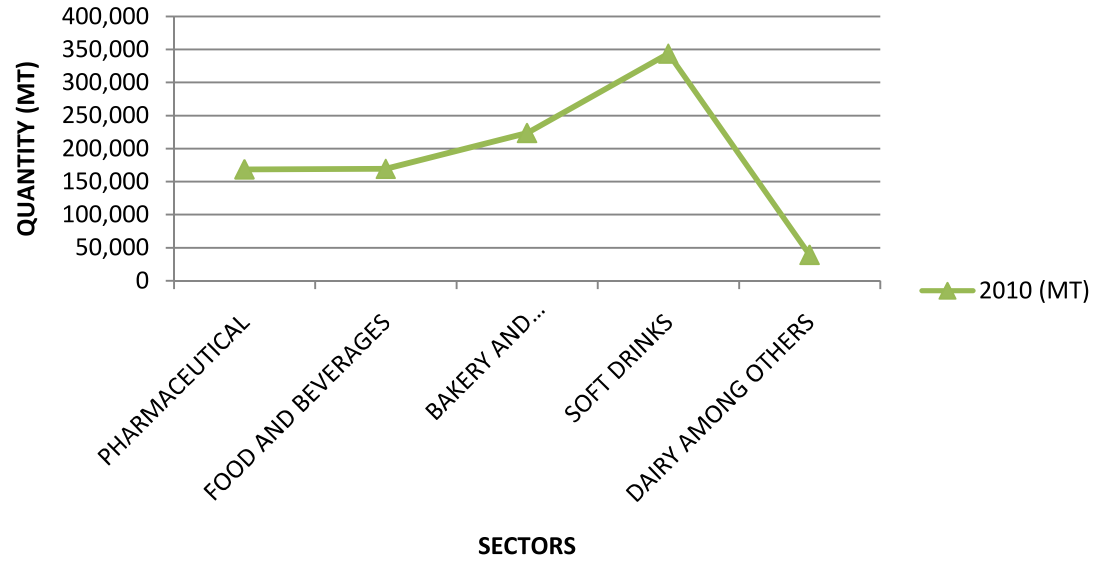
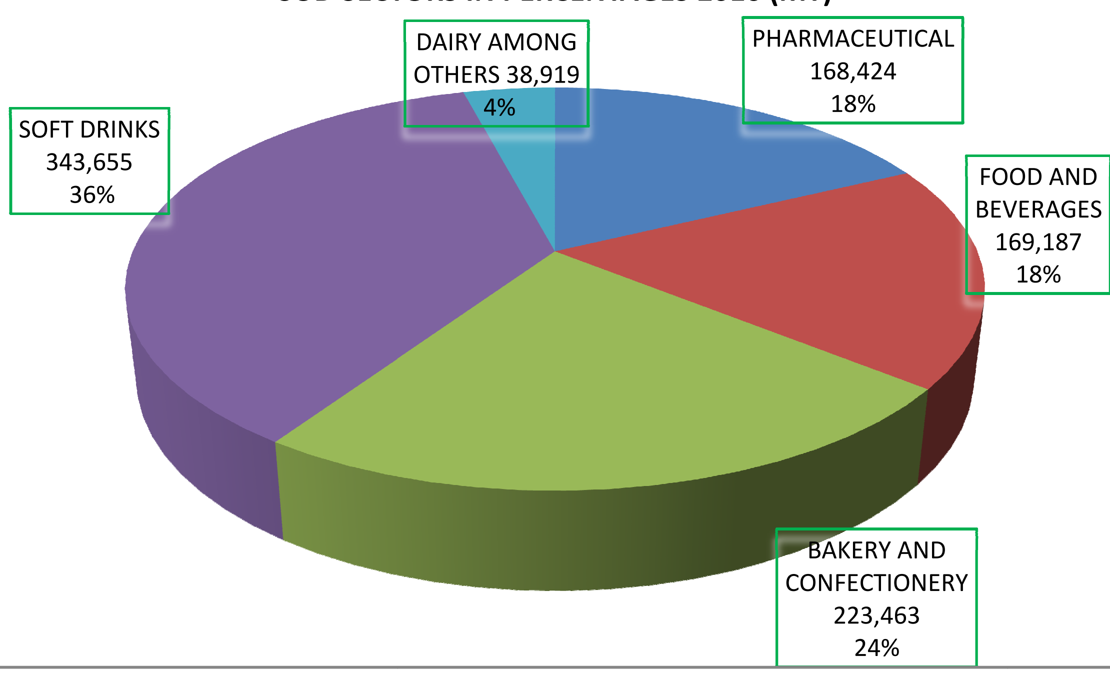


FIG 5.3 ANNUAL INDUSTRIAL SUGAR CONSUMPTION BY VARIOUS SUB-SECTORS IN PERCENTAGES 2010 (MT)



5.4.0 Comparison between National Sugar Demand, Industrial and Domestic Consumption

The estimated national sugar demand for 2010 in Nigeria is put at 1.4 mt. In order to have a fair idea of sugar consumption pattern by various sectors, the quantity of sugar consumed by the industrial sector as revealed by this studies was compared with the estimated domestic sugar consumption figures in the same year 2010, as illustrated in the table below:

TABLE 5.4.1 **Comparison between National Sugar Demand, Industrial and Domestics Consumption**

SECTOR	2010 (MT)
National Sugar Demand	1,400,000.0
Industrial Sugar Consumption	943,648.0
Estimated Household Sugar Consumption	371,468.0
Estimated End of Year Stock	84,884.0

From the above table, the estimated national demand for sugar consumption in year 2010 stood at 1,400,000 metric tonnes. Out of this, industrial sugar consumption accounted for 943,648 metric tonnes or 67.4% of national sugar demand.

