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Country: Dominican Republic

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Report Highlights:

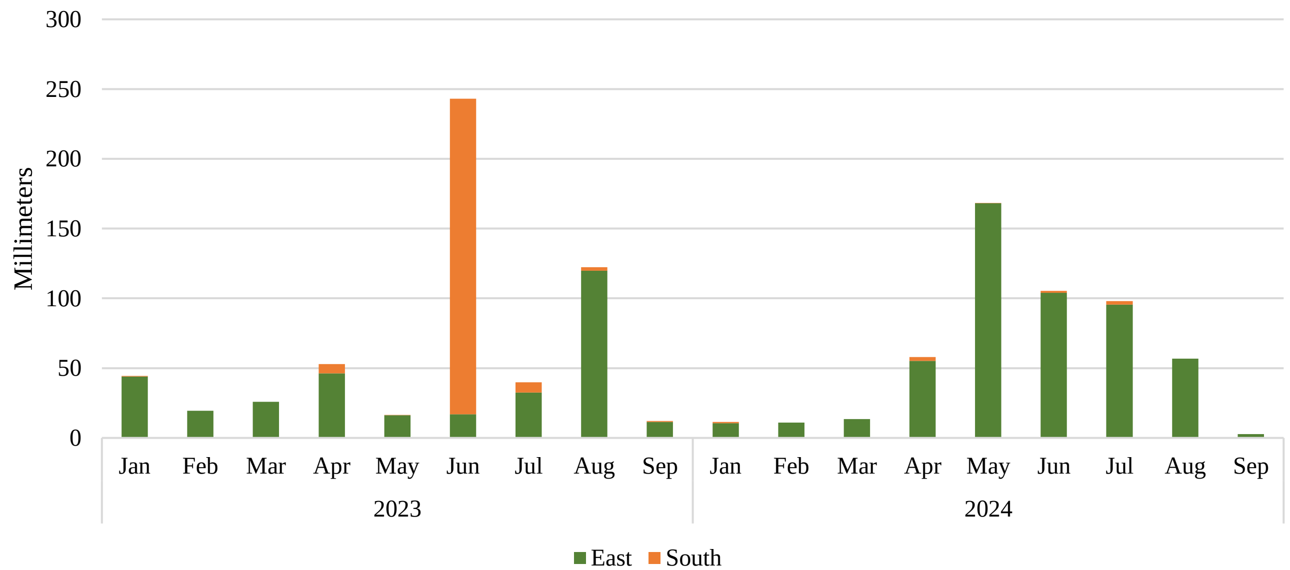
For marketing year October 2024/September 2025 (MY 2024/25), Post forecasts overall sugar production in the Dominican Republic (DR) to increase to 520,000 metric tons (MT) due to better-than-expected rainfall patterns. During MY 2023/24, total sugar production increased slightly by 2 percent to 494,791 MT relative to last marketing year due to marginally improved rainfall conditions. For MY 2024/25, Post forecasts exports of raw cane sugar at 190,000 MT, which will satisfy the country's fiscal year 2025 (FY 2025) tariff-rate quota with the United States. During MY 2024/25, Post forecasts imports lower at 70,000 MT, as the country is expected to boost local supply to meet rising domestic consumption.

1. Production

For MY 2024/25, Post forecasts overall production at 520,000 MT, five percent higher than the last marketing year. This forecast is based on improved weather conditions, especially in the main sugar-producing areas in the east region, where better rainfall levels are expected to expand areas harvested and increase yields.

As shown in Graph 1, the east and south regions of the Dominican Republic have received 9 percent less rainfall between January and September 2024 compared to the same period last year. However, the eastern region alone, which accounts for approximately 80 percent of local production, received 56 percent more rainfall during the same period last year.

***Graph 1.* Rainfall During January-September 2023 and 2024 in the Main Sugar Production Areas in the DR**



Source: Built by Post with information from CLIMARED accessed on 09/03/24.

Climatologists consulted by Post agree that, with an above-average active hurricane season, the country is expected to receive increased rainfall in the coming months before the start of this October harvest season.

During MY 2023/24, as a result of marginally better rainfall conditions compared to the previous marketing year, total sugar production slightly increased to 494,791 MT (260,878 MT of raw sugar and 144,043 MT of refined sugar). This represents a 2-percent increase in total sugar production relative to MY 2022/23.

Table 1. Sugar Production in the Dominican Republic During MY 2022/23 and MY 2023/24 (MT)

Mill	MY 2022/23			MY 2023/24		
	Raw	Refined	Total	Raw	Refined	Total
Central Romana	124,638	116,437	241,075	113,312	147,566	260,878
CAEI (Cristobal Colon)	147,912	11,326	159,238	144,043	0	144,043
Consorcio Azucarero Central (Barahona)	78,796	0	78,796	89,664	0	89,664
Azucarera Porvenir	7,269	0	7,269	206	0	206
TOTAL	**358,615**	**127,763**	**486,378**	**347,225**	**147,566**	**494,791**

Source: *Boletín Cierre Zafra Azucarera 2023-2024 (INAZUCAR)*
**Market year begins in October and ends in September.*

Total sugar production from Central Romana, the largest private sugar producer in the country, rose by 8 percent, or 19,803 MT, driving up total national production. Favorable precipitation patterns resulted in higher production yields. Central Romana continues to be under the U.S. Customs and Border Protection (CBP) Withhold Release Order[1] issued against the company due to long-standing labor issues. The CBP order continues to block Central Romana's sugar and sugar-based products from entering the United States.

