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**ANNUAL REPORT
2008**

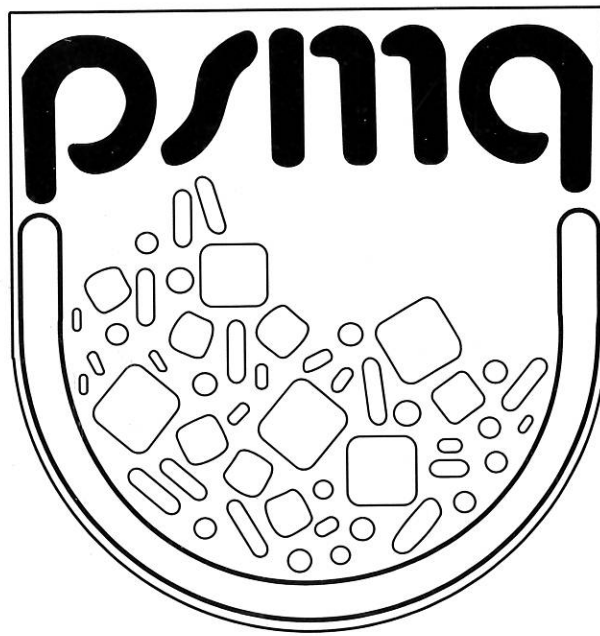


**PAKISTAN SUGAR MILLS ASSOCIATION
ISLAMABAD**

08

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ANNUAL REPORT 2008



PAKISTAN SUGAR MILLS ASSOCIATION
ISLAMABAD

MANAGEMENT OF
PAKISTAN SUGAR MILLS ASSOCIATION
FOR 2008-2009

CENTRAL EXECUTIVE COMMITTEE

1.	Mr. Iskander M Khan	Chairman
2.	Mr. Javed A. Kayani	Vice Chairman
3.	Mr. Abdul Wajid	Vice Chairman
4.	Mr. Abdul Qadir Khattak	Vice Chairman
5.	Mian Shahid Shafi	Member
6.	Mr. Ikram-ul-Haq	Member
7.	Mr. Aftab Ahmed	Member
8.	Mr. Ahmed A. Bawany	Member
9.	Mr. Numan Ahmed Khan	Member
10.	Mr. M Tahir Iqbal	Member

SECRETARIAT

MR. K. ALI QAZILBASH
SECRETARY GENERAL

RASHID PLAZA, JINNAH AVENUE
ISLAMABAD

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**ZONAL COMMITTEES
2008-2009**

ZONAL COMMITTEES PUNJAB

- | | | |
|----|---------------------|----------|
| 1. | Mr. Javed A. Kayani | Chairman |
| 2. | Mian Waqas Riaz | Member |
| 3. | Mr. Ikram-ul-Haq | Member |

Zonal Secretariat

Lt. Col. (Retd.) Maqsood Ahmed Cheema
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ZONAL COMMITTEE SINDH

- | | | |
|----|---------------------|----------|
| 1. | Mr. Abdul Wajid | Chairman |
| 2. | Mr. Ahmed A. Bawany | Member |
| 3. | Mr. Aftab Ahmed | Member |

Zonal Secretariat

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ZONAL COMMITTEE N.W.F.P

- | | | |
|----|-------------------------|----------|
| 1. | Mr. Abdul Qadir Khattak | Chairman |
| 2. | Mr. M Tahir Iqbal | Member |
| 3. | Mr. Muhammad Shafiq | Member |

Zonal Secretariat

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Distillery Co. Ltd, Mardan

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Annual Review
43rd Annual General Meeting
18th Nov' 2008

Distinguished Members.

It is an honour to present to the members, on behalf of the Central Executive Committee, annual report of the Pakistan Sugar Mills Association for the year ended September 30, 2008. It has been a year of some excellence and certain short comings, as usual. Being absolutely an agro-cum-rural based, besides seasonal, sugar industry has been portraying peculiar profile of it. This report deals with some key issues which have for long dominated this trend and now need to be addressed, as early as possible. PSMA wants, being concerned stakeholder to place critical issues in focus to facilitate their resolution. This has emerged as a pressing need and, therefore, quite imperative to break impasse. As national sugar industry holds immense inherent potentials for growth, these shall be efficiently exploited. It is in the interest of the stakeholders and the national economy.

Sugar year 2007-08 heralded happy tidings by setting a record production volume of sugarcane at 63.920 million tonnes, sugarcane crushing at 52.757 million tonnes, sugar production at 4.737 million tonnes, similarly extending proportionate increase in production of its four main by-products, namely, bagasse, molasses, filter mud and crop wastes. From each of these four by-products, as many as 40 plus derivatives can be made. No other crop or commodity offers scope for such a sizeable number of derivatives.

From bagasse can be made 20 derivatives, including generation of renewable energy, paper and board, packing materials etc. Molasses processing can give 15 derivatives, inclusive of ethanol as energy source, cattle feed, viscose yarn, bakers' yeast etc. Filter mud is useful as fertilizer. Crop waste useful to make five derivatives, including power generation. Exploiting these resources into value-added products is awaiting attention.

A record production has indeed been a gratifying feature of 2007-08 season. This deserves analysis both on national and zonal levels, for comprehension so as to evolve more material input for solving problems. We look at 10 years record of sugarcane production in Pakistan, in terms of area under the crop, yield and recovery which represent sugar production trend.

10-YEAR SUGARCANE SCENARIO

Year	Area Hectares	Production Tonnes	Yield Tonnes/hectare
1998-99	1,155,100	55,191,100	47.78
1999-20	1,009,800	42,000,000	41.59
2000-01	960,000	43,620,000	45.41
2001-02	999,700	48,041,000	48.06
2002-03	1,099,700	52,049,000	47.33
2003-04	1,074,700	53,800,000	50.00
2004-05	966,600	43,533,000	45.04
2005-06	906,980	44,292,000	48.84
2006-07	1,029,000	54,871,000	53.32
2007-08	1,241,000	63,920,000	51.00

Crop area, yield and in effect sugarcane production portray fluctuating fortunes. Area fared in range from 907 thousand hectare (2005-06) to 1241 thousand hectare (in 2007-08) variance at 36.82% has indeed been quite wide.

Yield fell in range from 47.33 tonnes/hectare (in 2003-04) to 53.12 tonnes/hectare (in 2006-07), having 12.23% variance which makes it noticeable. Sugarcane production was in range form 44,099 thousand tonnes (in 2000-01) to 63,920 thousand tonnes (in 2007-08) giving variance of 44.94%, indeed significant.

A record at 63.920 million tonnes sugarcane crop, having no use other than of its processing by the national sugar industry, its supplies to sugar mills soared to 52.757 (40.484) million tonnes, forming 82.53 (73.72)% of total output level. Sugar recovery improved to 8.98 (8.70) % contributed further in making the highest ever at 4.741 (3.516) million tonnes of sugar production.

10-YEAR SUGAR SCENARIO

Year	No. of Mills	Cane crushing Tonnes	Sugar production Tonnes	Recovery %
1998-99	71	42,994,911	3,530,932	8.21
1999-00	69	28,982,711	2,414,746	8.33
2000-01	65	29,408,879	2,466,788	8.39
2001-02	69	36,708,638	3,197,745	8.71
2002-03	71	41,786,689	3,652,745	8.74
2003-04	71	43,661,378	3,997,010	9.15
2004-05	71	32,101,739	2,922,126	9.10
2005-06	74	30,090,633	2,588,177	8.60
2006-07	77	40,483,977	3,516,218	8.69
2007-08	79	52,776,922	4,740,913	8.98

Sugar crushing fared in range from 28.983 million tonnes (of 1999-2000) to 52.75 million tonnes (of 2007-08), denoting a big variation of 82.2%. Sugar recovery rate was in range from 8.21% (of 1998-99) to 9.15% (in 2003-04), making significant at 0.94%. Sugar production in range from 2.415 million tonnes (of 1999-2000) to 4.741 million tonnes (in 2007-08), made a sizeable variance of 96.14%. Likewise, sugarcane supplies to industry for processing created range band from 62.07% (of 1999-2000) to 82.53% (of 2007-08). It made a marked variance of 32.96%.

These figures underline significant, fluctuations in the relevant production parameters. This reflects inconsistency, derailing a steady, sustainable growth flow inevitable for managing economic gains. This precisely points out absence of a precise policy format fairly conceived and designed, to be in place. Unless it is made available, sugar segment will stay locked in deceptive dilemma, which tends to deny due benefits.

During 2007-08 season 79(77) sugar mills were operational. Sugarcane crushing on an average by mills was 66,773 (52,555). Production of sugar on average per mills at 59,963 (45,662) tonnes was higher by 31.31%. Higher production level was not as much rewarding, which by normal feature of 'economies of scale' should have been more rewarding. National sugar industry, by crushing at 52.751 million tonnes during 2007-08 season achieved 2.661 (1.911) million tonnes of molasses by-product, at 5.04(4.71)% recovery rate.

A profound policy framework, taking care of sugar and derivatives of its key by-products is needed. Now is the time, to make move in this direction.

COST- PRICE DISEQUILIBRIUM

A record sugar production of 2007-08 did not cast a desired wholesome influence on bottom line of the sugar industry, contrary to a general impression of 'more the production more the profit.' This tendency does not make a match with sugar segment due to markedly different traits governing sugar manufacturing and marketing. Sugar production takes place in about 110 days. Sugar sales stretch out to 365 plus days in event of larger production rollout, a record of it taken place during 2007-08, making sales further extended. This peculiar situation is attributable to inelastic demand characteristic of sugar. Sugar consumption remains steady, with normal increase by population and income growth. Sugar purchase by public tends to be in small quantity of packet sizes, not in bulk. Inflationary trend in the economy dented disposable income part, which in turn suppressed to an extend demand element of population increase as well. Besides, carry forward to review year sugar stock at 445,399 tonnes made aggregate sugar supply volume hefty at 5.182 million tonnes.

Another element in price imbalance, rather distortion, carrying adverse influence on sugar industry's bottom line has been huge at about 72% being cost component of sugarcane in sugar production. Besides provincial governments fix sugarcane minimum price, usually endorsed by the Federal Government authorities.

Provincial authorities carry tilt in favour of farmers, while federal functionaries keep concern for consumers about sugar price. This leaves sugar industry alone, grinded by such contrasting policy pursuit as a permanent feature being followed. There has been no rationale in price tag of sugarcane and sugar, exposing the sugar industry to heavy hazards. As a result fixed cost component of sugar manufacturing stays above 90%, leaving fraction to chase for economies of scale by increased production volume.

PSMA has been agitating the problem of price imbalance on lacking linkage between sugarcane and sugar cost/price equation, and reiterating to take up this case with care jointly by the provincial and federal authorities. This time, it received a hearing, followed by a hesitant effort to reconcile the issue. Cost of sugar production was critically assessed for 'striking' some equilibrium. A Committee of Federal Government Secretaries from three Ministries of Finance, Industry and Commerce was formed for the purpose. It worked out ex-mills sugar price at Rs.29,000/tonnes to safeguard sugar industrial segment. However, over supply of sugar, compounded by a short time prescribed for payment to sugarcane farmers, 15 days from the supplies, compelled as always happened, to sugar industry desperate sales during the crushing campaign, to care for cash flows for farmer's payments. This has been a distinct feature of sugar industry, so it was always being brought to authorities' attention but has been of no avail. Sugar prices fared through out the season markedly subdued, trailing far below the safe price level earmarked. Month-wise wholesales sugar price, containing 16% sales tax, besides transport cost, trade margin etc. has been as given hereunder. This information provides a clear picture of the crisis consistently over-riding the national sugar industry.

Month wise wholesale sugar price per tonne		
Season Month	2007-08	2006-07
October	26,380	31,480
November	24,400	31,650
December	22,980	28,780
January	22,190	28,940
February	22,130	28,050
March	23,500	27,390
April	21,130	26,995
May	25,030	26,353
June	27,340	25,285
July	27,570	26,525
August	26,700	27,433
September	28,500	26,355
Total	297,850	335,236
Average	24,821	27,936

This proved distress-laden situation which prevailed. The Government of Pakistan, however, agreed to procure 400,000 tonnes sugar. Its purchase was made through Trading Corporation of Pakistan. However, the 'rescue' design was inadequate and so incompatible. Procurement by TCP was through tender system for competitive price. This did not serve the purpose it was designed. Had it been at assessed price of Rs.29,000/tonnes, the sugar

industry could have safe sales to the extent of sugar procured. The quantity picked fell short of 10% of the output. PSMA had some solace that its proposal of carrying strategic/buffer stock by the Government was acknowledged and acted upon. We are hopeful that the system brought on track will be maintained, improved and strengthened to deliver. Developing countries, like Pakistan, are often exposed to uncertainty of the crop size. It needs to hold strategic stocks of food stuff to serve society as a safety valve.

INTENSIVE CROPPING INEVITABLE

Sugarcane production figures of the past decade, in its output level above 50 million tonnes of sugarcane for five years, seems attractive. This achievement has largely been by more hectares brought under the crop. Yield has been above 50 tonnes/hectare but for three years.

Pakistan, with on an average one million hectares under sugarcane crop holds potentials to double sugarcane and sugar production by improvement in quality of sugarcane and its marketing, particularly of supply schedule ensuring instant crushing of sugarcane on its harvesting.

Potentials exist of producing more than twice the record sugar production at 4.737 million tonnes reached in 2007-08 season. It demands intensive crop pattern, to be inducted by improvement in the existing system. Greater dynamics can be infused in this regard by setting up of a sugarcane research institute. It is as imperative as important, more so as challenges on economic front in global circuit are increasing day by day.

Each country cultivating sugarcane has to create a research and development institute of its own, to evolve new varieties, suitable to their soil and climate, in brief ecology. Seeds can not be brought from abroad. Institutional structure is imperative for evolving seed/fuzz, its multiplication and distribution. Besides the institute shall become a centre of excellence for training of manpower in farms and factories engaged in sugarcane cultivation and processing respectively. Creation of such a superb and inevitable institutional set up shall not cause strain on government revenues. Huge funds running into billions of rupees contributed by mandatory requirement in form of sugarcane cess for decades by the sugar industry and sugarcane farmers, remain unutilized with Governments of the Punjab, Sindh and NWFP Provinces. Symbolic structures do exist in the public sector in all the three provinces but have been good for being entities. Their rise and sustainable future squarely lies with the stakeholders, being beneficiaries and having raised funds. Sugarcane cess fund carries two specific usage, creating 'pucca' road network connecting sugarcane farms with sugar mills and undertake useful research and development work about sugarcane varieties and allied areas.

PSMA has identified ideal location for sugarcane research and development institute, being Gharo in Sindh, by its being close to Arabian Sea. PSMA prepared a study about cost and benefits of the institution. PSMA has approached all the concerned authorities, at Federal and Provincial levels, for release of funds so that the institutional structure is earnestly brought into existence and pressed into functioning.

Once the institutional structure comes into being, Pakistan shall have a steady, sustainable growth dynamics in sugarcane and sugar production, on lively intensive pattern of crop cultivation. On the present average one million hectare, sugarcane crop size can be more than doubled the latest record level achieved of 63.920 million tonnes. No extra land will be required.

Similarly sugar production of a record at 4.737 million tonnes achieved at 8.89% recovery for 2007-08 season will be more than doubled in a short time. Sugar industry presently holds sugarcane crushing capacity considerably more than its record crushing of 52.757 million tonnes during 2007-08 season. No dose of fresh capital outlay is required. Sugar industry is now running on average of 110 days which makes it short for economic uplift. Standard period of its working has been spelt out at 150 days. It can be extended to 210 days by varietals development of sugarcane of early, mid term and late maturities to keep sugar industry operational for longer, so as to provide it economic viability, serving the national interests more effectively.

ZONAL VIEW, REVIEW

Information and analysis of sugar industry on national level, on modest macro-scale, in aggregate is reflection of performance of three zonal segments. By and large, no material difference is discernable on end-result between national and zonal levels. This, nevertheless, implies to have at a glance on important features of zonal performances, with relevant observations of priority points.

PUNJAB ZONE:

Sugarcane was cultivated on 827 (712) thousand hectare, higher by 16.15%, setting a record. Season 2000-01 with 581 thousand hectares fared the lowest of the latest decade. Variance in range at 246 thousand hectare i.e. 42.34% has obviously been significant.

Sugarcane production at 18.793 (12.592) million tonnes, up 49.24% was also a record, so highest of the past decade. The lowest sugarcane production was at 26.700 million tonnes of 2000-01, coinciding with area under the crop being at the lowest. Yield at 49 (52.74) tonnes/hectare dropped by 7.10% has emerged a case of concern, the lowest at 40.64 hectare/tonnes was struck in 1999-2000.

Sugarcane crushing at 33.045 (26.584) million tonnes, up 24.30% was note worthy. It was the best of the past decade. The lowest at 18.068 million tonnes harvest was in 1999-2000 season. Sugarcane crushing fared fine at 81.98 (70.81)% of the crop, not on top in the decade. It was 83.53 in 2002-03 and the lowest run was 60.88% in 1999-2000. Sugarcane production at 2.949 (2.268) million tonnes, up admirable 31.12% was the best ever achieved. Sugar production fared in range of 1.316 million tonnes being the lowest in 1999-2000 season. Variance of 124% was indeed huge. It gives good reading by rise registered. The momentum needs to be maintained for multiple benefits of it.