Similarly, estimated household sugar consumption during the period under consideration was 371,468 metric tonnes, representing 26.5% of national sugar demand. The End of Year Stock for the period under review was 84,884 metric tonnes thus accounting for only 6.1% 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.5.4.2 COMPARISON BETWEEN NATIONAL DEMAND INDUSTRIAL AND DOMESTIC SUGAR CONSUMPTION

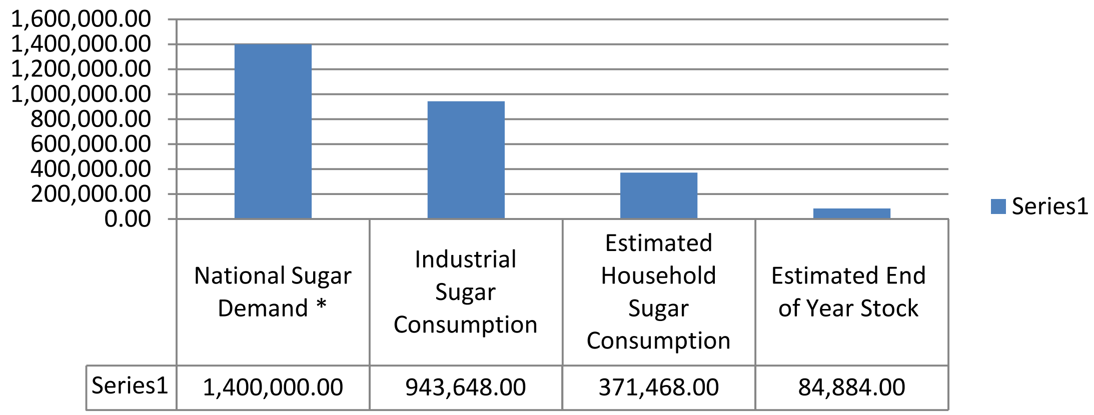
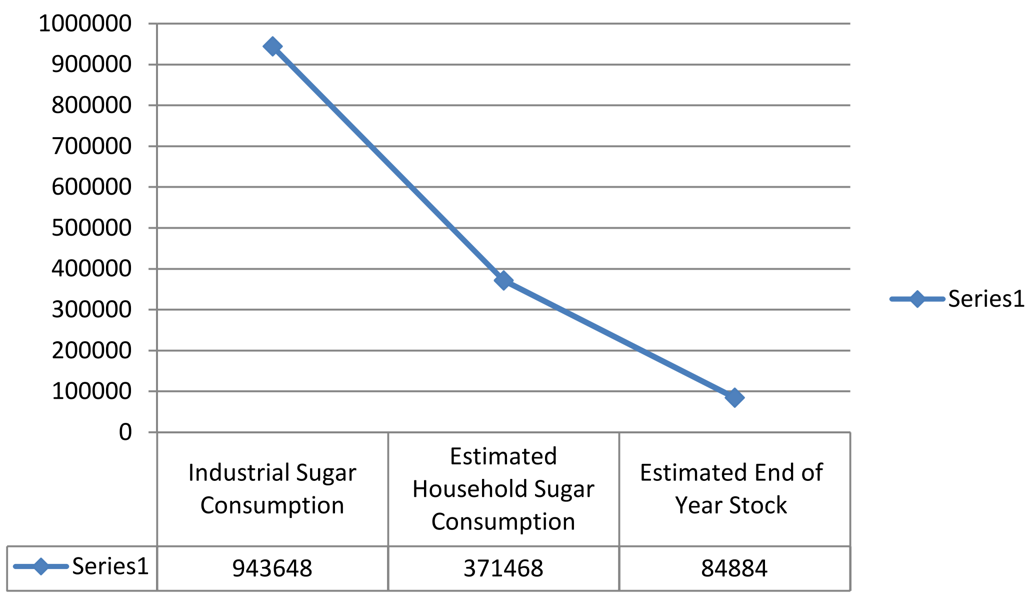


FIG.5.4.3 COMPARISON BETWEEN INDUSTRIAL, HOUSEHOLD AND END OF YEAR STOCK



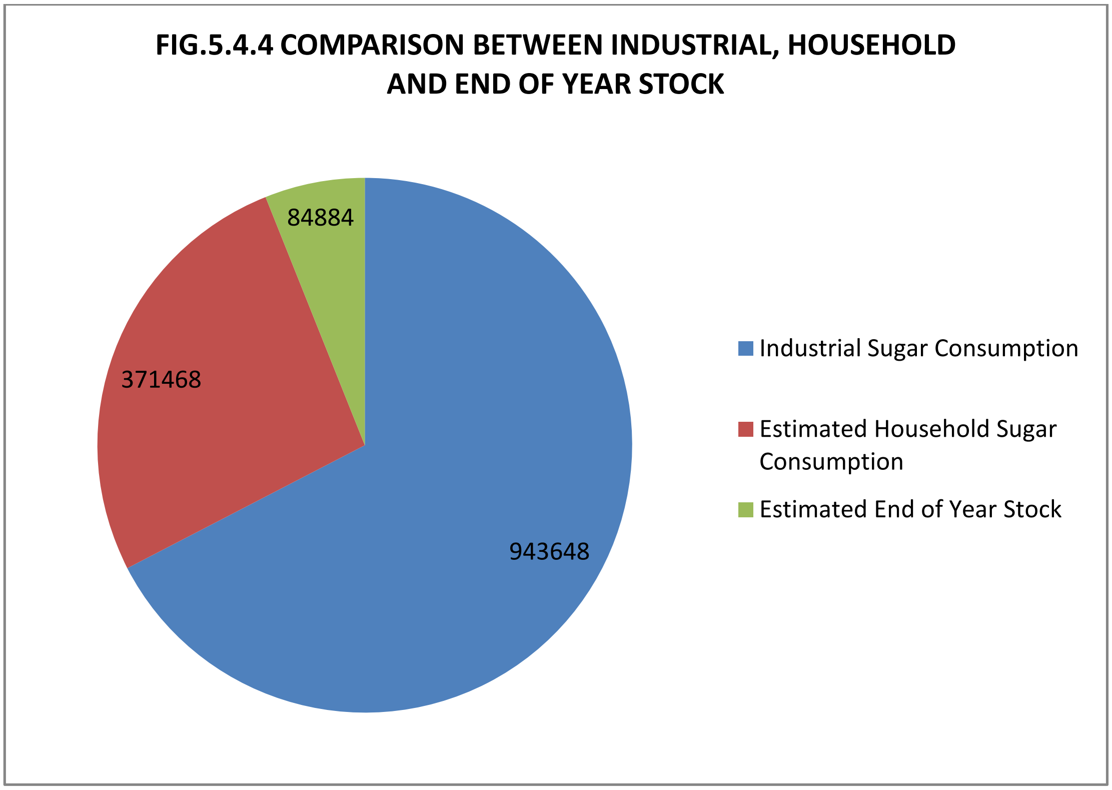


FIG.5.4.4 COMPARISON BETWEEN INDUSTRIAL, HOUSEHOLD AND END OF YEAR STOCK
84884
371468
943648
Industrial Sugar Consumption
Estimated Household Sugar Consumption
Estimated End of Year Stock

6.0 MARKET PRICE SURVEY

During the fiscal year 2009 to 2010, Market survey was carried out on sugar price from various markets in three major cities in Nigeria namely Abuja, Lagos and Kano. International sugar price of both raw and refined sugar were obtained from the Public Ledger, the London ISA Spot Price as well as the Monthly Market Reports of the International Sugar Organization. The Summary at the end of each month, quarter, half year as well as annual data was analyzed.

