

USDA Foreign Agricultural Service

GAIN Report

Global Agricultural Information Network

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Voluntary - Public

Date: 5/23/2019

GAIN Report Number: UP1925

Ukraine

Post: Kiev

Sugar Update - Sugar Beet Areas Decreased

Report Categories:

Sugar

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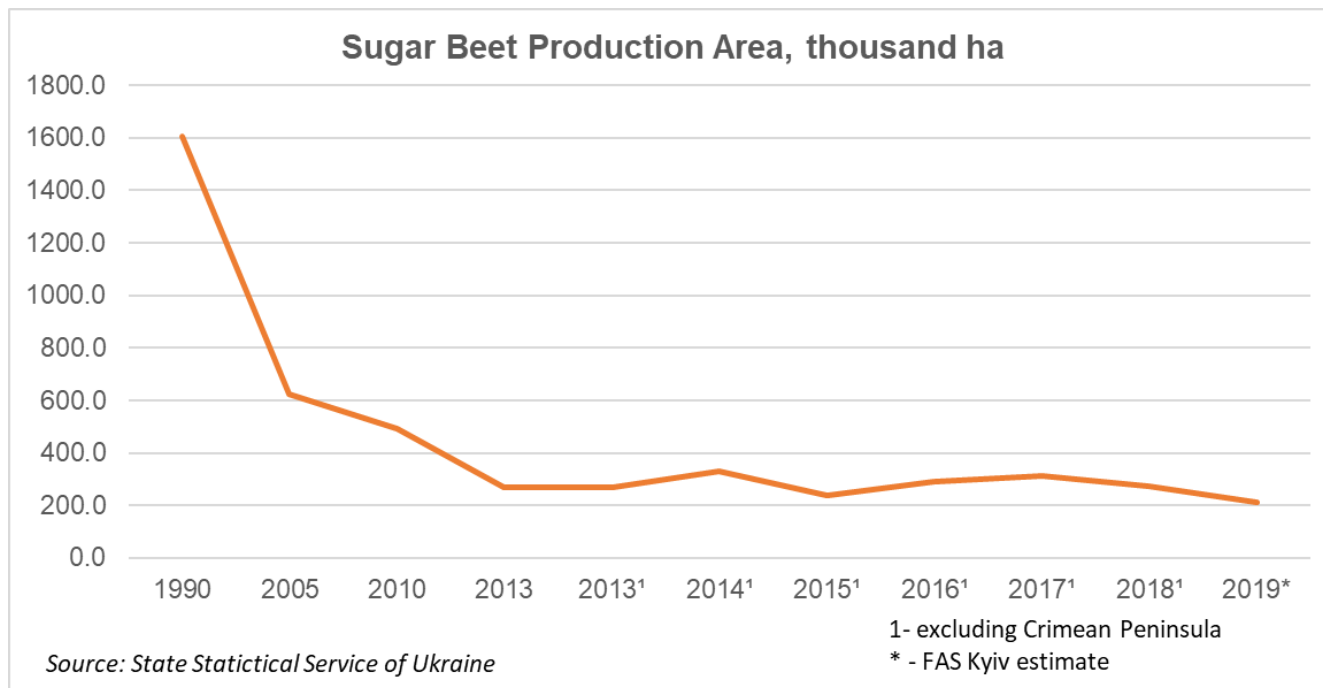
Report Highlights:

Ukrainian sugar production is estimated at 1.3 MMT based on production area reports as of May 2019.

