



Foreign Agricultural Service

**GAIN Report**

Global Agriculture Information Network

Required Report - public distribution

Date: 8/7/2002

GAIN Report #WZ2001

## Swaziland

## Sugar

## Annual

## 2002

Approved by:

**Jude Akhidenor**

**U.S.Embassy, South Africa**

Prepared by:

Herman Germishuis

---

### Report Highlights:

**Swaziland's current cane crop is estimated at 4.39 million tons, 5% more than the previous crop. As a result raw sugar production is expected to reach 566,000 tons. The regional sales forecast is 292,000 tons leaving about 267,000 tons for exports. About 50% of the exports are preferential sales.**

---

Includes PSD changes: Yes  
Includes Trade Matrix: No  
Annual Report  
Pretoria [SF1], WZ

Executive Summary ..... 1  
Sugar cane ..... 2  
    Production ..... 2  
Centrifugal sugar ..... 4  
    Consumption ..... 4  
    Trade ..... 5

## **Executive Summary**

Swaziland’s FAS 2003, MY April 2002/March 2003, cane crop currently being milled, is estimated at 4.39 million tons, 5% more than the 2002 crop. As a result raw sugar production is expected to reach 566,000 tons after 501,000 was produced in the 2002 season. Southern African Customs Union (SADC), sales are expected to reach about 292,000 tons including about 30,000 tons Swazi domestic sales. Exports could reach about 267,000 tons in 2003 compared to the 207,000 tons exported in 2002.

## Sugar cane

| PSD Table             |                            |         |             |         |                    |         |
|-----------------------|----------------------------|---------|-------------|---------|--------------------|---------|
| Country               | Swaziland                  |         |             |         |                    |         |
| Commodity             | Sugar Cane for Centrifugal |         |             |         | (1000 HA)(1000 MT) |         |
|                       | Revised                    | 2001    | Preliminary | 2002    | Forecast           | 2003    |
|                       | Old                        | New     | Old         | New     | Old                | New     |
| Market Year Begin     |                            | 04/2000 |             | 04/2001 |                    | 04/2002 |
| Area Planted          | 44                         | 45      | 45          | 44      |                    | 47      |
| Area Harvested        | 40                         | 44      | 44          | 44      | 0                  | 46      |
| Production            | 4442                       | 4442    | 4409        | 4179    |                    | 4388    |
| TOTAL SUPPLY          | 4442                       | 4442    | 4409        | 4179    | 0                  | 4388    |
| Utilization for Sugar | 4442                       | 4442    | 4409        | 4179    | 0                  | 4388    |
| Utilizatn for Alcohol | 0                          | 0       | 0           | 0       | 0                  | 0       |
| TOTAL UTILIZATION     | 4442                       | 4442    | 4409        | 4179    | 0                  | 4388    |

## Production

The current, 2003, sugar cane crop in Swaziland, for which the milling season started in April 2002, is expected to be 5% bigger than the 2002 production, which, in turn, was nearly 6% lower than in the previous season. Seasonal weather variations are given as the main reason for the changes in output although there are expansion projects underway. Preliminary figures indicate that the 2002 cane cut amounted to about 4.2 million tons compared to 4.4 million tons in the 2001 season. The forecast for the new, 2003 season is for production to return to about 4.4 million tons.

A feature of the sugar industry in Swaziland is that all cane growing takes place under irrigation. About 50% is furrow irrigated and the balance is sprinkler irrigated. There are four main rivers that provide water for this extensive irrigation project. They are:

The Ingwavuma and the Usuthu in the south.

The Umbuluzi and the Komati in the north.

The industry expansion shown in the table above is associated with the new Maguga dam project in the Komati river shared with South Africa. The majority of the users of the water from this dam are smallholder growers. Currently the three millers produce more than 60% of the cane, while four other growers also grow more than 1,000 hectares.

About 32 producers have between 50 and 1,000 hectares while the number of small growers (under 50 hectare) are about 350 and increasing.

Planting to harvesting takes an average of 12 months with a typical 30 week harvesting season beginning in May and ending in November. The cane is mainly harvested by hand. The number of ratoon crops harvested vary from four to twenty with the norm six to eight. The Swazi sugar industry enjoys relatively high technical performance at both the field and factory levels and is a very cost effective producer.