Table 6.1

SUMMARY OF INTERNATIONAL MONTHLY AVERAGE SUGAR PRICES (2010)

MONTH	RAW SUGAR ($/MT)	REFINED SUGAR ($/MT)
JAN	453	727
FEB	621	732
MAR	500	619
APRIL	536	641
MAY	421	552
JUNE	403	510
JULY	416	547
AUG	464	510
SEPT	496	601
OCT	543	683
NOV	581	719
DEC	617	747
AVERAGE	504.5	632.3

Towards 2009 ending and into the year 2010, prices of both raw and refined sugar continued to rise in the global market down to the local market. The increase in prices experienced was attributed to factors such as shortage of supply of sugar (raw and white) occasioned by lower production from major sugar producers (India, Brazil and Australia). Sugar analysts believed the supply shortages were as a result of poor weather conditions in major producing countries, which led to the inability of major sugar exporting countries to deliver future supply contracts thereby leading to rise in global price as illustrated in Table 6.1 above.

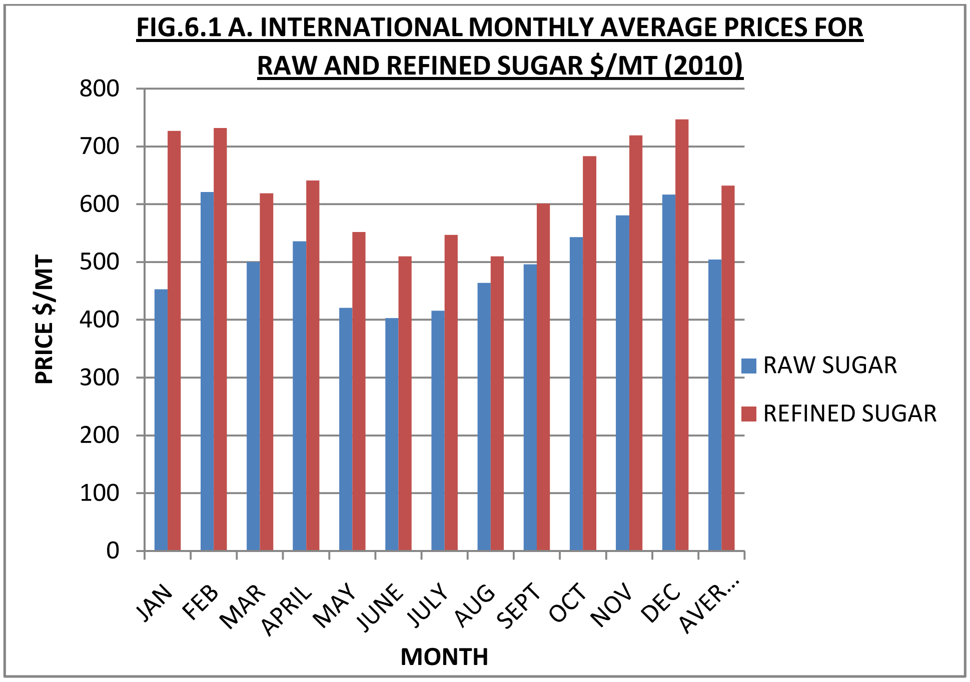


FIG.6.1 A. INTERNATIONAL MONTHLY AVERAGE PRICES FOR RAW AND REFINED SUGAR $/MT (2010)
PRICE $/MT
MONTH
RAW SUGAR
REFINED SUGAR
JAN
FEB
MAR
APRIL
MAY
JUNE
JULY
AUG
SEPT
OCT
NOV
DEC
AVER...

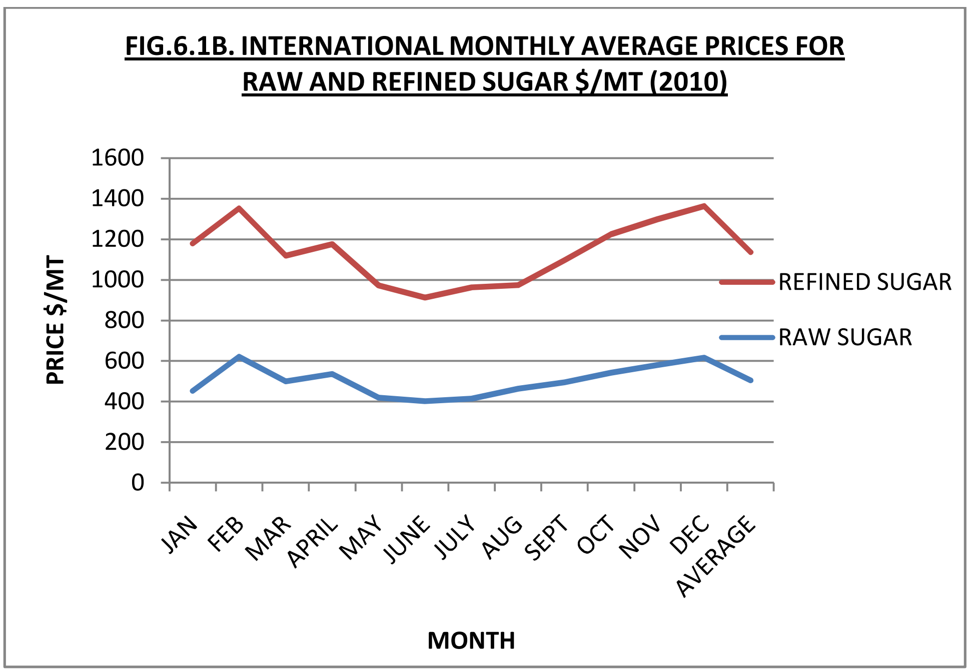


FIG.6.1B. INTERNATIONAL MONTHLY AVERAGE PRICES FOR RAW AND REFINED SUGAR $/MT (2010)
PRICE $/MT
MONTH
REFINED SUGAR
RAW SUGAR
JAN
FEB
MAR
APRIL
MAY
JUNE
JULY
AUG
SEPT
OCT
NOV
DEC
AVERAGE