Sugar output from the rest of the local producing mills varied considerably during the year. Cristobal Colon (CAEI), the second-largest mill, reduced production by 10 percent, mainly due to its strategy of limiting production of refined sugar. In the case of Consorcio Azucarero Central (CAC), the third-largest producer in the country, production rose by 14 percent, or 10,868 MT. Finally, sugar output from Azucarera Porvenir, the only mill managed by the national government, declined by 97 percent due to major management issues.

The ongoing CBP WRO against Central Romana continues to influence the marketing strategies among the three major producing mills to supply the local market and fill the U.S. World Trade Organization (WTO) raw sugar TRQ. The situation has been exacerbated by sub-par sugar production years.

2. Consumption

For MY 2024/25, Post forecasts sugar consumption higher at 403,000 MT powered by a record number of tourists visiting the country. From January through July 2024, the Dominican Republic received over 5.3 million tourists, 400,000 more than the same period last year, according to the Dominican Central Bank.

3. Trade

For MY 2024/25, Post projects exports of raw cane sugar at 190,000 MT, virtually flat year over year. This forecast is driven by the U.S. WTO TRQ available to the DR for FY 2025 in addition to smaller quantities of Dominican sugar exports to the Haitian market.

[1] *https://www.cbp.gov/newsroom/national-media-release/cbp-issues-withhold-release-order-central-romana-corporation*

The United States remains the top priority market for Dominican sugar and was the main destination for sugar exports in MY 2023/24. Smaller quantities, between 3,000 and 5,000 MT per year, are exported mainly to Haiti in response to disparities in market prices.

In FY 2024, the Dominican Republic received the largest single-country allocation for the U.S. TRQ: 189,343 MT of 1,117,195 MT assigned. As of August 30, 2024, the DR has filled 94 percent of the quota.

As part of the Dominican Republic-Central America Free Trade Agreement (CAFTA-DR), an additional quota exists for products containing sugar. The quota is allocated to CAFTA-DR signatories each calendar year and is based on the country's performance[2] and availability. For calendar year 2024 (CY2024), the United States assigned no additional allocation to DR.

For MY 2024/25, Post forecasts imports to decline to 70,000 MT as overall sugar production is expected to increase. In MY 2023/24, total sugar imports are estimated at 100,000 MT. The main suppliers of sugar to the Dominican Republic for MY 2023/24 have been Brazil (66 percent) and Guatemala (17 percent).

4. Stocks

For MY 2024/25, Post forecasts stocks to reach 72,000 MT, virtually flat relative to the previous marketing year. Stocks are forecast lower as production levels remain limited. Producers hold the lion's share of stocks, which allows control over the availability of sugar in the market.

5. Production, Supply, and Distribution Data

Table 2. Sugar Cane for Centrifugal During MY's 2022/23, 2023/24 and 2024/25

Sugar Cane for Centrifugal	2022/2023		2023/2024		2024/2025	
Market Year Begins	Nov 2022		Nov 2023		Nov 2024	
Dominican Republic	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted (1000 HA)	110	110	100	113	0	120
Area Harvested (1000 HA)	110	110	100	113	0	120
Production (1000 MT)	5350	5350	4800	5000	0	5500
Total Supply (1000 MT)	5350	5350	4800	5000	0	5500
Utilization for Sugar (1000 MT)	5350	5350	4800	5000	0	5500
Utilization for Alcohol (1000 MT)	0	0	0	0	0	0
Total Utilization (1000 MT)	5350	5350	4800	5000	0	5500
(1000 HA), (1000 MT)						
OFFICIAL DATA CAN BE ACCESSED AT: PSD Online Advanced Query						

[2] *In the Final Text of the CAFTA-DR, please see Appendix I the Schedule of the United States to Annex 3.3 for more details:* *http://www.ustr.gov/sites/default/files/uploads/agreements/cafta/asset_upload_file971_3958.pdf*

Table 3. Sugar, Centrifugal During MY's 2022/23, 2023/24 and 2024/25

Sugar, Centrifugal	2022/2023		2023/2024		2024/2025	
Market Year Begins	Oct 2022		Oct 2023		Oct 2024	
Dominican Republic	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Beginning Stocks (1000 MT)	87	87	71	71	75	75
Beet Sugar Production (1000 MT)	0	0	0	0	0	0
Cane Sugar Production (1000 MT)	486	486	500	495	520	520
Total Sugar Production (1000 MT)	486	486	500	495	520	520
Raw Imports (1000 MT)	75	75	85	90	60	60
Refined Imp. (Raw Val) (1000 MT)	10	10	10	10	10	10
Total Imports (1000 MT)	85	85	95	100	70	70
Total Supply (1000 MT)	658	658	666	666	665	665
Raw Exports (1000 MT)	190	190	190	190	190	190
Refined Exp. (Raw Val) (1000 MT)	0	0	0	0	0	0
Total Exports (1000 MT)	190	190	190	190	190	190
Human Dom. Consumption (1000 MT)	397	397	401	401	403	403
Other Disappearance (1000 MT)	0	0	0	0	0	0
Total Use (1000 MT)	397	397	401	401	403	403
Ending Stocks (1000 MT)	71	71	75	75	72	72
Total Distribution (1000 MT)	658	658	666	666	665	665
(1000 MT)						
OFFICIAL DATA CAN BE ACCESSED AT: PSD Online Advanced Query						

Attachments:

No Attachments