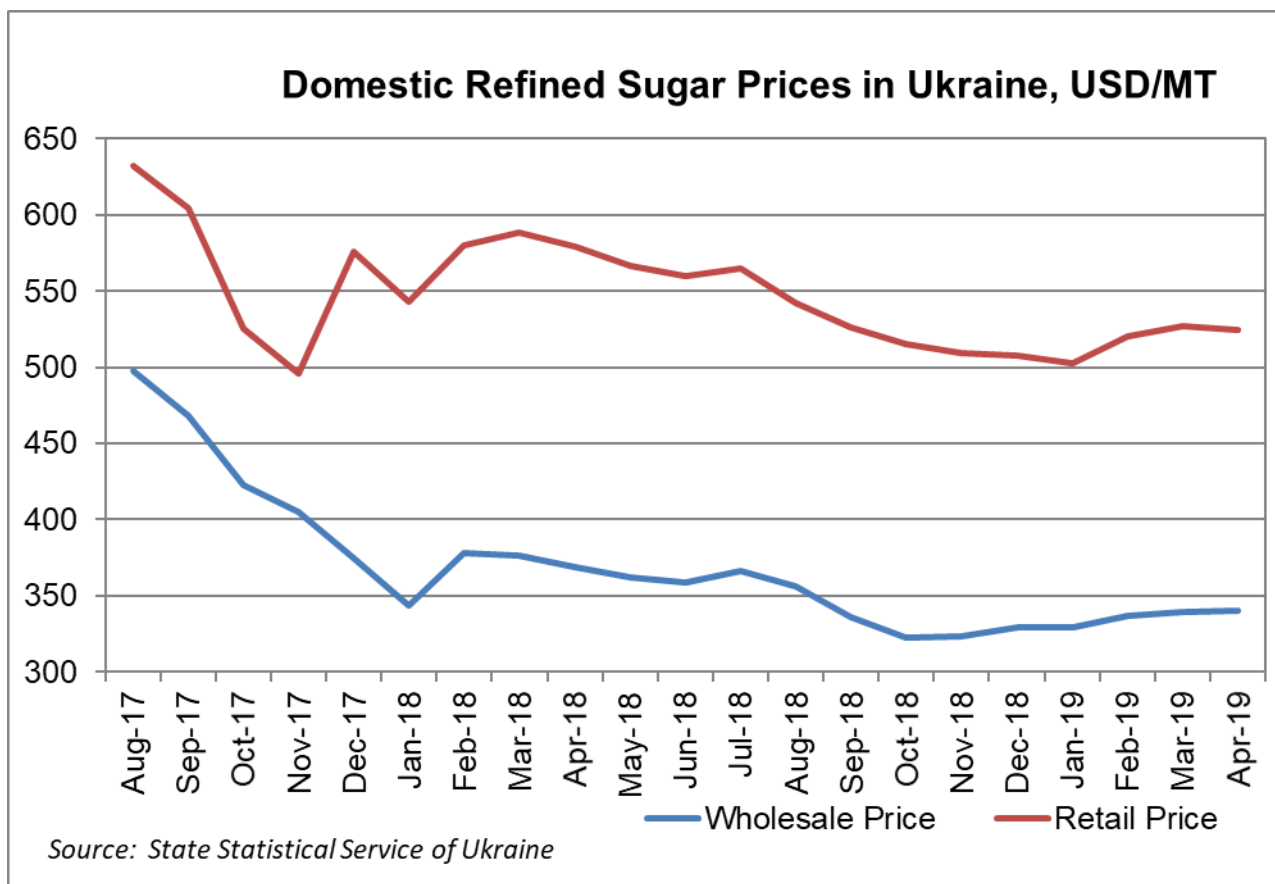
General Information:

This report reviews changes in production area for sugar beets and the impact on total sugar production in Ukraine. For a more comprehensive discussion of the Ukrainian sugar market, please refer to FAS Kyiv's [Annual Report UP1910](#).

According to the planting data released by the Ministry of Agricultural Policy and Food of Ukraine (MAPFU): sugar beet planting has been completed and total planted area equals 218 thousand hectares as of May 14, 2019. This area is the lowest in Ukrainian history (see graph below).



The decrease in production area over the last three years is likely a result of the decrease in sugar prices in the domestic market (see graph below).



Based on the abovementioned MAPFU’s area data, FAS Kyiv estimates sugar beet production for Marketing Year (MY) 2019/20 at the level of approximately 10.1 million metric tons (MMT), please refer to the table below for more information.