Crop and technical results for the last three seasons for which final data is available were as follows:

| Season                   | 1998/99, FAS 1999 | 1999/00, FAS 2000 | 2000/2001, FAS 2001 |
|--------------------------|-------------------|-------------------|---------------------|
| Area planted, ha.        | 42,585            | 44,046            | 45,437              |
| Area harvested, ha.      | 40,474            | 42,606            | 43,547              |
| Cane production, mt.     | 3 887 010         | 4 322 618         | 4 441 907           |
| Cane yield, mt./ha.      | 96.04             | 101.46            | 102.00              |
| Sucrose content %cane    | 13.88%            | 14.05%            | 13.59%              |
| Sugar recovered %cane    | 12.21%            | 12.36%            | 11.88%              |
| Sugar yield from cane    | 8.19              | 8.09              | 8.42                |
| Sucrose production mt.   | 539 545           | 607 475           | 603 450             |
| Sugar production mt.TQ   | 474 578           | 534 183           | 527 583             |
| Sugar production mt. raw | 489 765           | 551 277           | 544 556             |

**Centrifugal sugar**

|                        |                   |         |             |         |          |           |
|------------------------|-------------------|---------|-------------|---------|----------|-----------|
| PSD Table              |                   |         |             |         |          |           |
| Country                | Swaziland         |         |             |         |          |           |
| Commodity              | Centrifugal Sugar |         |             |         |          | (1000 MT) |
|                        | Revised           | 2001    | Preliminary | 2002    | Forecast | 2003      |
|                        | Old               | New     | Old         | New     | Old      | New       |
| Market Year Begin      |                   | 04/2000 |             | 04/2001 |          | 04/2002   |
| Beginning Stocks       | 20                | 20      | 23          | 64      | 23       | 59        |
| Beet Sugar Production  | 0                 | 0       | 0           | 0       | 0        | 0         |
| Cane Sugar Production  | 528               | 545     | 547         | 501     | 0        | 566       |
| TOTAL Sugar Production | 528               | 545     | 547         | 501     | 0        | 566       |
| Raw Imports            | 0                 | 0       | 0           | 0       | 0        | 0         |
| Refined Imp.(Raw Val)  | 0                 | 0       | 0           | 0       | 0        | 0         |
| TOTAL Imports          | 0                 | 0       | 0           | 0       | 0        | 0         |
| TOTAL SUPPLY           | 548               | 565     | 570         | 565     | 23       | 625       |
| Raw Exports            | 221               | 287     | 240         | 207     | 0        | 267       |
| Refined Exp.(Raw Val)  | 30                | 0       | 27          | 0       | 0        | 0         |
| TOTAL EXPORTS          | 251               | 287     | 267         | 207     | 0        | 267       |
| Human Dom. Consumption | 274               | 214     | 280         | 299     | 0        | 292       |
| Feed Dom. Consumption  | 0                 | 0       | 0           | 0       | 0        | 0         |
| TOTAL Dom. Consumption | 274               | 214     | 280         | 299     | 0        | 292       |
| Ending Stocks          | 23                | 64      | 23          | 59      | 0        | 66        |
| TOTAL DISTRIBUTION     | 548               | 565     | 570         | 565     | 0        | 625       |

**Consumption**

Consumption figures are misleading as figures shown are Southern African Customs Union (SACU) sales figures. Swaziland's own consumption is unofficially estimated at about 30,000 tons per annum. SACU sales are by far the largest single market segment for Swazi sugar. Due to a February 1998 agreement between the South African and Swazi sugar industries, sales of Swazi sugar into SACU cannot exceed a certain undisclosed level, widely believed to be 260,000 tons per annum. In the PS&D table above FAS 01 domestic/SACU sales is shown as 214,000 tons.

Actual sales amounted to 255,000 tons but the correction was done to accommodate carry over stock adjustments necessitated by fuller disclosure by the industry. FAS 02 consumption is shown as 299,000 tons and FAS 03 expected sales are 292,000 tons.

With the advent of the Southern African Development Community (SADC), a SADC Sugar Cooperation Agreement was signed in February 2000. It has two main components, namely market access and areas of cooperation. On the medium-term, i.e. for five years, the market access will be non-reciprocal. Non-SACU countries will thus be able to sell their sugar into SACU but not vice versa. As a result of the agreement Swaziland will have to divert an additional 4 to 5,000 tons per annum to the world market but will enjoy the results of controlling the illegal sugar flows in the area.

## Trade

The main market segments for Swazi sugar and the average distribution of sales among these markets over the period 1999 to 2001 are as follows:

|  |     |
|--|-----|
| European Union (EU) - Sugar Protocol (SP)    | 24% |
| EU - Special Preferential Sugar (SPS)        | 10% |
| United States (US) - Tariff Rate Quota (TRQ) | 3%  |
| Southern African Customs Union (SACU)        | 51% |
| World Market                                 | 12% |

The final MY 00/01, FAS 01 export figures on a raw value basis were;

### Preferential sales:

|                      |             |
|----------------------|-------------|
| EU Sugar protocol,   | 112,000 mt. |
| EU SPS               | 49,000 mt.  |
| US Tariff rate quota | 16,000 mt.  |
| Total                | 177,000 mt. |
| World market sales   | 110,000 mt. |
| TOTAL                | 287,000 mt. |

The FAS 02 exports apparently only reached 207,000 mt. mainly due to a world market bulk shipment that was due to leave in April 2001, but arrived early and was loaded in March and thus included in the FAS 01 seasons figures. FAS 03 exports are expected to reach 267,000 tons again. Swazi sugar exports are shipped through the bulk terminal in Maputo, Mozambique.