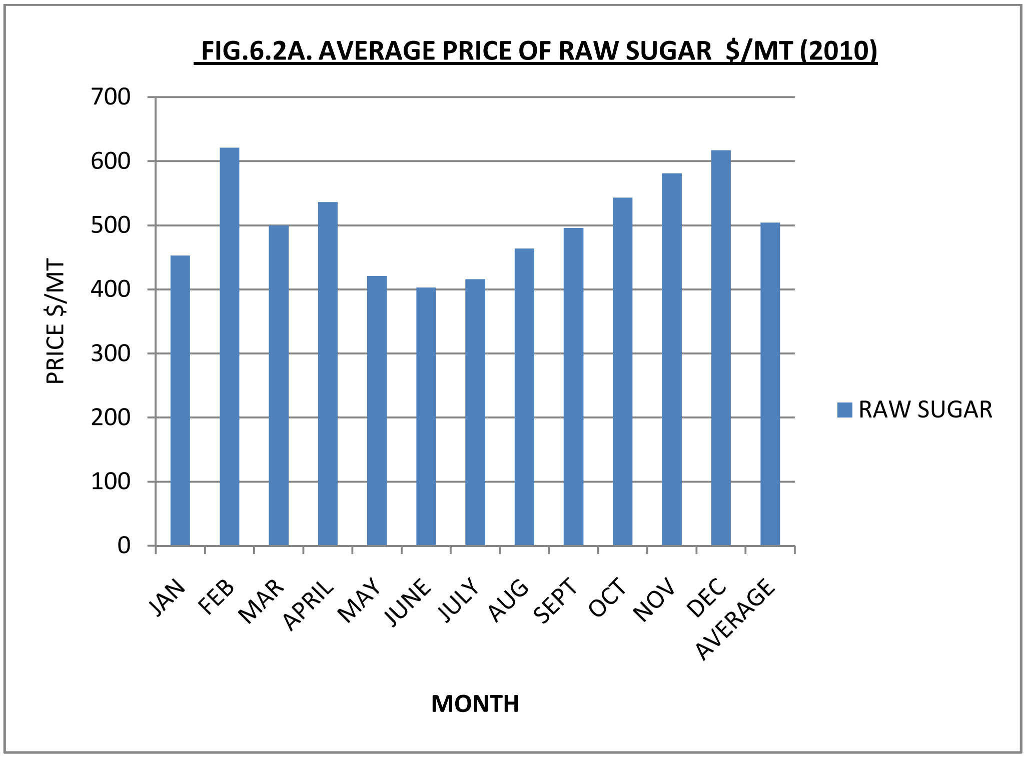


FIG.6.2A. AVERAGE PRICE OF RAW SUGAR $/MT (2010)
PRICE $/MT
0
100
200
300
400
500
600
700
JAN
FEB
MAR
APRIL
MAY
JUNE
JULY
AUG
SEPT
OCT
NOV
DEC
AVERAGE
MONTH
RAW SUGAR

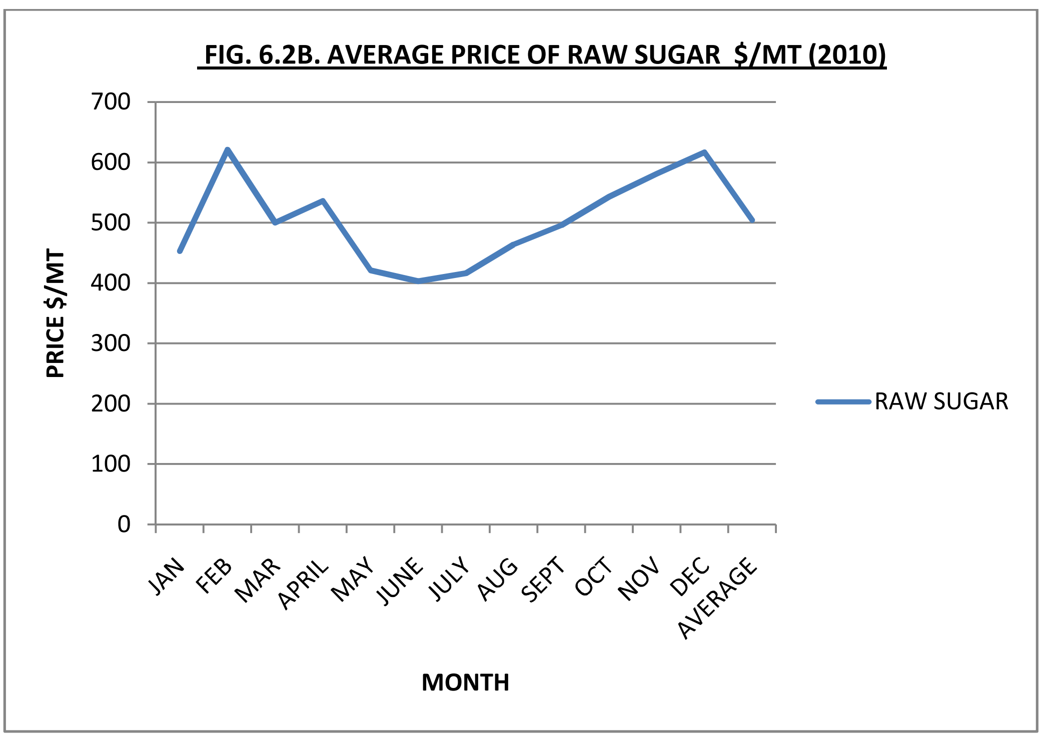


FIG. 6.2B. AVERAGE PRICE OF RAW SUGAR $/MT (2010)
PRICE $/MT
0
100
200
300
400
500
600
700
JAN
FEB
MAR
APRIL
MAY
JUNE
JULY
AUG
SEPT
OCT
NOV
DEC
AVERAGE
MONTH
RAW SUGAR