10 YEAR SUGARCANE, SUGAR SCENE

Season	Sugarcane Area Hectares	Sugarcane Yield Per Hectare	Sugarcane Production Tonnes	Sugar Production Tonnes	Sugar Recovery %
1998-99	780,300	42.78	33,382,800	2,033,356	7.80
1999-20	672,100	37.20	25,000,000	1,315,637	7.82
2000-01	615,000	43.48	26,740,000	1,437,450	7.96
2001-02	657,000	48.41	31,803,000	2,152,175	8.52
2002-03	735,000	45.13	33,169,000	2,351,102	8.52
2003-04	709,000	48.55	34,419,000	2,599,490	9.09
2004-05	645,000	45.47	29,332,000	2,046,633	8.99
2005-06	625,200	46.30	28,949,000	1,566,046	8.10
2006-07	712,000	52.73	37,542,000	2,268,174	8.53
2007-08	827,200	48.73	40,306,000	2,952,784	8.93

Sugar recovery rate at 8.92 (8.53)%, modestly up was the second best set during the past decade, the highest being 9.09% of 2003-04 and the lowest marked at 7.80% of 1998-99.

During 2007 season 42 (41) mills were functional. On average a mills sugarcane crushing increased to 786,757 (684,381) tonnes, up 21.34%. Sugar production was up 26.91% to 70,202 (55,315) tonnes. On average capacity utilization per mills fared better but not at an optimum level, leaving much scope for further improvement. Molasses output was higher by 31.50% at 1.607 (1.222) million tonnes on 4.86 (4.60)% recovery. Higher molasses recovery means proportionately lower sugar output. This reflects upon quality of sugarcane, besides supply system and a large crop impact.

SINDH ZONE:

Sugarcane cultivation spread over 308(214) thousand hectare, up 43.92%, was a record. Lowest hit at 183 thousand hectare was in 2005-06. Sugarcane harvest at 18.793 (12.592) million tonnes, up 49.24%, was also a record, while the lowest fared at 9.357 million tonnes in 2004-05. This had happened due to yield then touched the lowest at 43.52 tonnes/hectare. The highest of the decade at 62.96 tonnes/hectare was fetched in 1998-99. This feature reflects marked fluctuation in sugarcane quality, besides disruptions in supply system.

10 YEAR SUGARCANE, SUGAR SCENE

Season	Sugarcane Area Hectares	Sugarcane Yield Per Hectare	Sugarcane Production Tonnes	Sugar Production Tonnes	Sugar Recovery %
1998-99	270,800	62.96	17,050,700	1,353,013	8.96
1999-20	230,561	51.27	12,100,000	996,317	9.18
2000-01	238,842	50.42	12,050,000	968,175	9.22
2001-02	241,000	47.43	11,416,330	940,959	9.26
2002-03	259,000	53.27	13,798,000	1,158,674	9.32
2003-04	260,000	56.20	14,612,000	1,221,268	9.40
2004-05	215,000	43.52	9,357,000	754,458	9.53
2005-06	183,180	61.40	11,243,000	902,907	9.83
2006-07	215,000	58.27	12,592,000	1,062,411	9.14
2007-08	308,000	60.00	18,793,000	1,561,378	9.33

Sugarcane crushing at 16.737 (11.627) million tonnes was at its best by giving an inspiring increase of 43.94%. The lowest of the past decade was at 7.915 million tonnes hit in 2004-05. Sugar rollout at 1.561 (1.062) million tonnes, higher by 46.98% and highest of the decade, was exciting, more so, it was attained by the modest sugar recovery rate of 9.33%, falling behind 9.83% of 2005-06 and 9.53% of 2004-05. Sugar recovery at 8.96% was the lowest in 1998-99. Barring this, recovery rate has been above nine percent. Scope of improving upon it to over double digit existed, calling for attention to its exploits, certainly to be in interest of the stakeholders and the national economy.

Sugarcane crushing formed 89.05 (92.80)% of the crop size, ranking the third best of the decade. Highest of it was in the preceding season and the second best at 89.98% in 2002-03. The number of sugar mills functional remain unchanged at 29 units. On average sugarcane crushing per mills notched up by 34.94% to 577, 138 (400,930) tonnes. Sugar production per unit moved impressively up by 46.96% to 53,841(36,635) tonnes. However, capacity utilized was not at the desirable optimum level. Working was contained to net 125 days with a record sugarcane crushing so far, obviously providing a good scope to improve on the time scale, similarly on supply schedule.

Molasses production of 889,566 (578,833) tonnes, up 53.68%, was achieved by recovery rate higher at 5.31 (4.98)%. It proportionately reduced sugar production. Reason for it tend to be higher volume of sugarcane besides hitches associated in supply schedules.

NORTH WEST FRONTIER ZONE:

NWFP zonal working bore a little variance during the 2007-08 season over the previous. Sugarcane cultivation was on 105,000 (106,400) hectare, rolling out production of 4.800 (4.792) million tonnes, with yield being constant at 45.11 tonnes/hectare. Sugarcane area and crop size fared in narrow range during the past decade. Highest crop harvest at 5.049 million tonnes was in 2002-03 and the lowest at 4.100 million tonnes in 2005-06.

A notable feature was sugarcane supplies to the organized sugar industry segment improving to 62.11 (47.03)% of the crop size, increasing sugarcane processing to 2.976(2.579) million tonnes, up 15.38%. Sugar production went up by 17.62% to 226,750 (192,777) tonnes. Sugar recovery rate dropped to 7.62 (8.54)%. It fared the second lowest of the decade. Highest at 8.59% was in 2004-05 and the lowest at 7.22% in 2000-01

10 YEAR SUGARCANE, SUGAR SCENE

Season	Sugarcane Area Hectares	Sugarcane Yield Per Hectare	Sugarcane Production Tonnes	Sugar Production Tonnes	Sugar Recovery %
1998-99	103,300	45.69	4,719,500	144,481	7.95
1999-20	106,300	46.10	4,753,000	102,792	7.93
2000-01	106,000	45.28	4,897,000	61,163	7.22
2001-02	101,000	47.40	4,787,000	104,611	8.09
2002-03	105,000	48.08	5,049,000	144,917	8.11
2003-04	105,000	45.00	4,745,000	176,252	8.53
2004-05	106,000	45.43	4,816,000	121,034	8.59
2005-06	98,600	41.60	4,100,000	119,223	7.69
2006-07	102,000	47.00	4,800,000	185,634	8.23
2007-08	105,000	45.11	4,792,000	226,751	7.62

During the review season 8(7) sugar mills were functional. On average per mills, sugarcane crushing increased insignificant by 0.96% to 372,045 (368,485) tonnes. Sugar production was 28,344 (27,540) tonnes, up meager 2.91%. This zone holds promising potentials for growth. This is checked and prevented by predominance of unorganized 'gur' making segment. PSMA and its NWFP zone have been pointing out the problem of tax free status of gur. This problem impacting adversely investments made in the industry and so also the federal and provincial revenues. Hopefully this problem shall be addressed soon.

One sugar mill sliced 64,095 (83,580) tonnes of sugar beet, produced 5,532 (7,143) tonnes of sugar, at recovery unchanged 9.04%. Molasses production was 2,576 (2,973) tonnes.

MOLASSES:

Molasses has conventionally been considered a key by-product of Pakistan sugar industry. Substantial part of its production was normally geared for export. Domestic consumption, in context of production, used to be just peanuts. However, molasses has been progressively replaced by ethanol from 2002 and a steady increase. A record sugarcane harvest and crushing during 2007-08 season gave molasses production at 2.661 million tonnes, being the highest. This created a space for molasses exports jump to 911,065 (339,595) tonnes becoming the best of the past three years. Replacement of molasses exports by ethanol has been a right pursuit, of having value-added forex revenues. Domestic market for molasses had been small all along. Similar situation unfortunately has been found for ethanol. Hopefully, it shall be short lived. Rising exports of ethanol provide clear credentials of the products, being useful in domestic market as well, by its acceptability abroad. This fact shall do away apprehensions, if any, about its utility as a gasoline supplement.

Molasses market in the country has been very limited for want of its diversification into value-added products. Its use in the past, and now for ethanol, was 1989 and actively from 1994 confined to animal feed and processing of it by four old distillery units.

10-YEAR PRODUCTION AND EXPORT OF MOLASSES

Year	Production Tonnes	Export Tonnes	Export % of production
1998-99	2,113,594	1,688,505	86.84
1999-20	1,397,377	1,748,000	117.44
2000-01	1,501,501	1,190,012	56.04
2001-02	1,822,961	1,607,380	95.60
2002-03	2,044,204	1,272,630	62.26
2003-04	2,122,099	1,457,283	68.67
2004-05	1,497,395	1,151,431	76.90
2005-06	1,437,955	497,161	34.57
2006-07	1,911,102	373,177	19.53

As ethanol holds positive prospects of domestic use and growth in global market, it needs concerted efforts to keep dynamics. Simultaneously it is desirable to keep molasses market abroad lively alive and online. This can be achieved by augmenting sugarcane production, as emphasized earlier, by intensive sugarcane cultivation method. Scope in both spheres is sizeable and need to be exploited in earnest.

ETHANOL:

Ethanol is a renewable source of fuel. Prices of gasoline registered a steep increase on a faster track, during the past five years, beginning from 2004. The phenomenon of consistently rising price made ethanol more popular as gasoline mix in several countries, leaving Pakistan still in lurch. The Government of Pakistan have in principle agreed and decided to promote ethanol as gasoline mix to begin with at five percent and increase it to 10% on faster track. Resistance to it is being consistently made on flimsy grounds. Initial 5% inter mix of ethanol with gasoline shall not be made an issue, but pave the way for its steady gear up intermix to 10%. PSMA has been persistently pursuing, urging and advocating this matter for prompt implementation.

During 2007-08 season, 18 of the 22 functional distillery units were attached with sugar units. Three more are online to join the foray. Some more are to follow the suit. Prospects of ethanol tend to be tempting, being bright.

Ethanol production and its almost entire export reflect a rising trend in store. Its growth potentials are promising.

ETHANOL PRODUCTION AND EXPORT

Year	Volume Metric tonnes	Growth rate %
2002	34,888	--
2003	61,710	76.88
2004	99,711	61.57
2005	110,174	10.49
2006	165,406	50.13
2007	254,812	54.05
2008	264,007	3.06

Ethanol production, spearheaded by its export, registered an impressive growth. It was 34,888 tonnes in 2002 and rose to more than 300,000 tonnes in 2008. It has been an impressive increase, translating into average growth of 125% a year. Eighteen distilleries with sugar industry segment hold capacity to produce 2.300 million litres of ethanol a day. Effective capacity, however, remains variable by quantity and quality of sugarcane available to sugar industry as these carry direct influence on by-products, including molasses.

CO-GENERATION:

Economy of Pakistan for the past several year has been suffering power shortage, assessed to the tune of 5,000 MW. It has been due to consistent increase in energy requirement outpacing generation, sharply contrasted by no capacity creation taken place for power generation. In view hydel power generation less expensive though, no new project has been set up. Efficiency of the existing dams eroded by silting and reduced water supplies. This phenomenon pushed to increasing reliance on thermal power generation, being considerably expensive, due to steep increase in fuel prices. It compelled to look eagerly for renewable-cum-sustainable source of power generation. Sugar industry merits in category of renewal source of power. Pakistan Sugar Mills Association has been pursuing this matter with the Federal Government since 1994 and actively since. Sugar industry being functional during November to March period has capability to generate power in excess of its own requirement to operate the mills. Its working to be during winter months, while hydle power supply tends to be at the lowest level, acute power shortage is being felt in this period. Sugar industry can generate now up to 2240 MW of electricity by using sugarcane by-product bagasse, besides distillery spent wash. Each sugar mills can generate extra electricity by using bagasse. Sugarcane has been acknowledged as renewable, besides sustainable source of energy in several countries, by use of ethanol and bio-fuel of bagasse. The bottleneck in its energizing to combat energy shortage, specially in typical acute scarcity time of winter season has been not yet won acceptance of authorities for a competitive tariff as Independent Powers Projects (IPPs) By economics parameters and logical dispense, energy being energy, of similar use, shall get an uniform tariff. PSMA has given presentation on it, dealing with scope and feasibility study, with economic benefits of acquiring electricity from sugar industry. In principle the project details provided have been acknowledged, leaving tariff factor under consideration. This restraint on sugar industry hopefully will soon settle down, enabling the national sugar industry with its 79 performing units, located in three provinces. All the mills in rural areas, strategically placed, play its role resuming to provide electricity making the oasis already created by it to become sparkling and contributing more to GDP.

PROBLEMS, PROGNOSIS, SOLUTION

Basic problem of sugar industry identified by consultations among the stakeholders has been lack of linkage between sugarcane and sugar prices. Sugarcane minimum price is being set by provincial governments. Sugar price stays afloat, left to market forces set it! Sugarcane processing spell is seasonal, production takes place on average in about 110 days. Sugar sales spread over a year, may be above it, by inelastic demand. Besides, sugar industry is directed to make payment to farmers in a week of supplies of sugarcane. How to manage finances of inventory piling up each month at least by 17% of production rollout and accumulating to 68% by the end of spell and simultaneously payout within one week of supplies of sugarcane, which forms above 72% of sugar production cost. This situation compels for desperate sugar sales by the industry, often in advance and more so during

sugarcane crushing period to have cash flow! This issue has always been brought to the authorities attention, but solution has not yet come off.

During the review 2007-08, season certain move ahead took place. The Federal Government prevailed to hold minimum price of 2006-07 season unchanged for 2007-08 season.

MINIMUM SUGARCANE PRICE PER 40KG

Season	2007-08	2006-07	
Punjab	Rs. 60/=	60/=	
Sindh	Rs. 67/=	67/63*/=	
NWFP	Rs. 65/=	65/=	(*Revised)

Besides, the Federal Government worked out sugar price to be Rs.29000/tonne ex-factory, based on given minimum sugarcane price and related other costs of production. However, mechanism was not structured that be in place to ensure sugar price as determined. This left sugar industry in usual distress. PSMA persevered to have some system in place that sugar price, as worked out, was assured. At best, the Federal Government procured 527,949 tonnes of sugar through the Trading Corporation of Pakistan, but this was neither made during the sugarcane crushing spell as envisaged nor at the break-even price of Rs.29000/tonnes worked out. TCP purchases were by tender pushing sugar industry in same shape as in open market. Hence, no desired support could be had of it to save national sugar industry from pinching impact of the policy defects! In desperate sale for liquidity, mills exported about 277,339 tonnes.

PSMA hopes that a positive view of it will lead to progress, so as to put in place proper modalities to protect sugar industry from perils but place it in sound shape so that it contributes to the national economy to the full extent of its huge potentials.

USES OF ETHANOL AS GASOLINE MIX:

PSMA has been pursuing this case for years. In principle, five percent use of ethanol as gasoline mix has been accepted. However, modalities are being worked out for its implementation. Once the preset impasse created by other interests is overcome, ethanol use is bound to gather a steady rise.

POWER CO-GENERATION:

PSMA proactively took up this matter to address the problem of acute huge at about 5000MW power shortfall being faced by the country, much adversely affecting the national economy. Sugar industry holds potentials to provide 2400MW of power. Each sugar mills is capable to generate surplus power by using bagasse. Power to be available during critical

winter months, the time of sugar industry's working, while hydle power goes to the lowest ebb, shall prove exceptionally convenient.

PSMA is perusing with the authorities to give a standard tariff to the sugar mills so that co-generation could be started immediately.

FINANCING FACILITATION:

Due to seasonal short term functioning, sugar industry's financial position stays vulnerable, as sugar industry has to procure the raw material in 140 days and hold the finished product for 360 days. Thus creating huge mismatch of financial resources.

SUSTAINABLE FUTURE:

Sugar is an energy food item. Its sustainable availability is essential. Besides, there must be a firm foothold in exports, rather succumb, time and again, to imports. Four by-products rollout of sugar production and their 40 derivatives offer huge potentials to exploit. For this, increase in sugar production is prerequisite and essentially to be by intensive crop pattern, pursuit and practices. This can be achieved on having a seed evolving and breeding research institute. Proposal of PSMA for setting up such an institute at Gharo in Sindh and release of cess funds need Government attention and prompt approval, so that this vital project is taken in hand at the earliest.

PERSPECTIVE 2008-09

NATIONAL:

As expected, since sugarcane production trend is of cyclic tendency and it has not been broken as yet, it is essential that steady sustainable growth in sugarcane and sugar production is attained. Sugarcane crop is poised to be lower during the ensuring 2008-09 season. The first estimate of the crop size drawn officially portrays the position to bring distinctly lower sugarcane and similarly sugar output.