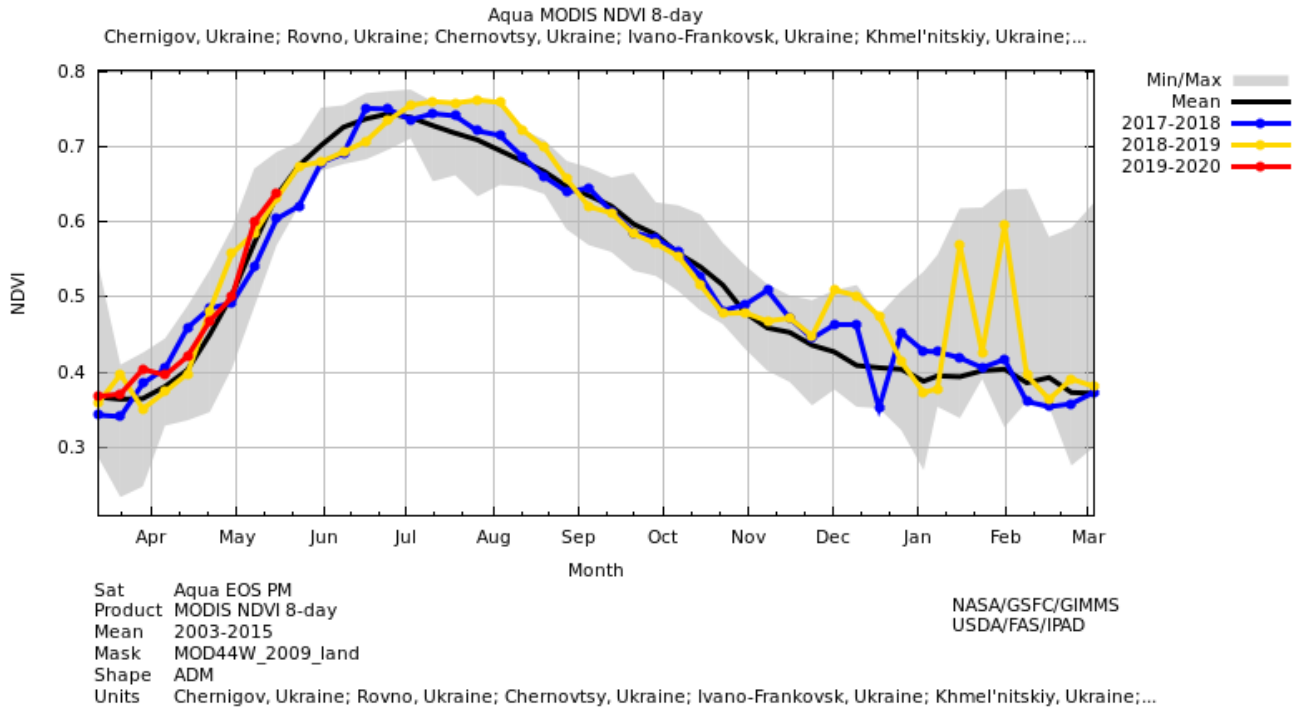
| Sugar Beets Market Begin Year | 2017/2018 | | 2018/2019 | | 2019/2020 | |
|-------------------------------|---------------|----------|---------------|----------|---------------|----------|
| | Sep 2016 | | Sep 2019 | | Sep 2020 | |
| | USDA Official | New Post | USDA Official | New Post | USDA Official | New Post |
| Ukraine | | | | | | |
| Area Planted | 315 | 315 | 305 | 279 | 0 | 218 |
| Area Harvested | 311 | 311 | 300 | 276 | 0 | 214 |
| Production | 14491 | 14491 | 14400 | 13649 | 0 | 10122 |
| Total Supply | 14491 | 14491 | 14400 | 13649 | 0 | 10122 |
| Utilization for Sugar | 14491 | 14491 | 14400 | 13649 | 0 | 10122 |
| Utilizatn for Alcohol | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Distribution | 14491 | 14491 | 14400 | 13649 | 0 | 10122 |
| | | | | | | |

(1000 HA) ,(1000 MT)

FAS Kyiv has kept the MY2019/20 sugar beet yield estimate unchanged against our previous estimate in the [Annual Report UP1910](#) taking into account the following two factors:

On one hand, the Ukrainian Association of Sugar Producers has reported abundant precipitation in the major sugar beet production areas. This level of precipitation could favor the development of pests, weeds and diseases while decreasing the efficiency of agrochemicals intended for their control.

On the other hand, to date the crop growing conditions have been favorable. Below is a graph that depicts the Normalized Difference Vegetation Index (NDVI), a standardized measure of healthy vegetation. High NDVI values indicate healthier vegetation. Low NDVI values indicate low or no vegetation. This NDVI graph below covers the northern region of Ukraine where approximately 95 percent of sugar beet production occurs.



Based on the estimated MY2019/20 sugar beet production number, FAS Kyiv forecasts sugar production at 1.3 MMT for MY2019/20. This level of production would translate into minimal sugar export volumes, as well as a depreciation of ending stocks in order to cater to domestic demand during the mentioned period.

| Sugar, Centrifugal Market Begin Year | 2017/2018 | | 2018/2019 | | 2019/2020 | |
|---|------------------|-------------|------------------|-------------|------------------|-------------|
| | Oct 2017 | | Oct 2018 | | Oct 2020 | |
| | USDA Official | New Post | USDA Official | New Post | USDA Official | New Post |
| Ukraine | | | | | | |
| Beginning Stocks | 76 | 76 | 44 | 196 | 0 | 145 |
| Beet Sugar Production | 2326 | 2180 | 2315 | 1848 | 0 | 1370 |
| Cane Sugar Production | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Sugar Production | 2326 | 2180 | 2315 | 1848 | 0 | 1370 |
| Raw Imports | 0 | 0 | 0 | 0 | 0 | 0 |
| Refined Imp.(Raw Val) | 2 | 2 | 2 | 2 | 0 | 2 |
| Total Imports | 2 | 2 | 2 | 2 | 0 | 2 |
| Total Supply | 2404 | 2258 | 2361 | 2046 | 0 | 1517 |
| Raw Exports | 0 | 1 | 0 | 1 | 0 | 1 |
| Refined Exp.(Raw Val) | 900 | 601 | 880 | 450 | 0 | 80 |
| Total Exports | 900 | 602 | 880 | 451 | 0 | 81 |
| Human Dom. Consumption | 1380 | 1380 | 1355 | 1370 | 0 | 1330 |
| Other Disappearance | 80 | 80 | 80 | 80 | 0 | 80 |
| Total Use | 1460 | 1460 | 1435 | 1450 | 0 | 1410 |
| Ending Stocks | 44 | 196 | 46 | 145 | 0 | 26 |
| Total Distribution | 2404 | 2258 | 2361 | 2046 | 0 | 1517 |
| | | | | | | |
| (1000 MT) | | | | | | |