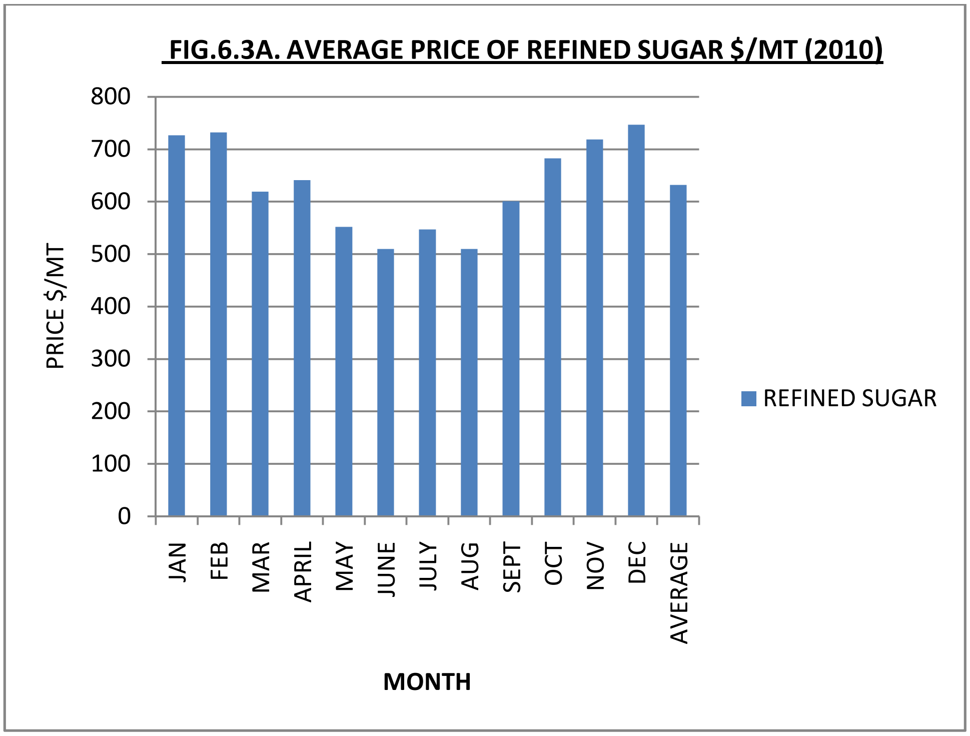


FIG.6.3A. AVERAGE PRICE OF REFINED SUGAR $/MT (2010)
800
700
600
500
400
300
200
100
0
PRICE $/MT
JAN
FEB
MAR
APRIL
MAY
JUNE
JULY
AUG
SEPT
OCT
NOV
DEC
AVERAGE
MONTH
REFINED SUGAR

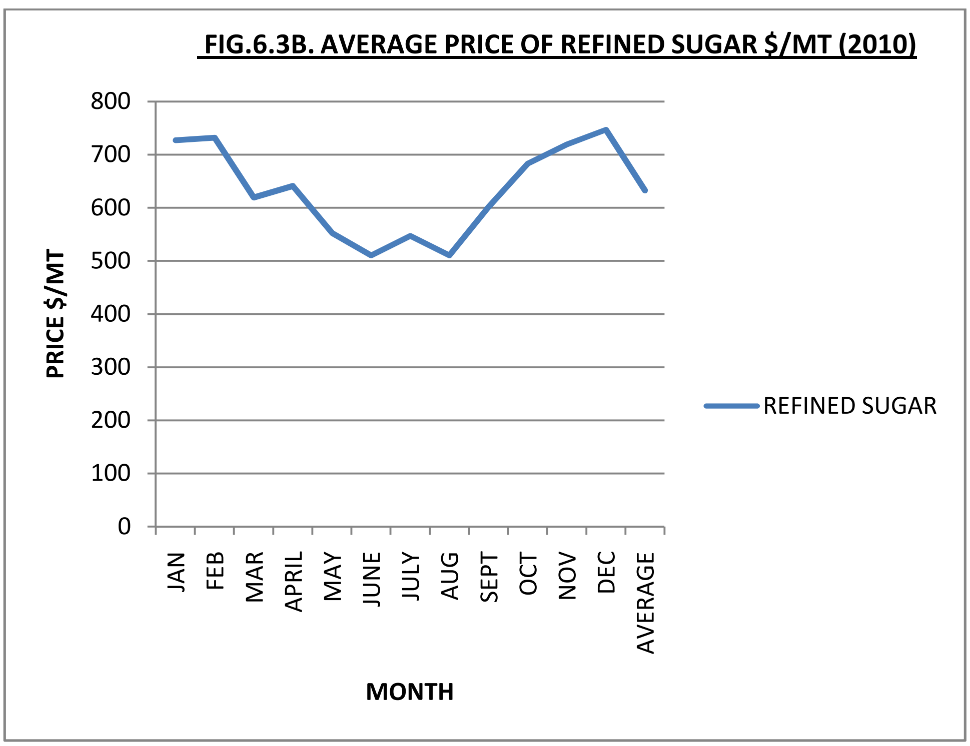


FIG.6.3B. AVERAGE PRICE OF REFINED SUGAR $/MT (2010)
800
700
600
500
400
300
200
100
0
PRICE $/MT
JAN
FEB
MAR
APRIL
MAY
JUNE
JULY
AUG
SEPT
OCT
NOV
DEC
AVERAGE
MONTH
REFINED SUGAR

Similarly, the global increase in prices affected the local markets as the two major sugar refiners, Dangote and BUA purchased raw sugar from international market at generally high prices and this constitutes over 70% of their direct cost of production.