FIRST ESTIMATES OF SUGARCANE CROP 2008-09

Province	Area (000 Hect)	Production (000 Tonnes)	Yield (Tonnes/Hect)
Punjab	674.0	32623.8	48.7
Sindh	265.0	16138.5	60.9
NWFP	103.0	4707.1	45.7
Balochistan	0.5	28.0	06.0
Pakistan	1042.0	53497.4	51.5

(Source: MINFAL)

Sugarcane production is estimated at 53.498 million tonnes, down by 16.31% from 63.920 million tonnes of 2008-09. Yield is likely to remain in narrow range of 51.5 (50) tonnes/hectare. At an average of 75% sugarcane, flow to sugar mills for crushing, to be 40.124 million tonnes and average recovery of 8.6%, sugar production may be 3.451 million tonnes, provided the first estimate stays put, chances of which seem not firm. However, with stocks of about one million tonnes of sugar in hand at the start of 2008-09 season, sugar availability in aggregate at 4.450 million tonnes shall not complicate situation to a serious shortfall. However to keep sugar prices fair in a reasonable range, import of raw sugar is a desirable option. PSMA has presented a proposal in this regard for consideration of the authorities.

The provincial governments have increased minimum sugarcane price for 2008-09 season. In view of this increase and short crop size, economies of scale will operate but unfavorably. This odd situation added by inflationary tendencies in the national economy will have a significant impact on cost of sugar production, bound to increase.

MINIMUM SUGARCANE PRICE

40kgs.	2008-09 season
Punjab	Rs. 80
Sindh	" 81
NWFP	" 80

PERSPECTIVE 2008-09

International sugar market, inherent part of the wider commodity markets, during the year 2007-08 witnessed volatile price trend. It was in backdrop of financial 'tsunami' gripping the United States of America and its spillover the global circuit. Currency values fluctuation carried a direct impact on commodity markets. Fear of recession rocked the boats of once considered durable strong economies, dictating terms on global business spectrum. The last quarter of October–December 2008 is likely to give some insight to the future trend in sugar prices.

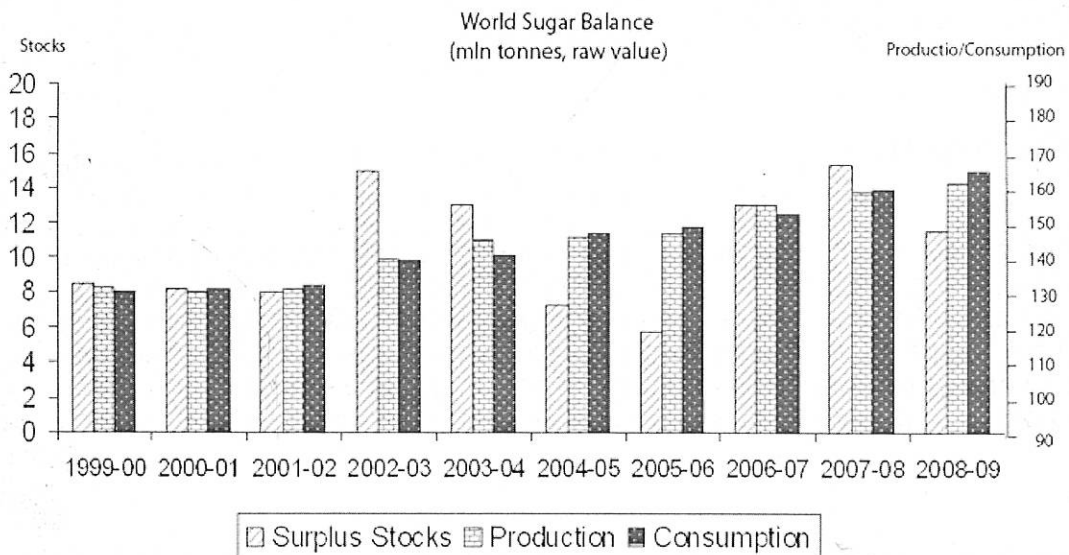
End stock estimate despite lower production and higher consumption during the last quarter of 2007-08 is indicated to be larger than the corresponding period of the preceding two years.

WORLD SUGAR BALANCE
(1000 TONNAGE, RAW VALUE)

Period	October–December		
	2008	2007	2006
Opening stock	78,047	73,762	64,308
Production	56,804	59,059	60,038
Imports	13,194	1,383	12,498
Consumption	40,168	39,417	37,919
Exports	12,983	13,700	14,402
End stock	94,894	92,887	84,522

(Source: F.O. Licht's ISS report)

Current price trend indicates sugar production to slip lower, first time in the past four years of high tide in a row. Aggregate production projection for October 2008-September 2009 is 161.248 million tonnes, to be 6.602 million tonnes lower than at 167.850 million tonnes of 2007-08.



European sugar production during 2008-09 season is 22.69 million tonnes from 26 million tonnes of 2007-08. Drop in Asia will be more from 64.7 million tonnes to 60.5 million tonnes. Production is poised to dip both in Pakistan and India. However, South America and Africa may go up in sugar output.

WORLD PRODUCTION, CONSUMPTION AND STOCKS OF
CENTRIFUGAL SUGAR
October/September (1,000 tonnes, raw value)

Year	World production	World consumption*	Ending stocks	Stocks as % of consumption
1999-00	134,330	129,990	58,579	45.06
2000-01	132,990	131,278	58,883	44.85
2001-02	138,295	134,657	58,731	43.62
2002-03	150,441	139,644	68,126	48.79
2003-04	143,748	141,443	67,154	47.48
2004-05	141,151	143,971	61,256	42.55
2005-06	151,379	146,100	64,308	44.02
2006-07	167,427	152,962	73,762	48.22
2007-08	167,850	158,783	78,047	49.15
2008-09	161,248	161,720	75,897	46.93

* Excluding unrecorded disappearance

Sugar consumption in Pakistan is likely to go up slightly in 2008-09 to 4.7 (4.6) million tonnes, due to population growth of 2%, against GDP growth lower to 4.2(6.08)%. Rising prices by falling output is the reason for it. Sugar consumption in Asia may rise by 3.2% in 2008-09 to 74.200 million tonnes. Off take by the largest sugar consumer India may go up by 4.4 (7.1)% at lower pace, to 25.5 (24.5) million tonnes.

Two preceding sugar years were of record breaking in crop size creating sugar surplus. It will be on back foot in 2008-09. However, it can not create supply slide and rise in prices as stocks hang higher by bumper crops of 2006-07-08 years. However, hedge fund operations may create artificial instability. Fundamentals of supply-demand-stock seem to keep cool.

At the conclusion of this report, I would like to register my appreciation for the co-operations extended by the Central Executive Committee, Zonal Chairmen and Secretariat staff, with my good wishes to the new elected management of PSMA.

Thank You

18TH Nov' 2008

Shunaid Qureshi
(Chairman)

Welcome Address
by
Mr. Shunaid Qureshi,
Chairman, Pakistan Sugar Mills Association
at the annual Dinner on 18th November, 2008

Muhatarama Fahmida Mirza Sahiba
Speaker of the National Assembly
Guests and fellow members of PSMA

I take this opportunity to accord you all a warm welcome this evening, on responding to our invitation. This is an event enabling me to share our views about sugar industry, its significance, its scope and problems. This is to inform you and seek your support in making sugar industry a saga of success it deserves.

In this regard, it is gratifying inform that the sugar year 2007-08 strode exceptionally good, in terms of sugarcane and sugar production, both setting a record. Sugarcane production surged to 63.926 million tonnes and of sugar soared to 4.737 million tonnes. Production has been superb, never touched such a peak point in the past.

It is to regret that similar high tide could not be had in bottom-line. Several mills could not reach the minimum level of break-even, due to several irritants. 'Problems of plenty' was to an extent mitigated by the government and PSMA's coordinated efforts in damage control. This set a fine example. We hope that it will be followed with more coordination and further mutual understanding.

We are happy with the cordial relationship shaped among the policy formulators, sugarcane farmers and sugar industry and their moving in the right direction i.e. building of confidence. PSMA seeks cordial commitments on a firm footing. It is imperative in transforming huge potentials possessed by the sugar industry. It has been a dream so far, even today. It deserves to be translated into a reality by tomorrow.

Member of the Pakistan Sugar Mills Association firmly believe in shaping the relationship among government, sugarcane farming community and sugar industry, into real partners in progress of Pakistan. Holding this theme in focus, we find scope to submit our point of view on how to infuse a steady and sustainable growth to the national sugar industry. This is meant to enhance contribution of the sugar sub-sector in the gross domestic product, revenue generation and foreign exchange earning.

Share of sugarcane in value-added of agriculture product is estimated at 4.5%. In GDP it is one percent plus. The potential exists to double this without pulling more land under the crop and no fresh fixed capital outlay in sugar industrial structure. Such a significant surge simply demands improved policy format and structure extending certain support. We need to put them in place and have bold bid of success.

Sugar industry eagerly awaits exploiting great scope of vertical integration. This refers to processing its four by-products into several value-added products. It shall make import substitution and export enhancement. These areas will cheer up, on liberating national sugar industry from prolonged problems. Major problem relates to make the main product sugar a profitable pursuit. This demands fresh pragmatic look, analyzing its present perplexing log jam situation. This critical situation is being encountered for decades at a stretch.

Journey in a right direction, beyond sugar to be profitable, refers to processing of by-products. This is to demand diversification of markets, same as products.

Main problem is the policy in vogue. It is fixation of minimum price of sugarcane, while leaving sugar open ended. Sugar price is left to free market modalities to decide! It has reduced the policy in place as a patch work. It fails to safeguard sugar sales at a profit. It is ignoring the fact that sugar sales generate revenues to be shared by stakeholders. Mandatory payments to all stakeholders but sugar industry has pushed sugar industry in deep trouble.

Policy format plays a fascinating role, being catalyst and guide. Precise policy for sugar segment's sustainable growth, by ensuring earning of economic rate of return on equity, needs to be at hands. PSMA pleads for it as a minimum safeguard for survival of sugar industry. It will emerge as a beckon of light, for virtual march towards vertical integration.

Honourable Chief Guest, we want to share with your good self, our vision of each sugar mills transformation into an industrial complex. For this lofty objective to come true, we seek your support as a mission. It is to promote national economic growth and development.

1. Sugar policy portrait:

Basic policy assumption to govern sugar segment shall be to ensure efficient utilization of the resources available in sugar sub-sector. At present, land utilization on average of one million hectare is producing sugarcane in range of 46 million to 60 million tonnes, on average yield of 46 to 60 tonnes/hectare. Another benchmark is sugar recovery on average at 8.75%. It is depressing, by two key chips so low. Improved sugarcane cultivation practices shall increase yield to 75 tonnes/hectare. By improving sugarcane supply system, sugar recovery can be raised to 9.5%. Improving quality of existing sugarcane varieties, as these have become stale over time, and by evolving new suitable varieties, further improvement, to above 100 tonnes/hectare yield and above 11% sugar recovery can be achieved.

Pursuit of it on sound keel needs setting up of sugarcane research, development and seed multiplication institute in the country. Sugarcane seeds, known as fuzz, can not be imported on permanent basis and this may not prove suitable. These have to be evolved here. For this Gharo in Sindh, close to Arabian Sea shore, is the most suitable location. Substantial funds contributed by sugar industry and sugar farmers on cess account remain accumulated, awaiting good use. These be released to PSMA so as expedite setting up of a nucleus of research in sugarcane varieties suitable to soil, climate etc, in brief ecology of our country.

2. Estimation of sugarcane crop and sugar production:

Estimation system of sugarcane production, based on it of sugar, in vogue is outdated, hence unreliable. Precise assessment is an imperative aspect of planning. PSMA has urged the Government of Pakistan to arrange for satellite survey of the crop size. Based on it, sugar production estimate shall become dependable. It will give time to plan export or import of sugar, eliminating the element of chance in this sphere, which has been proved injurious. A standing set up consisting of relevant ministries representatives and of stakeholders be created to look after for each season, to run efficiently. It will facilitate and make sugar segment function friction free and successfully.

3. Sugar Price rationalization:

Sugar is produced in less than four months. Sales stretch to a year and above. During sugar production process, on average a month, sugar inventory piles up, at 17% of production roll out. At end of the processing period, inventory accumulates at 68% of an aggregate output. Financing of this volume of sugar in stocks is exceptionally problematic. This critical issue is ignored by mandatory requirement of payment to be made to the sugarcane farmers in a week of supplies. Sugarcane forms 72% plus of sugar production cost. Other variable costs add up to 20%, making it 92%, all to be paid almost instantly. Sugar mills are, as such, compelled to desperate sell of sugar in advance and during the crushing spell. Their price is lower than cost. This is a root cause of sugar industry's plight

Sugarcane is a major transparent factor of sugar production cost. So are other components of it. In order to facilitate mandated time set for payment to farmers, PSMA has been pleading the Government of Pakistan, procure surplus sugar during crushing spell at ex-factory price. It will facilitate sugar industry's cash flow and consumers by reasonable price line on holding strategic sugar stocks by the Government.

During the 2007-08, sugar prices fared in the range Rs.21,130 (lowest of April) to Rs.28,500 (highest of September) per tonnes. The price included transport, commission of trade chain etc. The prices fetched by the industry have been far below the ex-factory price of Rs.29000/tonnes determined by the Federal

Government as inevitable. During sugar year 2007-08, 4.297 million tonnes of sugar was lifted, which easily indicates the loss sugar industry has suffered and all for no fault of it. This trend has been visiting sugar industry so often and has been the key reason of derailment of a vital segment. This malaise, we urge, we plead, shall come to an end by vision and with vigour.

4. Efficient use of by-products:

a) Ethanol vis-à-vis molasses:

No sooner than sugar turns profitable, efficient use of its four by-products shall get a shot in the arm! From bagasse, molasses, filter cake and crop wastes, as many as 40 derivatives can be made. Value-addition will substitute imports, besides enhance exports.

Some progress has been made in this regard. Ethanol, a value-added by-product, is replacing molasses exports. Modest beginning with 34,888 tonnes in 2002, exports accelerated to 264 thousand tonnes during 2008. This underlines acceptance of our product abroad and expanding horizons of ethanol exports.

Ignoring importance of ethanol, as an environment friendly and renewable source of energy on sustainable basis, some interests in the country want to block its domestic usage as gasoline mix. The Government of Pakistan in principle accepted its use within the country, to begin with at 5% mix during 2005. It needs implementation without further loss of time.

b) Bagasse:

Bagasse is a major by-product of sugar industry. Bagasse has multi-functional utility. It generates power on which sugar mills operate. National sugar industry is capable to generate 2400 MW power to overcome estimated 5000 MW power shortage in the country, restricting economic growth. PSMA has given presentation to the Planning Commission, the Ministry of Power etc. in this regard. Deterrent seems tariff. Power being power, having same quality and utility, by canon of economy and equitable dispense, shall imply uniform tariff. Sugar industry as power provider be treated at par on tariff with the IPPs.

Greater utility of this arrangement is that power will be on grid during winter, in which sugar factories run, while hydel power supplies sink to the lowest ebb and high cost imported furnace oil is alternatively consumed.

c) Filter Cake:

PSMA is pleased to inform that enlightened farmers have realized utility of filter cake, a by-product of sugar industry, as fertilizer. It is now being applied. Its use is poised to gather a momentum, as information about its utility spreads. It is just a matter time. Filter cake, besides fertilizer is a preventer of the soil salinity and erosion.

d) Crop 'wastes'

Sugarcane crop 'wastes' are not 'wastes' as is ordinarily understood. Its 'waste' is useful for irrigation. Sugarcane 'wastes' in forms of tops and trash leaves tend to be rich animal food.

We have briefly pin pointed utility of sugarcane and sugar industry in our economy. This shall be at work, provided sugar, a basic manufacturing pursuit, is made profitable. Modalities for sugar industry get ex-factory price of sugar at break-even plus economic return on equity needs to be put in place. It is a priority. Modalities please be firmed up and implemented immediately.

One quick step of relief in this regard can be exemption of sugar, being a food item, from sales-tax. It will be a relief for core consumers as well. Industrial and commercial use of sugar may remain subject of sales-tax.

Another matter is market committee fee on sugarcane levied by provincial authorities. There is no role of market committees in marketing of sugarcane. Sugarcane supplies flow directly from farms to sugar mills. Every step about it is vouchsafed by a separate Act. It shall be enough to withdraw Market Committee fee on sugarcane supplies, on it being illogical and irrelevant.

5 Sugar Factories Control Act 1960:

"Sugar Factories Control Act 1960", by its title sounds counter productive. It is absolutely outdated. It is a legacy of pre-independence. Sugar industry has transformed into a major sub sector of the national manufacturing sector. A new Act to protect and promote sugar industry has become a necessity.

How draconic is the present Act is evident from its section on penalty, which empowers the authorities to "prescribe punishment with imprisonment to a term which may extend to 12 months or with fine which may exceed to one lakh rupees or both". By implication of another section about "occupier" of factory, it is made Managing Director specific, to fall a victim of harsh punishment. There are other several such odd elements in the Act. All of them contradict business freedom.

6. Perspective 2008-09

Sugarcane production trend has cyclic tendency. It has not been broken as yet. A steady and sustainable growth in sugarcane and sugar production is not being attained. Sugarcane crop is poised to be lower during the ensuing 2008-09 season. The first estimate of the sugarcane crop size portrays a distinctly lower sugarcane and similarly sugar production. The first estimate of crop size on Pakistan basis is lower to 53 million tonnes, a drop of 16%. This is due to reduction in area under the crop to 1042 hectares, a fall of 16%.