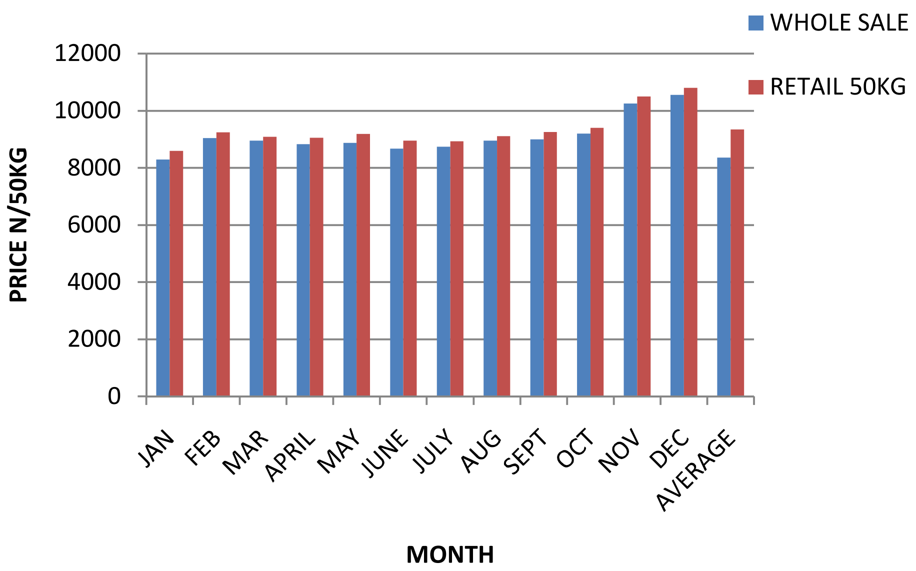
Consequently, local sugar prices also witnessed an upward movement from ₦8000 towards the end of year 2009 to ₦10800 up to the end of year 2010. This represents about 27 % increase in the local prices of sugar. Table 6.2 below shows the annual wholesale and retail prices of sugar in Nigeria. The trends are also illustrated in the subsequent graphs and charts. (ie from Fig.6.4A – Fig.6.6B)

TABLE 6.2

SUMMARY OF MONTHLY AVERAGE SUGAR PRICES (₦/50 KG)

MONTH	WHOLESALE PRICE (₦/50 KG)	RETAIL PRICE(₦/50 KG)
JAN	8287	8589
FEB	9037	9241
MARCH	8955	9088
APRIL	8834	9051
MAY	8875	9184
JUNE	8667	8954
JULY	8737	8928
AUG	8950	9104
SEPT	9000	9250
OCT	9200	9400
NOV	10250	10500
DEC	10550	10800
AVERAGE	8362	9340

FIG.6.4A. SUMMARY OF MONTHLY AVERAGE WHOLESALE &RETAIL SUGAR PRICES ₦/50KG (2010)



FIG, 6.4B. SUMMARY OF I
&RETAIL SUGAR

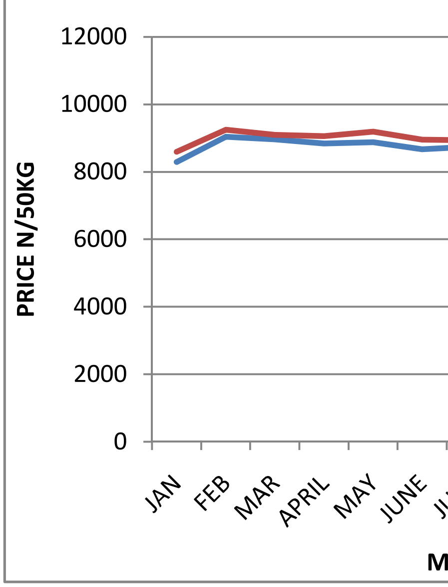
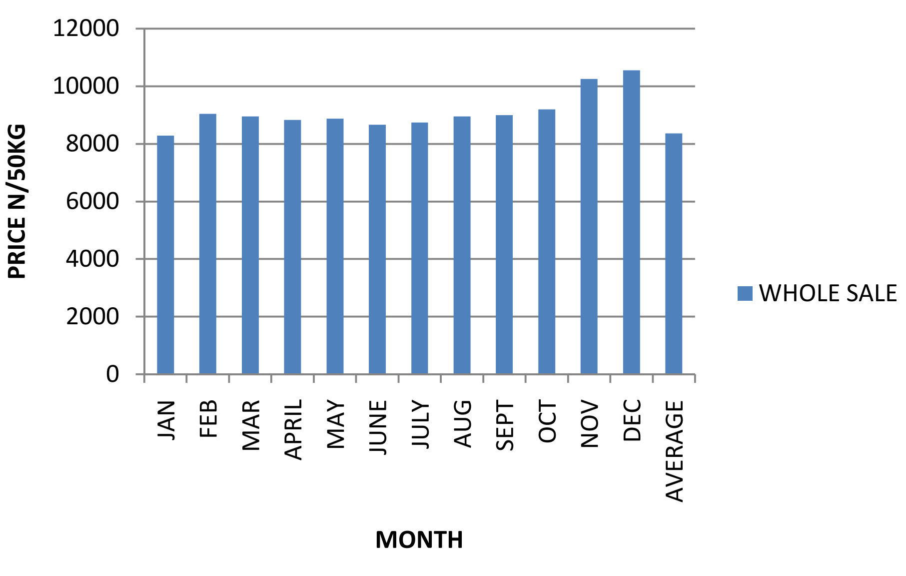


FIG6.5A. AVERAGE WHOLESALE SUGAR PRICES ₦/50KG (2010)