Flow to sugar mills for crushing will be 40.124 million tonnes and average recovery of 8.6%. Sugar production may be 3.451 million tonnes, provided the first estimate stays put, chances of which seem not firm. However, with stocks of about one million tonnes of sugar in hand at onset of 2008-09 season, sugar availability to be 4.450 million tonnes shall not complicate the situation to a serious shortfall. However, for safe sails as to keep sugarcane and sugar prices fare in a reasonable range, import of raw sugar is a good, desirable option. PSMA has presented a proposal in this regard for consideration of the authorities. This needs quick approval, so that raw sugar reaches while sugarcane processing is on.

The provincial governments have increased minimum sugarcane price for 2008-09 season. In view of this increase and short crop size, economies of scale will operate but unfavorably. This odd situation, added by inflationary tendencies in the national economy, will have a significant impact on cost of sugar production. It is bound to increase. Minimum sugarcane price per 40 kilo has been fixed in Punjab and NWFP at Rs.80/= and in Sindh Rs.81/= for 2008-09 season. According to our conservative calculation, based on minimum price of sugarcane, cost of sugar production will be Rs.32.61 and cost of sales Rs.42.26 per kilo.

Hopefully the authorities will appreciate the fact that cost of sugar production is not manageable to hold or reduce by the sugar industry. Suitable modalities be evolved and put in vogue to insulate sugar industry from losses.

Honourable Chief Guest, you are well aware about the plight of national sugar industry and its becoming drag on national economic progress on sound lines. We have touched upon some crucial issues. We seek your help to get them solved on a fast track.

We express our deep gratitude on your accepting our invitation and gracing us by your presence at this annual dinner of Pakistan Sugar Mills Association. Your having been with us is an honour and happiness for all of us. I owe and express thanks to you once again, on behalf of all the members of PSMA and myself.

Speech
BY
Fahmida Mirza

Mr. Shunaid Qureshi, Chairman, Pakistan Sugar Mills Association,
Distinguished Office Bearers of the Association, Guests & Gentlemen!

السلام عليكم

It's my pleasure to join you all at the Annual Dinner of the All Pakistan Sugar Mills Association. I'm grateful to the Chairman and the Members of PSMA for inviting me and enabling me to share my views and ideas on a vital sector of national growth and development.

Gentlemen!

Let me begin with placing on record my gratitude towards the PSMA for responding to my call and donating generously in the "Speaker's Relief Fund". The Fund that was raised to help the displaced communities of the war-affected tribal belt of Pakistan, was not only contributed by the parliamentarians, the senior leadership of the prominent political parties, philanthropists and the general public but by the leading industrial groups and Chambers as well.

Here, I would also like to inform you all that I personally visited Peshawar to meet the affected families on September 14, 2008 and, along-with my fellow Parliamentarians, personally distributed cheques to them.

Overwhelmed by the gratitude of the displaced women and children and encouraged by the support of all of you, we have now decided to extend this Fund to the earthquake affected people of Baluchistan as well and very soon, we will be taking relief goods worth Rs.5 Million to the people of Ziarat and Khanuzai.

In this manner; your contribution to a vital national cause has gone a long way in strengthening our belief that if, imbued by a spirit of national reconstruction, we all join hands, nothing can stop us from attaining the glory that Pakistan rightfully deserves. At the same time, it also establishes the notion of corporate social responsibility to which you all have adhered to.

The Chairman PSMA has shed light on the potentials of the sugar industry in a comprehensive manner and I do not intend to contest his vast knowledge and experience while dealing with the intricacies of sugarcane production and the related industry. In fact, we have been ardently reading his thoroughly researched articles on the subject which have been appearing in the Economic Review and other publications. I would, therefore, like to focus my talk on my perceptions and personal experiences.

Gentlemen!

While talking about the Sugar Industry, indeed, there is a rosy aspect to the whole picture, such as:

- The sugar Industry is the 2nd largest industry in the country with more than 75 mills
- Pakistan is the 5th largest sugarcane producing country in the world
- The bi-products, churned out by the local sugar industry, are also gaining good markets as the country boasts to be the second largest supplier of bio-ethanol to the European Union.

But then, there are dark lines as well. The fact that despite having a bumper crop last year, many mills and growers were not even able to make a breakeven largely sums up the mess that lies beneath.

In the absence of any well defined sugar policy with a mechanism for the correct crop assessment and then of the projected sugar production, the market largely remains unstable. At times, sugar is imported despite having a sufficient local produce, hence affecting the consumers' price badly while on the other hand, there have been times when no import orders were placed even in the aftermath of low yield.

I, therefore, agree to the suggestion of a proper system, involving satellite surveys and dependable sugar production estimations.

We all know that better sugar production depends upon the better yield. Unless the grower comes up with a better quality crop, the industrialist cannot have a better recovery. The fact that the Industry has been badly hit by low recovery over the years despite the so called bumper crop is because there have been very little efforts towards research and development at the farm level. No new species have been introduced, which could prosper even taking little water content thus tackling the expanding drought problem, be disease- resilient and have better sucrose content.

Thus, in the absence of any initiative of fixation of sugarcane price on the basis of weight only, the miller cries for better recovery while the grower has little incentive to improve the crop quality.

I, therefore, stress for establishing proper research institutes, which could guide the farmer on better crop qualities and at the same time provide remedies to the ever spreading diseases. There are already reports of white-fly attack on the crop which will

also affect the ultimate production. I also implore upon the Government to release funds for such R&D Institutes from the CESS accounts and also engage the representatives of the millers and growers in the effective working of these institutes.

Gentlemen!

Sugar industry is the largest agro-based industry after textiles. Especially the rural population, where the burden of poverty is far more than the urban areas, is being provided with skilled and unskilled jobs to the tune of billions of rupees each year by the sugar industry. However, there is a lot more potential that still needs to be tapped. As I pointed out earlier, sugar industry is largely rural based industry and ifs in the rural areas where the burden of poverty is widely felt. It's here where the 70 per cent of Pakistan lives and it's here where we are worst confronted with the growing menace of load shedding and power shut-downs during the recent years, we have seen the closure of many industrial units, situated in the rural areas, due to power supply shortages. Sugar Industry can play a great role in curbing this issue by co-generation. The sugar industry has been running on its own generated power and it has the potential of increasing its capacity and transferring it to the national grid.

In this manner, not only *can* we reduce the national load-shedding and energize the rural landmass by burning bagasse but can also make the closed units operational again.

I will therefore, suggest to the representatives of the Government and PSMA to sit together and come up with a solution to this burning problem of today's Pakistan.

I understand that there are proposals under consideration for 10% blending of ethanol with petrol that needs proper legislation for its use. The worldwide fluctuation in oil prices have encouraged the usage of ethanol-blended fuel all-over the world and I see no reason for its any further delay in Pakistan. I will, therefore, advise the Government to have a well-coordinated sugar policy wherein all the three players, namely the grower, the miller and the Government, should work in total harmony for the development of a vibrant sugar industry, which is beneficial to all.

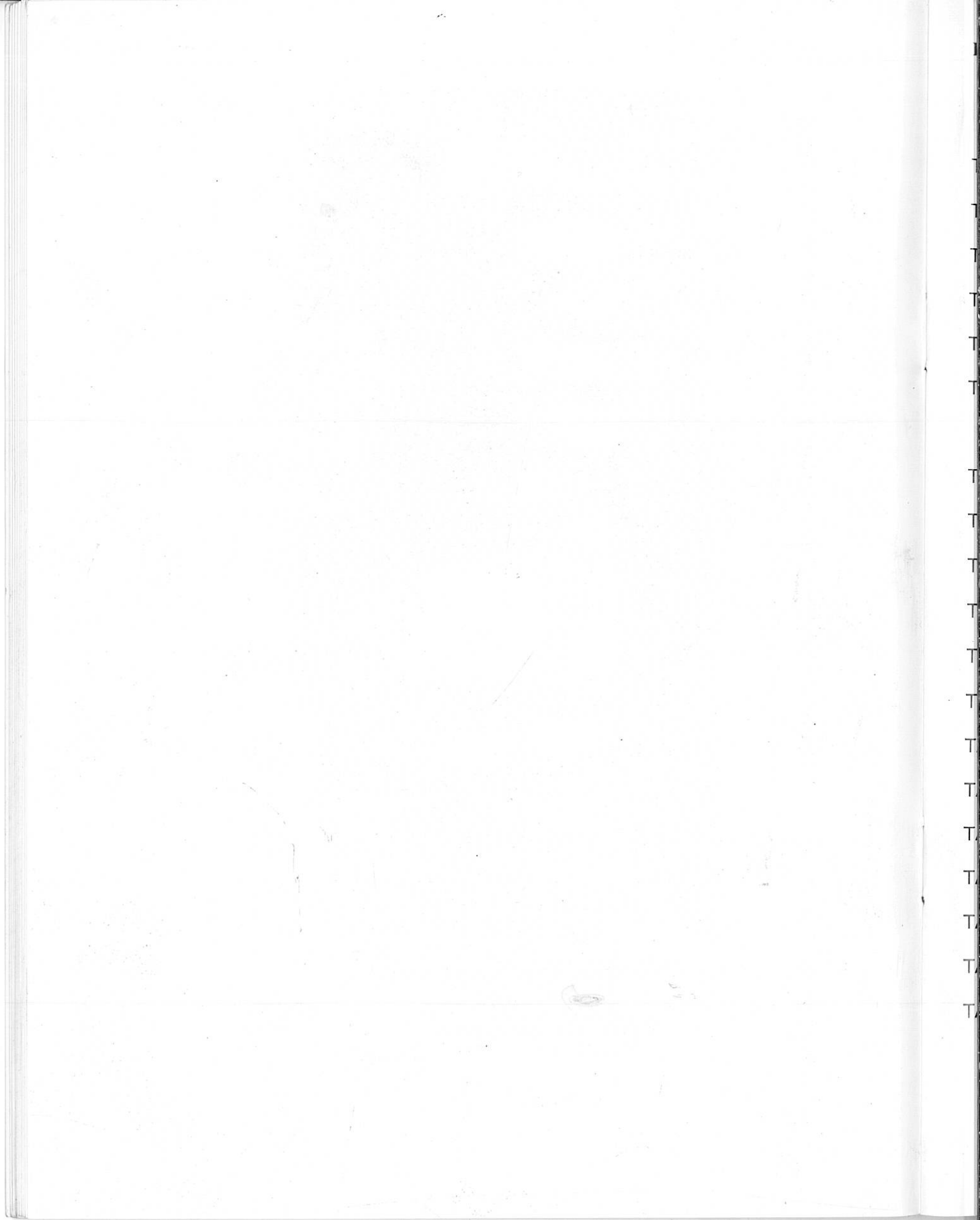
In the end, I once again thank you for inviting me and pray for the well-being and progress of all of you.

Pakistan Zindabad



43rd Annual General Meeting Nov.'2008

PSMA Members with the Chief Guest Ms. Fahmida Mirza Speaker National Assembly.



APPENDIX TO 2008 ANNUAL REPORT
LIST OF ATTACHED STATISTICAL TABLES

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TABLE 1
SUGARCANE CRUSHING, SUGAR PRODUCTION
& RECOVERY % 1994-95 TO 2007-2008

PAKISTAN

YEAR	NO. OF MILLS	CANE CRUSHED TONNES	SUGAR MADE TONNES	RECOVERY %
1994-95	66	34,193,290	2,983,101	8.72
1995-96	66	28,151,434	2,449,598	8.70
1996-97	68	27,152,918	2,378,751	8.76
1997-98	71	41,062,268	3,548,953	8.64
1998-99	71	42,994,911	3,530,931	8.21
1999-00	69	28,982,711	2,414,746	8.33
2000-01	65	29,408,879	2,466,788	8.39
2001-02	69	36,708,638	3,197,745	8.71
2002-03	71	41,786,689	3,652,745	8.74
2003-04	71	43,661,378	3,997,010	9.15
2004-05	71	32,101,739	2,922,126	9.10
2005-06	74	30,090,632	2,588,177	8.60
2006-07	77	40,483,977	3,516,218	8.69
2007-08	78	52,776,922	4,740,913	8.98

PUNJAB

1994-95	36	20,975,836	1,771,084	8.44
1995-96	37	16,992,633	1,375,789	8.10
1996-97	37	16,293,237	1,292,912	7.94
1997-98	39	25,905,541	2,065,886	7.97
1998-99	39	26,081,066	2,033,356	7.80
1999-00	37	16,829,610	1,315,637	7.82
2000-01	35	18,068,437	1,437,450	7.96
2001-02	37	25,252,609	2,152,175	8.52
2002-03	38	27,583,062	2,351,102	8.52
2003-04	38	28,604,925	2,599,490	9.09
2004-05	38	22,776,832	2,046,633	8.99
2005-06	40	19,340,641	1,566,047	8.10
2006-07	41	26,601,603	2,268,174	8.53
2007-08	42	33,063,564	2,952,784	8.93

SINDH

YEAR	NO. OF MILLS	CANE CRUSHED TONNES	SUGAR MADE TONNES	RECOVERY %
1994-95	24	12,037,995	1,107,880	9.20
1995-96	24	10,341,372	1,008,127	9.75
1996-97	27	10,314,835	1,028,169	9.97
1997-98	27	13,853,107	1,374,477	9.92
1998-99	29	15,095,412	1,353,012	8.96
1999-00	25	10,856,757	996,317	9.18
2000-01	25	10,493,428	968,175	9.23
2001-02	27	10,162,607	940,959	9.26
2002-03	28	12,415,817	1,158,674	9.33
2003-04	28	12,990,824	1,221,268	9.40
2004-05	28	7,915,416	754,458	9.53
2005-06	28	9,182,553	902,907	9.83
2006-07	29	11,626,978	1,062,411	9.14
2007-08	29	16,737,003	1,561,378	9.33

N.W.F.P.

1994-95	06	1,179,458	104,136	8.83
1995-96	05	817,429	65,682	8.19
1996-97	04	744,845	57,669	7.74
1997-98	05	1,303,619	108,589	8.33
1998-99	05	1,818,433	144,563	7.95
1999-00	05	1,296,344	102,792	7.93
2000-01	05	847,015	61,163	7.22
2001-02	05	1,293,422	104,611	8.09
2002-03	05	1,787,810	144,917	8.11
2003-04	05	2,065,629	176,252	8.53
2004-05	05	1,409,491	121,034	8.59
2005-06	06	1,567,438	119,223	7.69
2006-07	07	2,255,395	185,634	8.23
2007-08	07	2,976,356	226,751	7.62

TABLE 2
BEET SUGAR PRODUCTION, BEET SLICED,
SUGAR MADE & RECOVERY BY NWFP SUGAR MILLS

YEAR	NO. OF MILLS	BEET SLICED TONNES	SUGAR MADE TONNES	REC. %	MOLASSES MADE TONNES
1994-95	04	193,595	18,371	9.49	7,412
1995-96	03	211,670	20,435	9.65	7,738
1996-97	03	166,875	14,610	8.76	6,115
1997-98	02	81,794	6,267	7.66	3,127
1998-99	03	126,123	10,831	8.59	5,069
1999-00	03	187,478	14,618	7.80	7,750
2000-01	03	226,252	17,276	7.64	8,684
2001-02	03	316,041	29,127	9.23	13,376
2002-03	03	222,063	22,066	9.94	8,490
2003-04	03	250,171	23,797	9.51	8,684
2004-05	02	120,903	11,373	9.41	4,287
2005-06	03	93,518	8,934	9.55	3,404
2006-07	01	83,580	7,865	9.04	2,973
2007-08	01	64,095	5,532	8.80	2,576

TABLE 3
CONSOLIDATED SUGAR PRODUCTION IN PAKISTAN
FROM CANE, BEET & RAW (IN TONNES)

YEAR	SUGARCANE	BEET	RAW	TOTAL
1994-95	2,983,104	18,370		3,001,472
1995-96	2,449,598	20,435		2,470,034
1996-97	2,378,751	14,610		2,393,361
1997-98	3,548,953	06,267		3,555,220
1998-99	3,530,931	10,831		3,541,763
1999-00	2,414,746	14,618		2,429,364
2000-01	2,466,788	17,276	531,930	3,015,994
2001-02	3,197,745	29,172	22,111	3,249,029
2002-03	3,652,748	22,066	1,945	3,676,759
2003-04	3,997,010	23,797		4,020,806
2004-05	2,922,126	11,373	182,302	3,115,801
2005-06	2,588,177	8,934	401,396	2,988,507
2006-07	3,516,218	7,865	2,860	3,526,943
2007-08	4,740,913	5,532	5,929	4,752,374

TABLE 4
MOLASSES PRODUCTION IN PAKISTAN
FROM CANE, RAW & BEET (IN TONNES)

YEAR	PUNJAB	SINDH	NWFP	PAKISTAN
1994-95	1,010,890	592,067	47,994	1,650,952
1995-96	821,298	503,692	36,481	1,361,471
1996-97	798,448	482,636	32,661	1,319,860
1997-98	1,237,940	684,823	56,038	1,978,801
1998-99	1,276,391	760,533	76,670	2,113,595
1999-00	800,536	534,003	62,838	1,397,378
2000-01	901,732	550,605	40,480	1,501,501
2001-02	1,224,905	522,939	75,115	1,822,959
2002-03	1,304,284	656,520	87,313	2,048,117
2003-04	1,351,728	667,160	103,211	2,122,099
2004-05	1,039,937	393,287	64,171	1,497,395
2005-06	937,337	458,050	42,568	1,437,954
2006-07	1,222,482	578,833	109,787	1,911,102
2007-08	1,607,042	889,566	167,172	2,663,708

TABLE 5 (1)
SUGARCANE SUPPORT PRICE
MILL-GATE DELIVERY (Per 40 Kg)

YEAR	PUNJAB	SINDH	N.W.F.P	QUALITY PREMIUM
1994-95	20.50	20.75	20.50	0.27
1995-96	21.50	21.75	21.50	0.27
1996-97	24.25	24.50	24.25	0.27
1997-98	35.00	36.00	35.00	0.32
1998-99	35.00	36.00	35.00	0.50
1999-00	35.00	36.00	35.00	0.50
2000-01	35.00	36.00	35.00	0.50
2001-02	42.00	43.00	42.00	0.50 (Indicative price)
2002-03	40.00	43.00	40.00	0.50
2003-04	40.00	41.00	40.00	0.50
2004-05	40.00	43.00	40.00	0.50
2005-06	45.00	60.00	45.00	0.50
2006-07	60.00	67.00	65.00	0.50
2007-08	60.00	67.00	65.00	0.50
2008-09	80.00	81.00	80.00	0.50

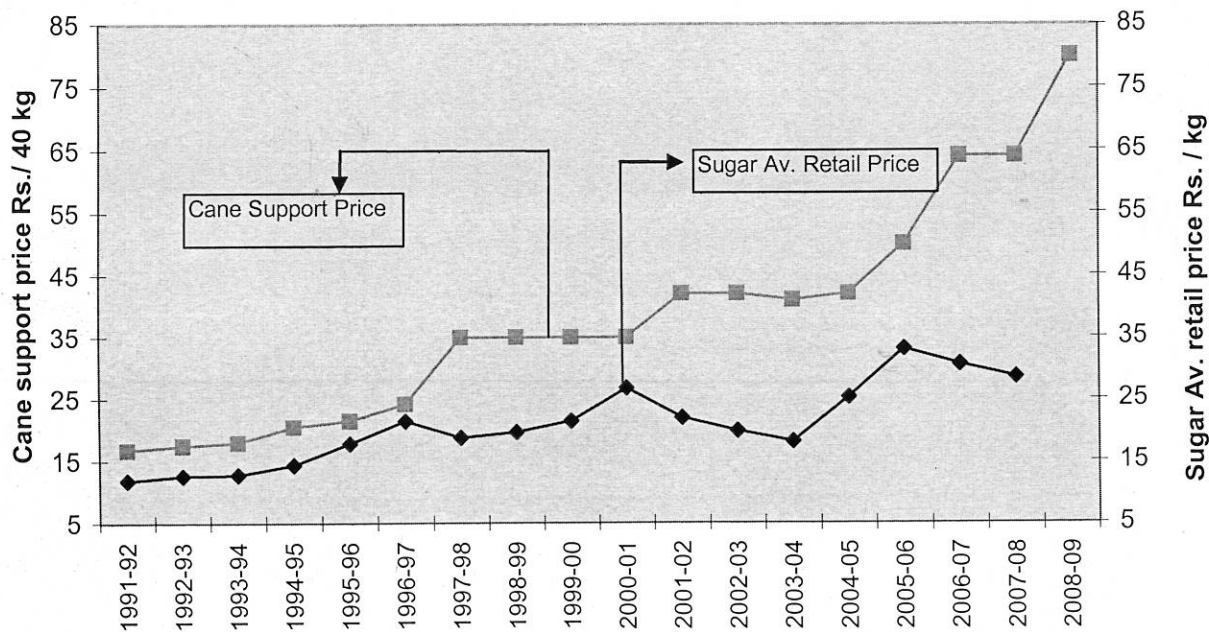
TABLE 5(2)

SUGARCANE SUPPORT PRICE IN COMPARISON WITH SEASON'S AVERAGE RETAIL PRICE

YEAR	PUNJAB	SINDH	NWFP	AV. SUGAR PRICE/KG
1994-95	20.50	20.75	20.50	14.36
1995-96	21.50	21.75	21.50	17.86
1996-97	24.25	24.50	24.25	21.46
1997-98	35.00	36.00	35.00	18.75
1998-99	35.00	36.00	35.00	19.63
1999-00	35.00	36.00	35.00	22.85
2000-01	35.00	36.00	35.00	26.73
2001-02	42.00	43.00	42.00	22.00
2002-03	40.00	43.00	40.00	19.83
2003-04	40.00	41.00	40.00	19.26
2004-05	40.00	43.00	40.00	25.31
2005-06	45.00	60.00	45.00	33.07
2006-07	60.00	67.00	65.00	30.60
2007-08	60.00	67.00	65.00	28.56
2008-09	80.00	81.00	80.00	

Sugarcane support price is per 40 Kg, Retail Price is Season's Average
Source: MINFAL

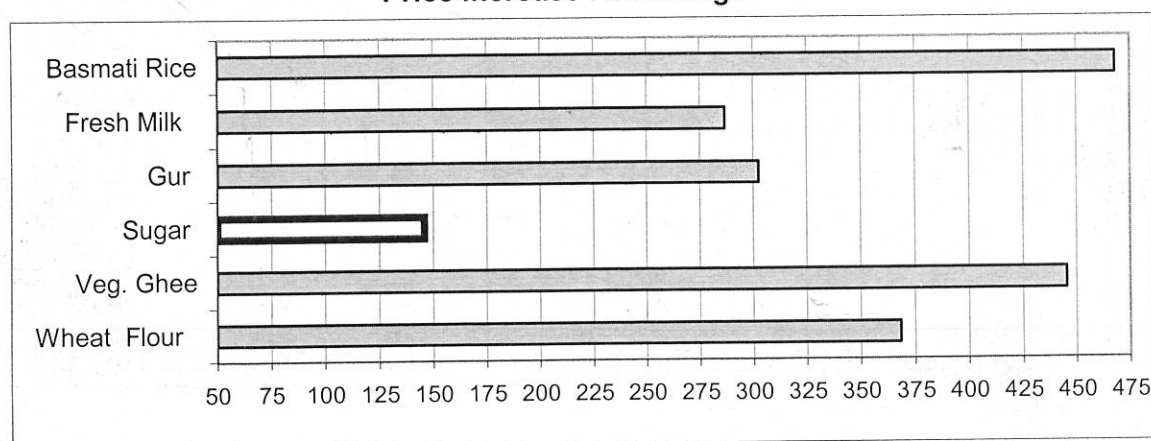
Sugarcane support price / Season's Av. Sugar retail price



Essential Commodities
Retail prices 1990-91 to 2007-08
In Comparison to sugar &
Graph showing % age of price increase

Years	Wheat Flour Kg	Veg. Ghee	Sugar	Gur	Fresh Milk	Basmati Rice
1990-91	3.66	19.00	11.26	8.24	7.71	6.10
1991-92	4.20	20.53	11.62	8.67	8.82	6.97
1992-93	4.44	24.08	12.29	10.03	9.90	8.06
1993-94	4.93	29.09	12.91	10.49	11.07	8.77
1994-95	5.78	38.99	13.74	11.07	12.18	9.09
1995-96	5.90	39.38	16.76	14.54	13.67	11.27
1996-97	7.32	42.76	21.26	18.67	15.12	12.85
1997-98	8.64	45.78	19.54	18.91	16.27	13.40
1998-99	8.35	54.00	19.09	17.19	17.71	14.50
1999-00	8.92	49.14	21.11	19.81	17.91	15.71
2000-01	9.80	44.82	27.11	26.31	18.23	15.35
2001-02	9.67	49.20	22.87	23.12	17.92	15.49
2002-03	10.14	55.25	20.77	20.45	18.35	18.07
2003-04	11.53	59.23	18.99	19.85	18.99	19.00
2004-05	13.32	59.98	22.73	23.65	20.91	20.08
2005-06	13.11	58.89	30.26	35.00	23.63	20.14
2006-07	13.59	68.05	32.40	40.30	26.36	21.94
2007-08	17.14	103.62	27.67	33.16	29.82	34.65
% age	368.31	445.37	145.74	302.43	286.77	468.03

Price Increase Percentage



Source: Economic Survey of Pakistan (Based on Fiscal Year)

TABLE 6 (1)
MILLWISE SUGARCANE CRUSHING, RAW UTILIZATION
SUGAR PRODUCTION, RECOVERY % AND
MOLASSES PRODUCTION FOR SEASON 2007-2008

PUNJAB		NO. OF DAYS	CANE CRUSHED	PROD. TONNES	REC. %	MOLASSES PROD.	Rec %
1	ABDULLAH	133	509,558	43,146	8.47	24,900	4.89
2	ADAM	147	350,659	31,622	9.02	16,867	4.81
3	ASHRAF	153	658,870	60,561	9.19	30,285	4.60
4	BABA FARID	121	422,544	31,579	7.47	20,820	4.92
5	BROTHERS	131	881,037	75,364	8.56	42,741	4.85
6	CHANAR	135	664,750	57,618	8.67	33,991	5.11
7	CHAUDHRY	128	812,093	66,710	8.22	38,720	4.76
8	COLONY(PHALIA)	135	682,985	55,719	8.16	36,990	5.42
9	COLONY(PUNJAB)	152	605,407	55,760	9.21	32,586	5.38
10	CRESCENT	146	348,333	25,377	7.28	16,850	4.85
11	ETIHAD	156	1,126,582	115,150	10.22	45,338	4.62
12	FATIMA	147	985,179	85,630	8.69	46,348	4.70
13	PECTO	138	686,229	53,499	7.80	30,880	4.50
14	G.SAMMUNDRI	75	206,873	14,827	7.17	11,550	5.58
15	HAMZA	168	3,177,166	320,958	10.10	127,511	4.01
16	HAQ BAHU	167	318,789	26,277	8.24	15,582	4.95
17	H.WAQAS	135	485,275	38,529	7.98	24,038	4.88
18	HUDA (FAUJI)	115	368,025	31,160	8.49	17,825	4.85
19	HUNZA	134	86,656	47,980	8.18	31,970	5.42
20	HUSEIN	141	688,248	58,326	8.47	33,385	4.85
21	INDUS	168	911,453	84,952	9.32	46,357	5.09
22	ITTEFAQ	131	569,176	47,070	8.27	27,620	4.85
23	J.D.W	165	2,844,395	288,949	10.16	132,357	4.65
24	KAMALIA	125	1,370,310	134,028	9.77	63,350	4.62
25	KASHMIR	138	685,013	60,032	8.76	31,356	4.57
26	KOHINOOR	146	599,040	44,786	7.47	29,468	4.92
27	LAYYAH	132	1,022,697	92,703	9.06	45,369	4.44
28	MADINA	135	691,980	58,714	8.50	39,710	5.76
29	NATIONAL	129	315,720	24,195	7.66	15,301	4.84
30	NOON	123	554,283	44,497	8.02	30,375	5.48
31	SAFINA (TIC) Ph-Wali	125	396,451	29,662	7.48	20,925	5.28
32	PATTOKI	139	770,822	69,205	9.00	34,210	4.44
33	RAMZAN	139	556,824	47,015	8.43	34,022	6.12
34	SHAHTAJ	130	997,899	85,651	8.58	53,374	5.35
35	SHAKARGANJ (I &II)	174	2,254,712	177,092	7.85	110,000	4.88

Cont..... Punjab

Cont..... Punjab

PUNJAB		NO. OF DAYS	CANE CRUSHED	PROD. TONNES	REC. %	MOLASSES PROD.	Rec %
36	SHEIKHOO	150	1,275,365	106,738	8.37	62,032	4.86
37	TANDLIANWALA – I	123	491,179	69,717	8.98	35,000	5.48
38	UNITED	152	995,700	101,082	10.15	51,141	5.14
39	YOUSAF	109	237,330	6,625	2.72	18,000	8.00
Non- Members							
40	CHISHTIA *	122	376,933	29,005	7.72	18,847	5.00
41	MACCA		190,080	15,500	8.13	9,504	5.00
42	TANDLIANWALA-II *		390,945	39,774	9.77	19,547	5.00
Av. No of Days		138					
TOTAL 2007-2008			33,063,564	2,952,784	8.93	1,607,042	4.86
TOTAL 2006-2007			26,601,603	2,268,174	8.53	1,222,482	4.60

TABLE 6 (2)

**MILLWISE SUGARCANE CRUSHING
SUGAR PRODUCTION, RECOVERY AND
MOLASSES PRODUCTION FOR SEASON 2007-2008**

S.N	NWFP	SEAS ON DAYS	CANE CRUSHED	PROD. TONNES	REC. %	MOL. PROD.	Rec %
1	AI-MOIZ		302,431	19,535	6.46	16,634	5.50
2	CHASHMA	124	938,920	70,566	7.52	50,820	5.81
3	CHASHMA (Exp.)	124	527,213	40,764	7.75	26,970	5.13
4	FRONTIER		NON OPERATING				
5	KHAZANA	106	262,106	23,041	8.80	12,120	4.63
6	PREMIER	109	197,313	16,771	8.50	8,732	4.43
7	TANDLIANWALA (ZAMAND)	137	569,314	42,744	7.51	40,685	7.15
Non- Members							
8	BANNU	107	179,059	13,330	7.40	8,636	4.80
TOTAL 2007-2008		NWFP	2,976,356	226,750	7.62	164,596	5.53
TOTAL 2006-2007			2,255,395	185,634	8.23	106,814	4.74

TABLE 6 (3)
MILLWISE SUGARCANE CRUSHING, RAW UTILIZATION
SUGAR PRODUCTION, RECOVERY % AND
MOLASSES PRODUCTION FOR SEASON 2007-2008

SINDH		No. DAYS	CANE CRUSHED	PROD. TONNES	REC. %	MOL. PROD.	Rec %
1	AL-ABBAS	146	615,690	61,965	10.06	31,880	5.18
2	AL-ASIF	137	331,523	32,086	9.64	16,830	5.07
3	AL-NOOR	159	1,062,304	98,113	9.24	55,453	5.22
4	ANSARI	148	788,409	66,600	8.45	42,692	5.42
5	ARMYWELFARE	148	501,116	46,754	9.33	25,447	5.08
6	BAWANY	135	582,456	54,279	9.32	29,727	5.11
7	DEWAN	149	855,473	79,150	9.25	44,419	5.19
8	DEWAN KHOSKI	130	425,362	44,610	10.49	21,160	4.98
9	DIGRI	140	549,572	53,818	9.80	28,012	5.10
10	FARAN	155	890,592	79,253	8.90	52,650	5.91
11	GHOTKI	146	862,496	90,918	10.55	48,785	5.66
12	HABIB	171	1,264,619	123,064	9.73	64,723	5.12
13	KHAIRPUR	171	442,252	37,415	8.45	22,463	5.07
14	LARR	170	423,859	37,752	8.91	25,168	5.70
15	MATIARI	156	517,312	51,005	9.86	27,920	5.40
16	MEHRAN	136	741,383	70,558	9.51	36,250	4.89
17	MIRPURKHAS	138	563,057	58,224	10.34	28,770	5.11
18	MIRZA	148	334,735	31,090	9.28	17,520	5.23
19	NAJMA	111	157,762	14,135	9.03	7,307	4.64
20	NAUDERO	132	184,362	16,221	8.80	9,346	5.07
21	PANGRIO	142	335,900	31,141	9.27	16,560	4.93
22	RANIPUR	160	469,150	40,063	8.54	22,960	4.89
23	SAKRAND	144	805,388	68,440	8.51	43,298	5.38
24	SANGHAR	182	853,592	81,097	9.50	48,460	5.67
25	SERI	157	352,541	29,316	8.30	21,500	6.09
26	SHAHMURAD	133	762,418	69,286	9.08	42,504	5.57
27	SINDABADGAR	151	484,035	44,132	9.13	25,388	5.25
28	TANDO M. KHAN	140	301,187	25,228	8.39	17,470	5.80
	Non- Members						
29	THARPARKAR	148	278,458	25,665	9.23	14,905	5.34
TOTAL 2007-2008			16,737,003	1,561,378	9.33	889,566	5.31
TOTAL 2006-2007			11,626,978	1,062,411	9.14	578,833	4.98

TABLE 6 (4)

**MILL-WISE BEET SLICING,
SUGAR PRODUCTION, RECOVERY AND
MOLASSES PRODUCTION FOR SEASON 2007-2008**

	NWFP	No. of Days	Beet sliced	Production Tonnes	Rec. %	Total Mol. Production	Rec. %	
1	FRONTIER		Not- Operated this Season					
2	PREMIER		Not- Operated this Season					
3	PREMIER	22	64,095	5,532	8.80	2,576	4.05	
TOTAL 2007-2008		NWFP	64,095	5,532	8.80	2,576	4.05	
TOTAL 2006-2007		NWFP	83,580	7,865	9.04	2,973	3.56	

TABLE 6(5)

**PROVINCE-WISE TOTAL PRODUCTION OF PAKISTAN
SUMMARY 2007-2008**

	CANE CRUSHED	RAW UTILIZED	BEET SLICED	SUGAR PRODUCTION			TOTAL SUGAR	MOL. C+R+B
				(Cane)	(Raw)	(Beet)		
PUNJAB	33,063,564	NIL	NIL	2,952,784	NIL	NIL	2,952,784	1,607,042
SINDH	16,737,003	NIL	NIL	1,561,378	5,929	NIL	1,561,378	889,566
NWFP	2,976,356	NIL	64,095	226,751	NIL	5,532	232,283	167,172
Total 2007-2008	52,776,922	6,000	64,095	4,740,913	5,929	5,532	4,752,374	2,663,780
Total 2006-2007	40,483,977	2,989	83,580	3,516,218	2,860	7,865	3,526,944	1,911,102

TABLE 7(1)
ESTIMATED GUR EQUIVALENT PRODUCTION
FROM SUGARCANE NOT MILLED AFTER 15% DEDUCTION
FOR SEED, FODDER AND WASTAGE ETC.