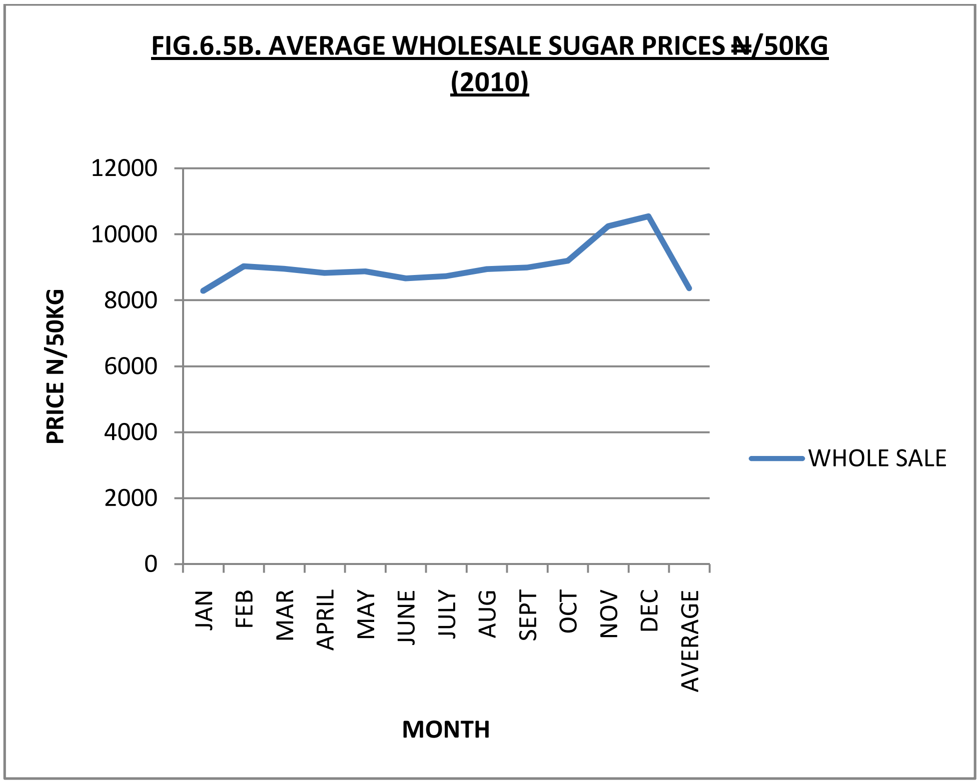


FIG.6.5B. AVERAGE WHOLESALE SUGAR PRICES ₦/50KG (2010)
PRICE N/50KG
12000
10000
8000
6000
4000
2000
0
JAN
FEB
MAR
APRIL
MAY
JUNE
JULY
AUG
SEPT
OCT
NOV
DEC
AVERAGE
MONTH
WHOLE SALE

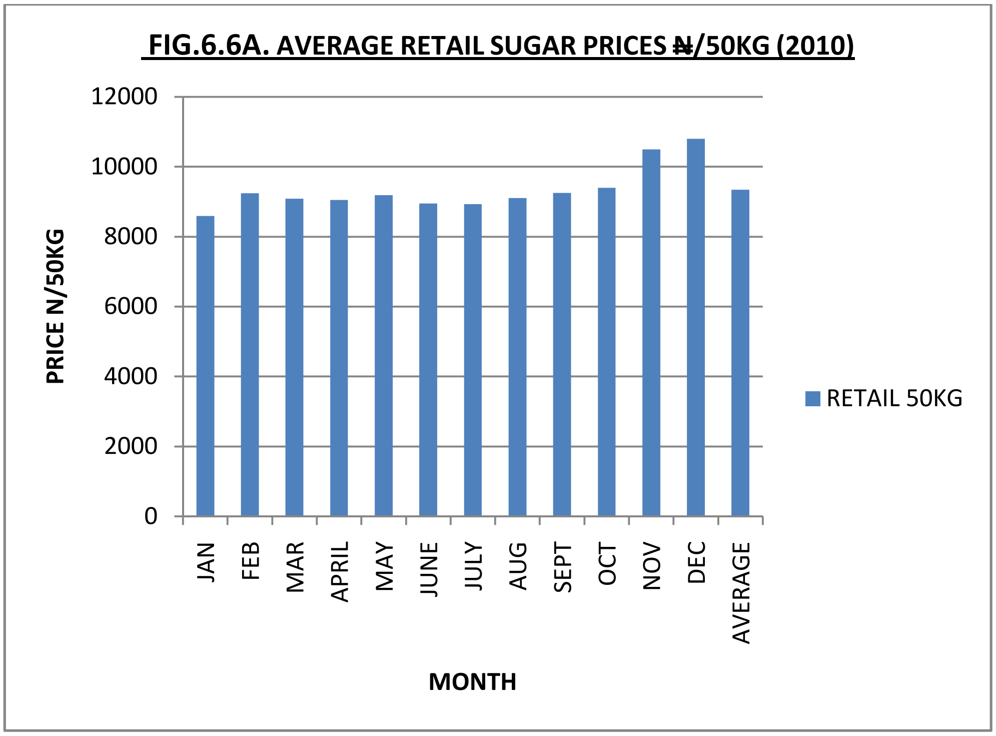


FIG.6.6A. AVERAGE RETAIL SUGAR PRICES ₦/50KG (2010)
PRICE N/50KG
12000
10000
8000
6000
4000
2000
0
JAN
FEB
MAR
APRIL
MAY
JUNE
JULY
AUG
SEPT
OCT
NOV
DEC
AVERAGE
MONTH
RETAIL 50KG