YEAR	GUR EQUIVALENT	
1990-91	853,800	Tonnes
1991-92	600,100	Tonnes
1992-93	688,000	Tonnes
1993-94	653,400	Tonnes
1994-95	827,100	Tonnes
1995-96	875,000	Tonnes
1996-97	709,400	Tonnes
1997-98	346,485	Tonnes
1998-99	332,990	Tonnes
1999-00	511,470	Tonnes
2000-01	649,623	Tonnes
2001-02	354,341	Tonnes
2002-03	208,672	Tonnes
2003-04	175,833	Tonnes
2004-05	416,611	Tonnes
2005-06	642,393	Tonnes
2006-07	523,292	Tonnes
2007-08	132,182	Tonnes

Note: * Gur equivalent is based on 8.5% recovery.
 * These are not Gur production figures.
 * (Recovery rate of Gur is 13.5-14.5%)

TABLE 7(2)

**SWEETENER CONSUMPTION IN PAKISTAN
SUGAR + GUR EQUIVALENT**

Sugar Year	Population Millions	SUGAR CONSUMPTION MMT		Gur Equivalent MMT	Total Sweetener MMT	Sweetener kg / capita
		Year's	Kg Per Capita			
1995-96	125.87	2.797	22.22	0.875	3.672	29.17
1996-97	126.90	2.812	22.16	0.709	3.521	27.75
1997-98	129.97	3.004	23.11	0.346	3.350	25.78
1998-99	133.01	3.039	22.85	0.333	3.372	25.35
1999-00	135.90	3.172	23.34	0.511	3.683	27.10
2000-01	140.36	3.055	21.77	0.649	3.704	26.39
2001-02	143.17	3.252	22.71	0.354	3.606	25.19
2002-03	145.95	3.483	23.86	0.208	3.691	25.29
2003-04	148.72	3.855	25.92	0.174	4.029	27.09
2004-05	152.53	3.941	25.83	0.416	4.357	28.56
2005-06	153.45	3.846	25.06	0.642	4.488	29.24
2006-07	156.77	3.958	25.24	0.523	4.481	28.58
2007-08	160.90	4.297	26.70	0.132	4.429	27.53

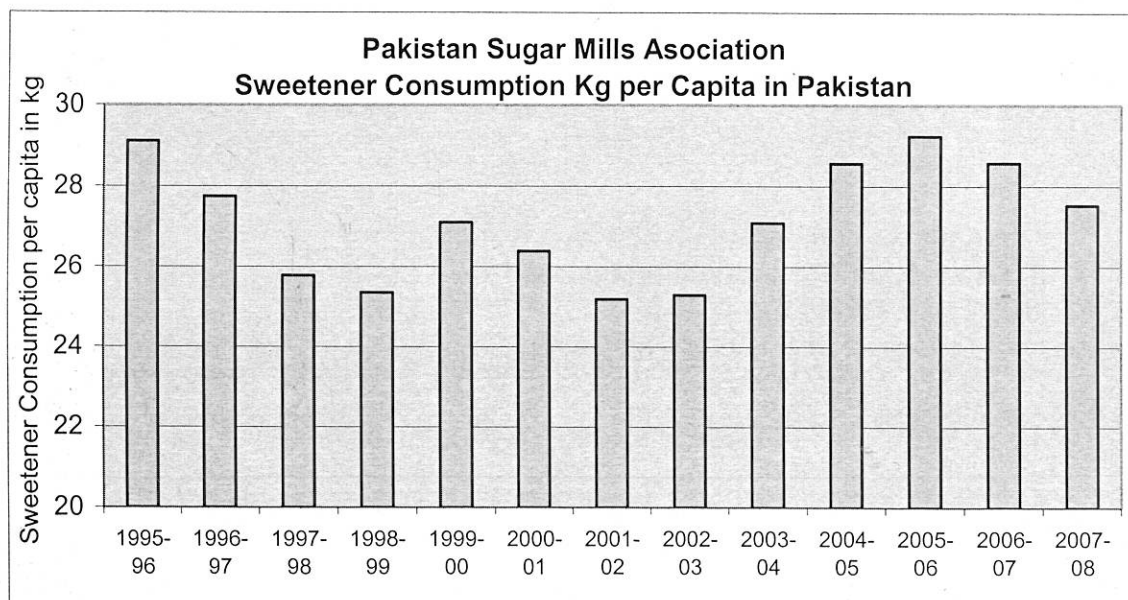


TABLE 8

SUGARCANE PLANTATION AREA, PRODUCTION, YIELD
AND UTILIZATION OF SUGARCANE BY SUGAR MILLS

PAKISTAN

YEAR	AREA HECTARES	PRODUCTION TONNES	YIELD PER HECTARE	UTILIZATION % BY SUGAR MILLS
1994-95	1,009,000	47,168,400	46.75	72.49
1995-96	963,100	45,229,700	47.00	62.24
1996-97	964,500	41,998,400	43.54	65.13
1997-98	1,056,200	53,104,200	50.28	77.32
1998-99	1,155,100	55,191,100	47.78	77.90
1999-00	1,009,800	42,000,000	41.59	69.00
2000-01	960,000	43,620,000	45.41	67.47
2001-02	999,700	48,041,000	48.06	76.33
2002-03	1,099,700	52,049,000	47.33	80.28
2003-04	1,074,700	53,800,000	50.00	81.19
2004-05	966,600	43,533,000	45.04	73.74
2005-06	906,980	44,292,000	48.80	67.94
2006-07	1,029,000	54,871,000	53.00	73.78
2007-08	1,241,300	63,920,000	51.49	82.60

PUNJAB

1994-95	656,700	28,268,000	43.00	74.20
1995-96	605,600	26,880,000	44.40	63.22
1996-97	604,200	24,010,200	39.74	67.86
1997-98	685,300	32,110,600	46.86	80.67
1998-99	780,300	33,382,800	42.78	78.12
1999-00	672,100	25,000,000	37.20	67.32
2000-01	615,000	26,740,000	43.48	67.57
2001-02	657,000	31,803,000	48.40	79.40
2002-03	735,000	33,169,000	45.12	83.15
2003-04	709,000	34,419,000	49.00	83.10
2004-05	645,000	29,332,000	45.47	77.65
2005-06	625,200	28,949,000	46.30	66.81
2006-07	712,000	37,542,000	53.00	70.85
2007-08	872,200	40,306,000	48.73	81.90

SINDH

YEAR	AREA HECTARES	PRODUCTION TONNES	YIELD PER HECTARE	UTILIZATION % BY SUGAR MILLS
1994-95	249,700	14,310,300	57.30	84.12
1995-96	254,400	13,737,200	54.00	75.28
1996-97	251,200	13,110,600	52.19	78.68
1997-98	261,600	15,990,600	61.16	86.58
1998-99	270,800	17,050,700	62.96	88.53
1999-00	230,600	12,100,000	51.27	83.99
2000-01	239,000	12,050,000	50.42	87.08
2001-02	241,000	11,416,000	47.37	89.90
2002-03	259,000	13,798,000	53.27	89.98
2003-04	260,000	14,612,000	56.00	88.90
2004-05	215,000	9,357,000	43.52	84.59
2005-06	183,180	11,243,000	61.40	81.67
2006-07	215,000	12,529,000	58.00	92.80
2007-08	308,800	18,793,900	60.86	89.05

N.W.F.P

1994-95	102,100	4,562,200	44.70	25.86
1995-96	102,500	4,583,000	44.70	17.84
1996-97	108,400	4,841,600	44.66	15.38
1997-98	108,600	4,956,500	45.64	26.30
1998-99	103,300	4,719,500	45.68	38.53
1999-00	106,300	4,900,000	46.10	26.40
2000-01	106,000	4,800,000	45.28	17.64
2001-02	101,000	4,787,000	47.40	26.94
2002-03	105,000	5,049,000	48.08	35.40
2003-04	105,000	4,745,000	45.00	43.53
2004-05	106,000	4,816,000	45.43	29.26
2005-06	98,600	4,100,000	41.60	38.23
2006-07	102,000	4,800,000	47.00	46.98
2007-08	104,800	4,792,000	45.73	62.11

N %
MILLS**BALUCHISTAN**

1994-95	500	27,900	55.80	-
1995-96	600	29,500	49.20	-
1996-97	700	36,000	51.43	-
1997-98	700	37,500	53.57	-
1998-99	700	38,100	54.40	-
1999-00	800	43,400	54.20	-
2000-01	600	30,000	50.00	-
2001-02	700	35,000	50.00	-
2002-03	700	33,000	47.14	-
2003-04	700	34,000	48.57	-
2004-05	600	27,960	46.60	-
2005-06	Not Available			
2006-07	Not Available			
2007-08	500	28,100	56.20	-

SOURCE: Federal Bureau of Statistics.
MINFAL

TABLE 9
IMPORT OF REFINED SUGAR

YEAR	QUANTITY TONNES	VALUE IN "000" RS.	AVERAGE PRICE RS. PER TONNES.
1994-95	5,188	68,761	13,254
1995-96	3,214	50,239	15,631
1996-97	681,083	9,861,825	14,480
1997-98	10,990	1,685,859	15,189
1998-99	10,097	152,591	15,113
1999-00	66,627	769,179	11,545
2000-01	930,142	14,488,243	15,576
2001-02	85,037	1,472,326	17,314
2002-03	8,315	152,746	18,370
2003-04	11,398	188,509	16,539
2004-05	266,707	5,288,976	19,606
2005-06	1,527,322	37,365,929	24,465
2006-07	586,543	15,721,704	26,804
2007-08	36,692	912,073	24,858

TABLE 9 (A)
IMPORT OF RAW SUGAR

YEAR	QUANTITY TONNES	VALUE IN RS. "000"	AVERAGE PRICE RS. PER TONNE
1994-95	195		
1995-96	137		
1996-97	147,482		
1997-98	36,469		
1998-99	548		
1999-00	127	2,101	16,543
2000-01	525,326	8,261,345	15,726
2001-02	500	7,172	14,344
2002-03	607		
2003-04	264		
2004-05	185,604		
2005-06	472,039	7,794,642	16,512
2006-07	11,033	N.A	
2007-08	714	N.A	

Data in Table 9 and 9 (A) for fiscal year
Source: Federal Bureau of Statistics

TABLE 10
EXPORT OF SUGAR

YEAR	QUANTITY TONNES	VALUE IN RS. "000"	AVERAGE PRICE RS.PER TONNE
1993-94	121,565	1,204,964	9,912
1994-95	315,886	3,770,558	11,936
1995-96	29,134	350,066	12,016
1996-97	-	-	-
1997-98	210,632	2,897,750	13,757
1998-99	906,602	11,549,170	12,739
1999-00	-	-	-
2000-01	-	-	-
2001-02	-	-	-
2002-03	45,669	627,949	13,750
2003-04	116,175	1,589,210	13,679
2004-05	54,771	1,028,710	18,782
2005-06	61,047	1,590,555	26,055
2006-07	12	330	27,500
2007-08	260,680	5,738,856	22,015

TABLE 11
EXPORT OF MOLASSES

YEAR	QUANTITY TONNES	VALUE IN RS. "000"	AVERAGE PRICE RS.PER TONNE
1994-95	769,636	1,213,545	1,576.78
1995-96	806,399	1,852,514	2,297.26
1996-97	1,056,134	2,021,755	1,914.30
1997-98	1,359,328	2,542,504	1,870.41
1998-99	1,688,505	1,802,899	1,067.75
1999-00	1,748,000	2,200,000	1,258.58
2000-01	1,190,012	2,456,573	2,064.32
2001-02	1,607,380	3,898,800	2,425.56
2002-03	1,272,630	2,652,975	2,084.63
2003-04	1,457,283	2,698,964	1,852.05
2004-05	1,151,431	4,297,617	3,732.00
2005-06	497,161	2,612,342	5,255.00
2006-07	373,177	1,704,034	4,566.00
2007-08	780,807	3,490,864	4,471.00

Data in Table 10 and 11 for fiscal year
Source: Federal Bureau of Statistics

TABLE 12

EXPORT OF FERMENTATION ETHYL ALCOHOL
(NOT DENATURED)

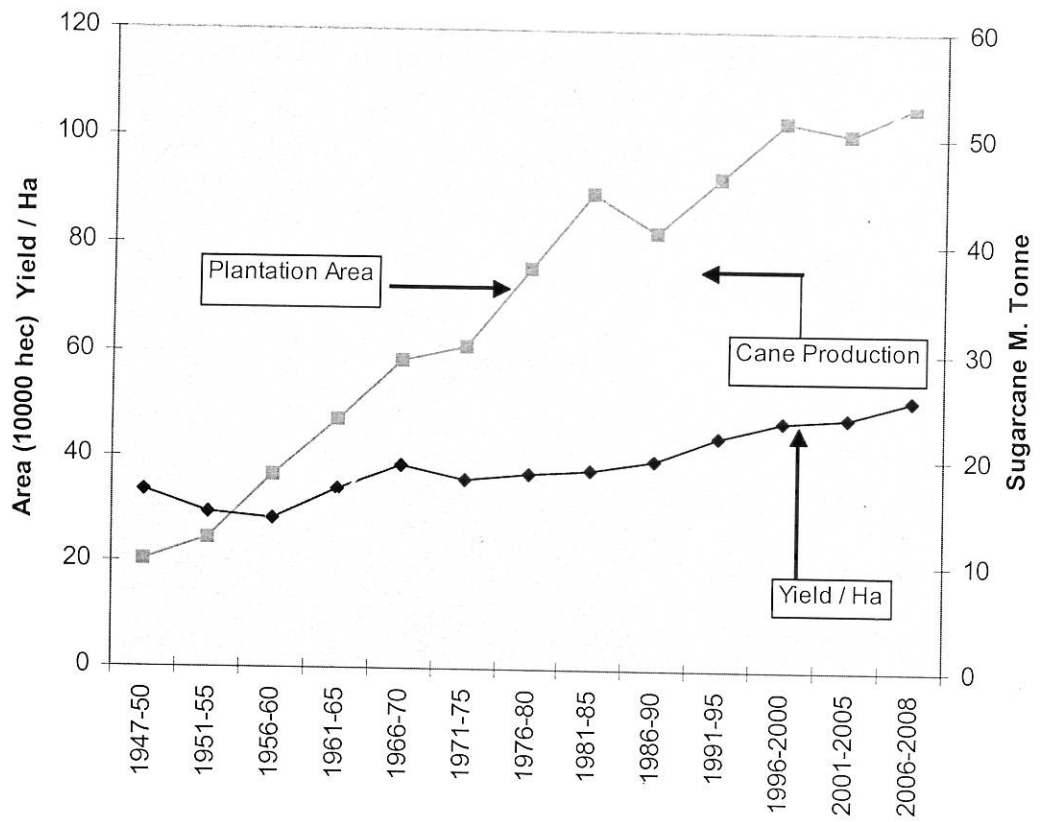
YEAR	QUANTITY LTRS	VALUE RS."000"	AVERAGE PRICE PER LTR
1994-95	6,050,200	68,137	11.26
1995-96	1,166,000	16,856	14.45
1996-97	1,232,145	18,273	14.83
1997-98	4,107,000	69,646	16.96
1998-99	6,722,000	115,788	17.22
1999-00	7,608,000	136,364	17.92
2000-01	10,061,000	208,082	20.68
2001-02	14,594,000	341,438	23.39
2002-03	16,341,575	342,658	20.96
2003-04	35,921,065	692,840	19.29
2004-05	36,669,688	1,067,445	29.00
2005-06	33,789,535	1,066,048	32.00
2006-07	34,116,438	1,122,000	32.00
2007-08	28,609,832	892,222	31.19

Data is for Fiscal Year.

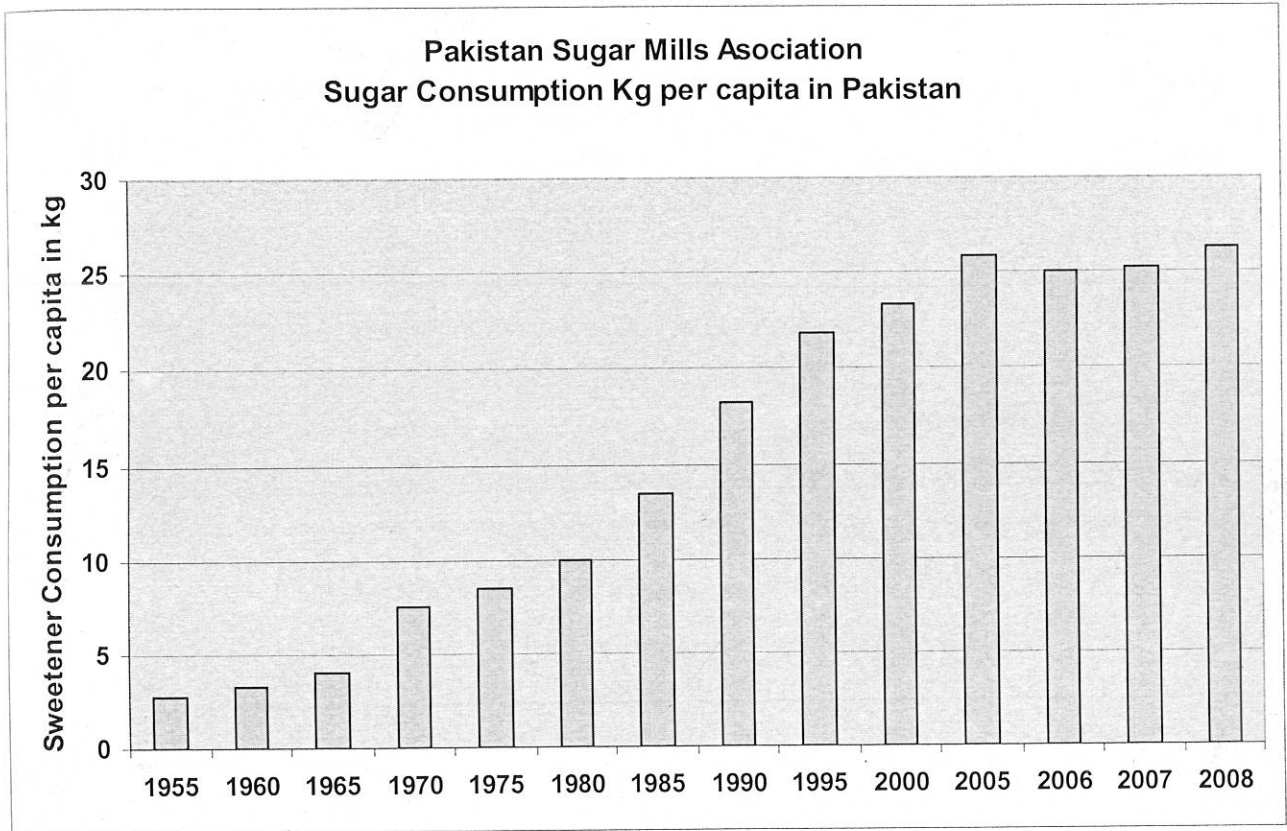
Source : Federal Bureau of Statistics

Pakistan Sugar Mills Association			
Sugarcane Area, production and Yield T / Ha			
Years	Area (‘000hectares)	Yield / Ha	Sugarcane Production (‘000 tonnes)
1947-1950	202	33.54	6,775
1951-1955	245	29.36	7,193
1956-1960	366	28.19	10,319
1961-1965	469	33.79	15,849
1966-1970	582	38.34	22,312
1971-1975	608	35.60	21,647
1976-1980	757	36.98	27,994
1981-1985	897	37.44	33,580
1986-1990	823	39.68	32,656
1991-1995	927	44.12	40,902
1996-2000	1,030	46.96	48,371
2001-2005	1,009	47.91	48,343
2006-2008	1,059	51.13	54,361

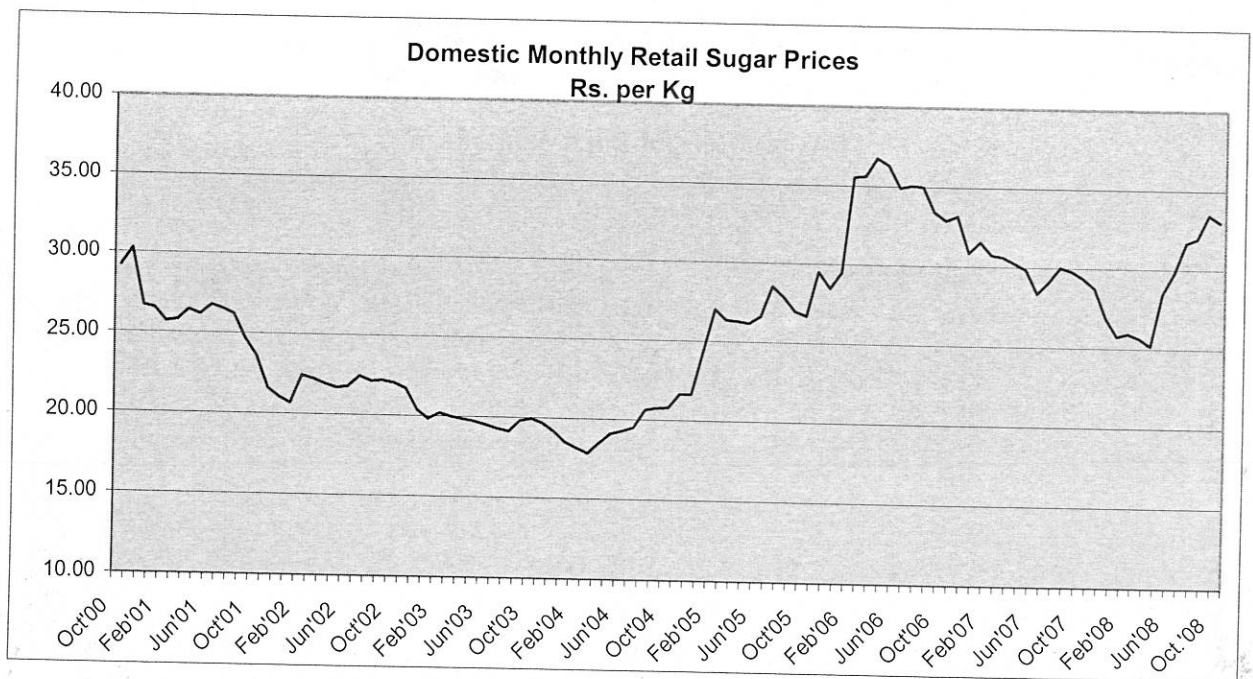
Pakistan Sugar Mills Association
Sugarcane Area, Production and Yield



LOW YIELD

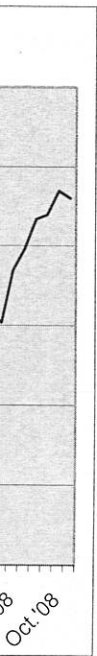


HIGH CONSUMPTION



Months	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08
October	29.19	23.60	22.04	19.93	20.78	26.71	32.87	29.36
November	30.24	21.58	21.70	19.67	21.62	29.50	33.15	28.75
December	26.68	21.05	20.39	19.17	21.63	28.47	30.86	26.89
January	26.51	20.68	19.83	18.53	24.35	29.49	31.55	25.73
February	25.70	22.41	20.20	18.16	27.00	35.54	30.74	25.92
March	25.80	22.22	19.97	17.85	26.33	35.61	30.63	25.64
April	26.41	21.91	19.83	18.52	26.27	36.77	30.25	25.18
May	26.16	21.70	19.71	19.10	26.15	36.32	29.85	28.45
June	26.75	21.78	19.52	19.27	26.60	34.91	28.38	29.75
July	26.51	22.44	19.29	19.49	28.54	35.06	29.09	31.68
August	26.17	22.14	19.14	20.62	27.85	34.98	30.03	31.95
September	24.67	22.17	19.80	20.75	26.97	33.43	29.80	33.46
Average	26.73	21.97	20.12	19.26	25.34	33.07	30.60	28.56

Source: Federal Bureau & MINFAL



**International Data Including Extract From
I.S.O. Report
“Survey of Sugar Crop Yield”**

2007-08
29.36
28.75
26.89
25.73
25.92
25.64
25.18
28.45
29.75
31.68
31.95
33.46
28.56

World Major Cane Sugar Producing Countries

5 Year Production & Ranking

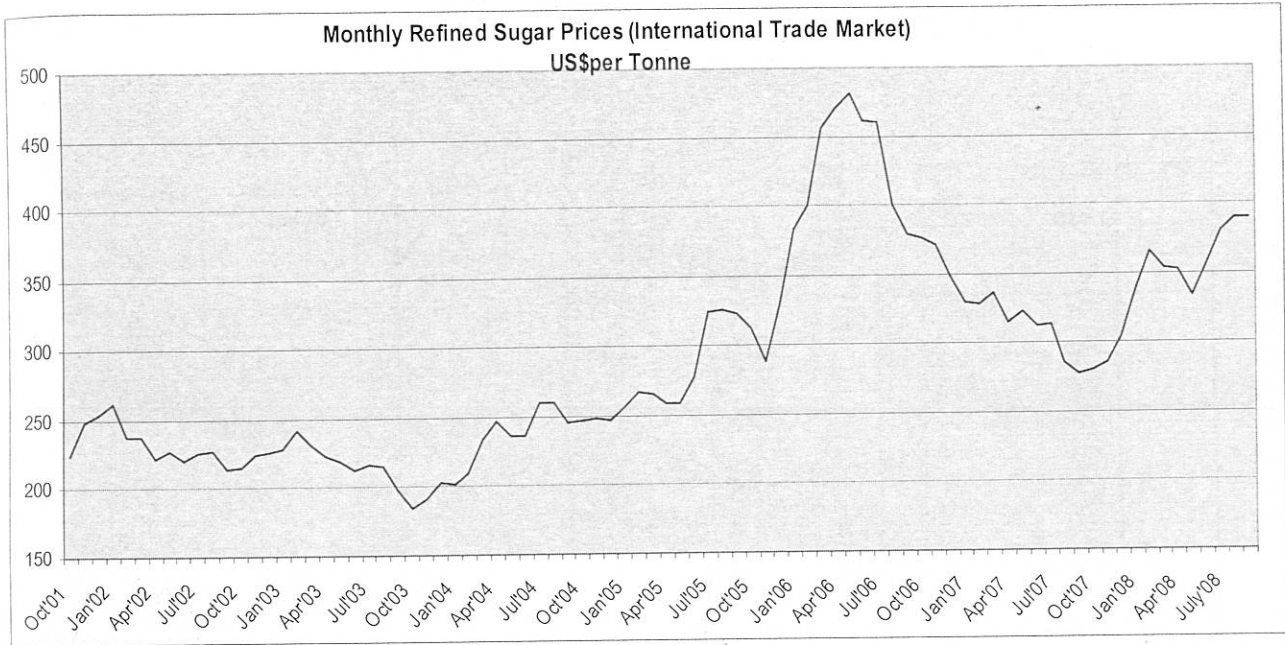
		1000 Tonnes Raw Value					
S.No.	Name	07-08	06-07	05-06	04-05	03-04	Ranking
1	Argentina	2,169	2,459	2,217	1,857	1,920	14
2	Australia	4,939	5,212	5,397	5,528	5,314	7
3	Brazil	32,984	32,495	27,815	28,266	26,359	1
4	China	14,869	11,680	8,704	9,216	10,25\6	3
5	Colombia	2,250	2,277	2,415	2,683	2,740	12
6	Cuba	1,480	1,181	1,197	1,415	2,520	15
7	Egypt	1,166	1,169	1,094	1,139	1,089	16
8	Guatemala	2,170	2,280	1,911	2,103	1,995	13
9	India	28,587	30,766	20,942	13,795	14,736	2
10	Indonesia	2,652	2,508	2,435	2,236	1,779	9
11	Mexico	5,753	5,551	5,502	6,002	5,359	5
12	<i>Pakistan</i>	<i>5,151</i>	<i>3,826</i>	<i>2,813</i>	<i>3,176</i>	<i>4,344</i>	6
13	Philippines	2,455	2,311	2,213	2,226	2,420	10
14	South Africa	2,281	2,220	2,520	2,318	2,297	11
15	Thailand	8,075	7,007	5,076	5,427	7,281	4
16	U.S.A	3,113	3,119	2,682	2,962	3,590	8

World Sugar Production 2007-08

Cane Sugar Production	134,482,000	Tonnes
Beet Sugar Production	35,139,000	Tonnes
Total Production	169,621,000	Tonnes

Note: Prod. Ranking based on (07-08)

- * Source F. O. Licht's September'2008
- * Production in Raw Value
- * Countries producing over 2.0 million tonnes included



Months	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08
October	259.25	224.63	214.76	184.95	247.18	311.84	376.08	279.93
November	242.94	248.45	224.00	191.43	248.43	288.26	371.24	285.35
December	241.39	253.96	225.95	203.00	247.46	329.98	348.04	304.27
January	248.45	261.89	228.00	201.87	256.42	383.10	329.82	338.00
February	234.78	238.09	242.00	210.28	266.65	440.51	328.00	365.12
March	226.18	238.31	231.42	233.54	265.23	450.92	335.91	353.48
April	233.89	222.43	223.56	246.64	258.71	471.02	314.79	352.52
May	258.15	227.28	219.37	236.76	259.02	481.07	322.85	333.05
June	279.53	220.77	212.82	236.50	277.90	461.46	312.32	356.92
July	277.77	225.81	217.03	260.50	324.10	460.63	313.05	379.85
August	266.30	227.31	215.06	260.16	326.25	400.16	285.99	397.20
September	234.99	213.52	197.50	245.21	323.25	379.34	277.61	387.62

Av. Retail Price	250.30	233.54	220.96	225.90	275.05	404.86	326.31	344.44
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Source: " LIFFE London / ISO"

Major Cane Sugar Producing Countries
3-Years Sugarcane Harvested Area Average
in "000" Hectares

S. No.	Name	2000-01	2001-02	2002-03	Av. Cane Harvested Area	Ranking
1	Argentina	243	241	242	242	13
2	Australia	419	411	417	416	8
3	Brazil	2273	2435	2610	2,439	2
4	China	1188	1289	1421	1,299	3
5	Colombia	175	167	172	171	15
6	Cuba	1041	1007	1041	1,030	4
7	Egypt	111	104	105	107	16
8	Guatemala	180	185	187	184	14
9	India	2573	2628	2541	2,581	1
10	Indonesia	366	386	350	367	11
11	Mexico	603	609	606	606	7
12	Pakistan	749	860	935	848	6
13	Philippines	364	367	384	372	10
14	South Africa	321	322	325	323	12
15	Thailand	928	966	1083	992	5
16	U.S.A	395	393	393	394	9

* Countries producing over 2.0 million tonnes included

* With complements to ISO report international Survey of Sugar Crop yield.

Major Cane Sugar Producing Countries

3-Years Sugarcane Average Yield / Ha

Tonnes / Hectares

S.No	Name	2000-01	2001-02	2002-03	Cane Yield / Ha	Ranking
1	Argentina	61.67	62.87	60.91	62	10
2	Australia	74.53	78.49	91.05	81	4
3	Brazil	53.24	58.70	62.97	58	13
4	China	58.25	60.49	64.89	61	11
5	Colombia	102.90	122.03	125.43	117	1
6	Cuba	34.97	31.88	33.33	33	15
7	Egypt	91.38	92.84	95.31	93	2
8	Guatemala	91.96	91.54	93.53	92	3
9	India	68.65	68.61	76.48	71	7
10	Indonesia	65.30	65.25	72.94	68	9
11	Mexico	73.76	70.45	72.52	72	6
12	Pakistan	45.41	48.09	47.32	47	14
13	Philippines	58.27	57.66	61.66	59	12
14	South Africa	74.38	65.70	70.81	70	8
15	Thailand	52.42	61.58	68.40	61	11
16	U.S.A	78.70	75.72	78.20	78	5

* Countries producing over 2.0 million tonnes included

* With complements to ISO report international Survey of Sugar Crop yield.

Major Cane Sugar Producing Countries

3-Years Average Sugarcane Production

						1000 MT
S. No.	Name	2000-01	2001-02	2002-03	Av. Sugarcane Production	Ranking
1	Argentina	14,985	15,151	14,741	14,959	15
2	Australia	31,228	32,260	37,968	33,819	8
3	Brazil	121,013	142,926	164,360	142,766	2
4	China	69,199	77,966	92,202	79,789	3
5	Colombia	18,007	20,379	21,574	19,987	13
6	Cuba	36,400	32,100	34,700	34,400	7
7	Egypt	10,143	9,655	10,008	9,935	16
8	Guatemala	16,552	16,935	17,490	16,992	14
9	India	176,648	180,300	194,325	183,758	1
10	Indonesia	23,900	25,185	25,530	24,872	10
11	Mexico	44,479	42,904	43,948	43,777	5
12	Pakistan	34,000	41,358	44,242	39,867	6
13	Philippines	21,211	21,160	23,677	22,016	12
14	South Africa	23,876	21,157	23,013	22,682	11
15	Thailand	48,650	59,490	74,072	60,737	4
16	U.S.A	31,109	29,733	30,757	30,533	9

* Countries producing over 2.0 million tonnes included

* With complements to ISO report international Survey of Sugar Crop yield.