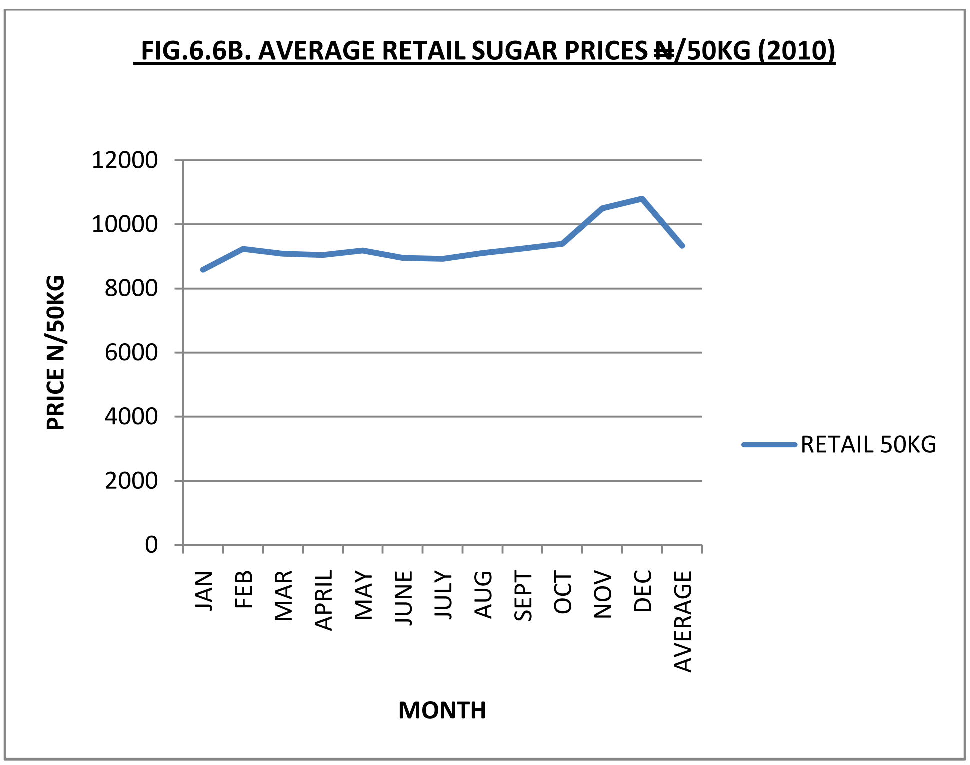


FIG.6.6B. AVERAGE RETAIL SUGAR PRICES ₦/50KG (2010)
PRICE N/50KG
12000
10000
8000
6000
4000
2000
0
JAN
FEB
MAR
APRIL
MAY
JUNE
JULY
AUG
SEPT
OCT
NOV
DEC
AVERAGE
MONTH
RETAIL 50KG

TABLE 6.3

COMPARISON OF THE LOCAL AND INTERNATIONAL MONTHLY AVERAGE PRICES OF REFINED SUGAR (2010)

MONTH	LOCAL REFINED SUGAR PRICES ($/MT)	INTERNATIONAL REFINED SUGAR PRICES ($/MT)	VARIANCE
JAN	1,069	727	342
FEB	1,166	732	434
MAR	1,155	619	536
APRIL	1,139	641	498
MAY	1,145	552	593
JUNE	1,118	510	608
JULY	1,127	547	580
AUG	1,154	510	644
SEPT	1,161	601	560
OCT	1,187	683	504
NOV	1,322	719	608
DEC	1,361	747	614
AVERAGE	**1,175**	**632**	**543**

Note: $1=N155 (2010)

FIG. 6.7 COMPARISON OF THE LOCAL & INTERNATIONAL PRICES OF REFINED SUGAR (2010)

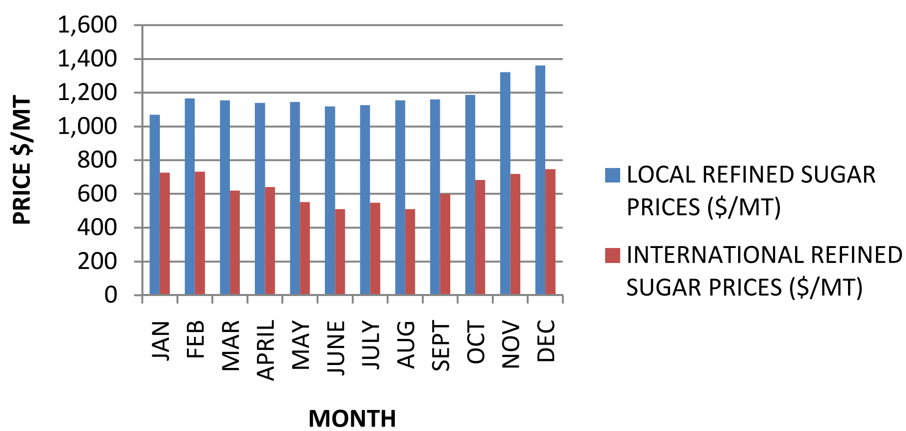
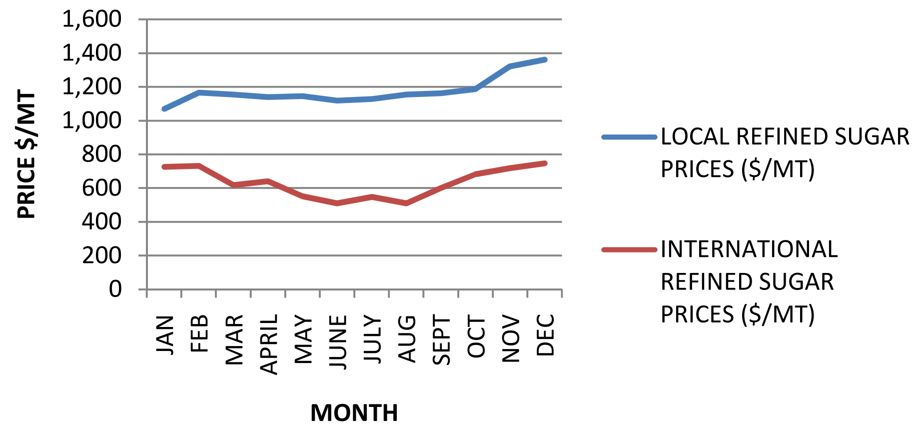


FIG. 6.8 GRAPHICAL COMPARISON OF THE LOCAL & INTERNATIONAL PRICES OF REFINED SUGAR



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 table 6.3 as well as fig.6.7 and 6.8.

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 May 2010, the price of refined sugar was $1,145/MT in Nigeria, while at the international market it was sold at $552/MT. Similarly, in the month of December 2010, the prices of local refined sugar was $1,361/MT, international price was$747/MT. The result also shows that the average prices stood at $1,175/MT and $632/MT for both local refined and international refined sugar respectively.

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 incidental 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. However, the unbridled importation also has its negative impact on the economy in terms of employment and wealth creation accruable from local production.

7. CONCLUSION

With the successful completion of the two surveys, ie survey on industrial sugar consumption and market price survey in Nigeria, a fairly reliable data on the nation's industrial sugar consumption pattern as well as the nation's sugar prices for the period have been obtained. This information will go into our database and has been 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. Special thanks also go to Policy, Planning, Research and Statistics Department Staff who participated in the various data gathering and analyses with dedication.

Finally, we wish to express the Council's appreciation to all sugar consuming organizations and traders and especially companies or organizations that responded to our questionnaires. Without their inputs, this exercise would have been impossible.

POLICY, PLANNING, RESEARCH AND STATISTICS DEPARTMENT
AUGUST, 2011.