Classification of Cane producers by sugar yields

MT	Low yields (lower than 6t/ha)		Middle yields (6 to 8 t/ha)	High Yields (8 to 10 t/ha)	Very high yields (higher than 10 t/ha)
Ranking					
15	Barbados	Mozambique	Argentina	Brazil	Australia
8	Belize	Myanmar	Bangladesh	Burkina Faso	Colombia
2	Bolivia	Nepal	Burundi	Chad	Egypt
3	Cameroon	Pakistan	China	Cote d'Ivoire	Ethiopia
13	Congo	Panama	China (Taiwan)	El. Salvador	Malawi
7	Cuba	Paraguay	Costa Rica	Guatemala	Peru
16	Dominican Rep.	Philippines	Ecuador	India	Senegal
14	Fiji	Somalia	Guyana	Kenya	Sudan
1	Gabon	Sri Lanka	Honduras	Mexico	Swaziland
10	Guinea	St. Christopher	Japan	Morocco	Zambia
5	Haiti	Suriname	Mali	South Africa	Zimbabwe
6	Indonesia	Trinidad & T.	Mauritius	USA	
12	Iran	Uruguay	Nicaragua		
11	Jamaica	Venezuela	Papua N. G.		
4	Madagascar	Vietnam	Sierra Leone		
9	Malaysia	Zaire	Tanzania		
			Thailand		

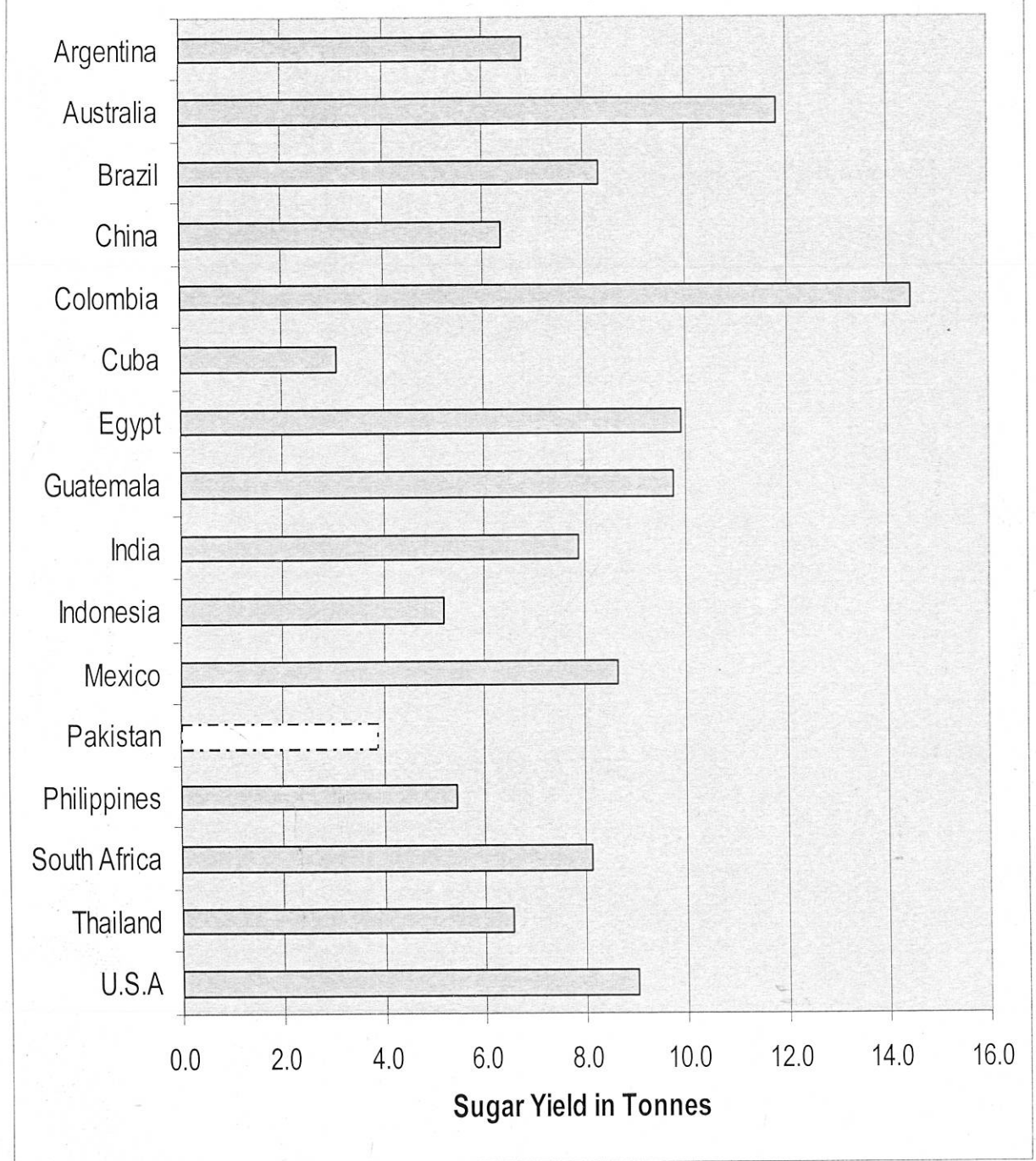
Major Cane Sugar Producing Countries
Summary Sugarcane Harvested Area, Cane and Sugar Yield T/ Ha

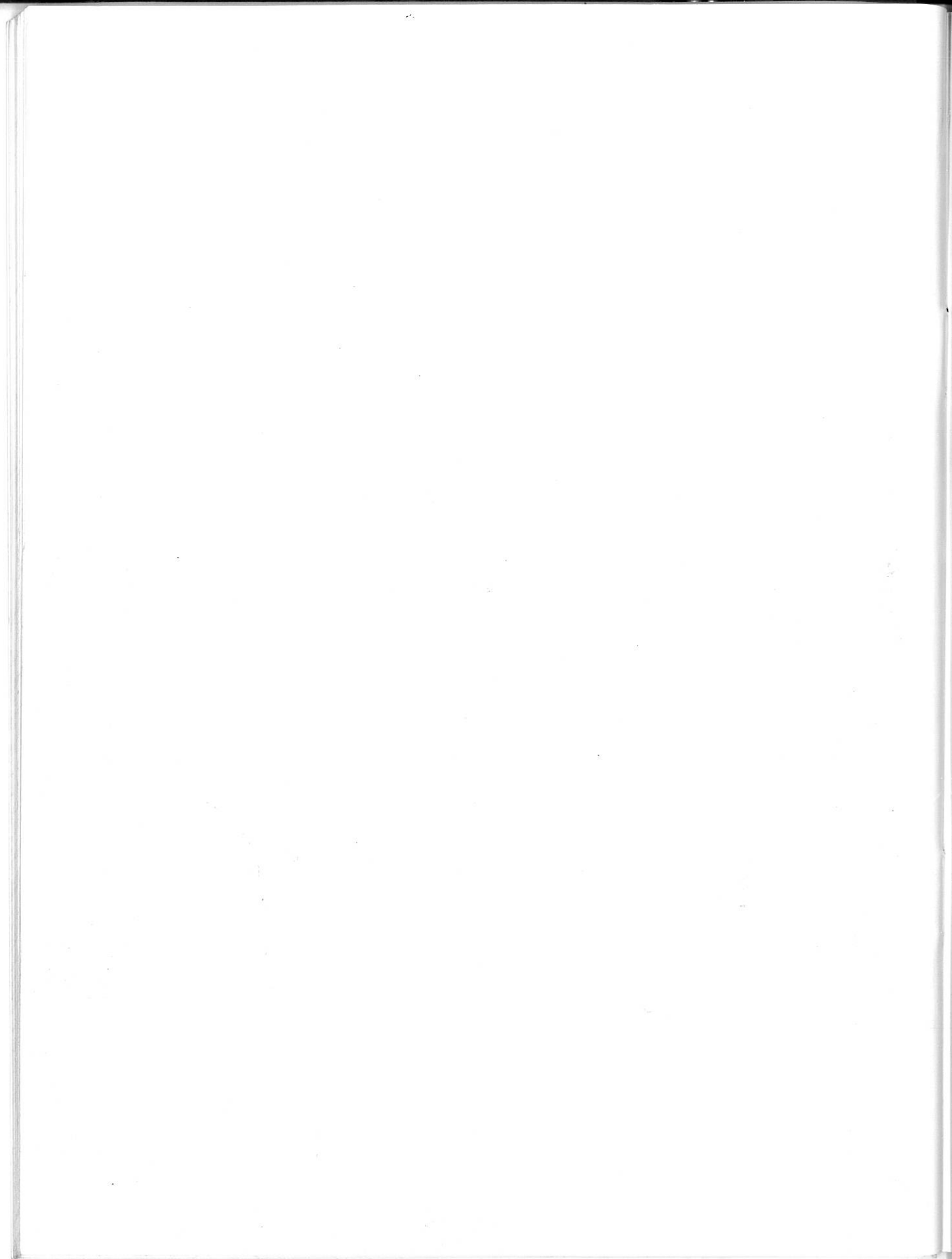
S. No.	Name	Cane Harvested Area	Cane Yield T/ Ha	Sugar Yield T/ Ha
1	Argentina	242	62	6.8
2	Australia	416	81	11.8
3	Brazil	2,439	58	8.3
4	China	1,299	61	6.4
5	Colombia	171	117	14.5
6	Cuba	1,030	33	3.1
7	Egypt	107	93	9.9
8	Guatemala	184	92	9.8
9	India	2,581	71	7.9
10	Indonesia	367	68	5.2
11	Mexico	606	72	8.7
12	Pakistan	848	47	3.9
13	Philippines	372	59	5.4
14	South Africa	323	70	8.1
15	Thailand	992	61	6.6
16	U.S.A	394	78	9.0

* Countries producing over 2.0 million tonnes included

* With complements to ISO report international Survey of Sugar Crop yield.

Major Cane Sugar Producing Countries
3-Years Average Sugar Yield (Raw value) Tonnes per Hectare





**FORMER CHAIRMEN OF
PAKISTAN SUGAR MILLS ASSOCIATION**

1965-1966	Dr. S.M. Momen
1966-1967	Colonel Muzaffar Khan
1967-1968	Mr. M Hussain
1968-1969	Nawabzada M. Munir Khan
1969-1970	Mr. Hussain
1970-1971	Mr. Khaliq Dar Noon
1971-1972	Mr. Ahmed Ibrahim
1972-1973	Mr. Taj Muhammad Khanzada
1973-1974	Ch. Bashir Ahmed
1974-1975	Mr. M. Akram
1975-1976	Mr. Taj Muhammad Khanzada
1976-1977	Mr. Mian Bashir Ellahi
1977-1978	Mr. M. Akram
1978-1979	Mr. Taj Muhammad Khanzada
1979-1980	Malik Manzoor Hayat Noon
1980-1982	Mr. M. Akram
1982-1983	Mr. Taj Muhammad Khanzada
1983-1984	Mr. Altaf M. Saleem
1984-1985	Mr. M. Akram
1985-1986	Mr. Taj Muhammad Khanzada
1986-1987	Mr. Altaf M. Saleem
1988-1990	Mr. M. Akram
1990-1992	Syed Abbas Shah
1992-1994	Mr. Altaf M. Saleem
1994-1996	Mr. Ismail Zakaria
1996-1998	Mr. Abbas Sarfaraz Khan
1998-2000	Mr. S. M. Tahir
2000-2002	Mr. Ashraf W. Tabani
2002-2004	Mr. Iskander M Khan
2004-2006	Ch. M Zaka Ashraf
2006-2008	Mr. Shunaid Qureshi
2008-2009	Mr. Iskander M Khan

**ZONEWISE LIST OF SUGAR MILLS
LOCATION AND DISTRICT**

PUNJAB ZONE

Mills Name & Address	Tel & Fax	Mills Location/ Dist.
Abdullah Sugar Mills Ltd., 103/B-1, M.M. Alam Road, Lahore	Fx. (042)-5714074-5 (042)-5758467	Depalpur Okara
Adam Sugar Mills Ltd., Haji Adam Chambers, South Napier Road, P.O. Box 4274 New Challi, Karachi	Fx. (042)-575216 (021)-2417812-7 (021)-2427560 (042)-5757216	Chistian Bahawalnagar
Ashraf Sugar Mills Ltd., 128 Tufail Road, Lahore Cantt.	Fx. (042)-6655002-3 (042)-6653515	Ashrafabad Bahawalpur
Baba Farid Sugar Mills Ltd., Room # 101 & 102, 1 st Floor Panorama Centre, Raja Ghazanfar Ali Road Karachi	Fx. (021)-5682178 (021)- 5684709	Faisalabad Okara
Brother Sugar Mills Ltd., 135-Upper Mall, Lahore.	Fx. (042)-5757013-6 (042)-5710417	Chunian Kasur
Chanar Sugar Mills Ltd., 194-Abu Bakar Block, New Garden Town Lahore	Fx. (042)-5868077-9 (042)-5862264	Faisalabad
Chaudhry Sugar Mills Ltd., 80-A, Abu Bakar Block, New Garden Town, Lahore	Fx. (042)-5858135 -6 (042)-5858477	Gojra Toba Tek Singh
Colony (Phalia) Sugar Mills Ltd., M. Ismail, Aiwan-e-Science Building, 205 Ferozpur Road, Lahore	Fx. (042) 5758970-2 (042)- 5763247	Phalia Mandi Bahauddi
Colony (Punjab) Sugar Mills Ltd., M. Ismail, Aiwan-e-Science Building, 205 Ferozpur Road, Lahore	Fx. (042) 5758970-2 (042)- 5763247	Mian Channu Khanewal

Mills Name & Address	Tel & Fax	Mills Location / Dist.
Crescent Sugar Mills Ltd., New Lahore Road, P.O Box # 11 Nishatabad, Faisalabad	Fx. (041)-8750363 (041)-8750366	Nishtabad Faisalabad
Etihad Sugar Mills Ltd., 216, Upper Mall, Bawa Park, Lahore	Fx. (042)-5877921-23 (042)-5712293	Karamabad Rahimyar Khan
Fatima Sugar Mills Ltd., 2 nd Floor, Trust Plaza, Opp. Telephone Exchange LMQ Road, Multan.	Fx. (061)-4546318 (061)-4546218 (061)- 4511677/4584288	Kot Addu Muzafargarh
Fecto Sugar Mills Ltd., 1 st Floor Nawa-I- Waqt Building 4- Shabrae Fatima Jinnah, Lahore	Fx. (042)-6368671 (042)-6306747	Darya Khan Bhakhar
Gojra Samundri Sugar Mills Ltd., Monnoo House,3 Montgomery Road, Lahore	Fx. (042)-6312978-9 (042)-6312982	Gojra Faisalabad
Hamza Sugar Mills Ltd., A/22, S.I. T. E. Maripur Road Karachi	Fx. (021)-2561101-4 (021)-2561873	Jetha Bhutta Rahimyar Khan
Haq Bahu Sugar Mills Ltd. 90/ B-3, Canal Park, Gulberg- II, Lahore	Fx. (042)-5879443-4 (042)-5758777	Layyah Road Jhang
Haseeb Waqas Sugar Mills Ltd., 103/ B-1, M. M Alam Road Gulberg III Lahore	Fx. (042)-5714074-5 (042)-5758467	Nankana Sahib Sheikhpura
Huda (Fauji) Sugar Mills Ltd. Askari Villas # 7, Army Housing Society, Sarwar Shaheed Road, Lahore	Fx. (042)-6674345, 6682935 (042)-6681599	Sangla Hill Sheikhupura
Hunza (Qand Ghar) Sugar Mills 31/7-A, Abubakar Block, Garden Town Lahore.	FX. 042-7533135 042-111-161-161 042-5882945/5862245	Shahkot Faisalabad
Husein Sugar Mills Ltd., 30-A/E-1, old FCC Gulberg III, Back to Gaddafi Stadium, Lahore	Fx. (042)-5762089-90 (042)-5712680	Jaranwala Faisalaba

Mills Name & Address	Tel & Fax	Mills Location / Dist.
Indus Sugar Mills 93-B, New Muslim Town, Lahore	Fx. (042)-5882801-2 (042)-5835180	Kot Bahadur Rajan Pur
Ittefaq Sugar Mills Ltd., 40-B 11, Gulberg III, Lahore	Fx. (042)-5765021-6 (042)-5759546	Pakpattan Pakpattan
JDW Sugar Mills Ltd., 17, Abid Majeed Road, Lahore -Cantt	Fx. (042)-6664891-2 (042)-6654490	Mouza Shirin Rahimyar Khan
Kamalia Sugar Mills Ltd., C/o Punjab Beverages Co. Pvt. Ltd Nisar Colony, Samundri Road Faisalabad	Fx. (041)-8660270/6682935 (042)-8660700	Kamalia Toba Tek Singh
Kashmir Sugar Mills Ltd., 40-B, 11 Gulberg III, Lahore	Fx. (042)-5765021-6 (042)-5759546	Shorkot Jhang
Kohinoor Sugar Mills Ltd., 29-G, Gulberg II, Lahore	Fx. (042)-5750174 (042)-5710972	Jauharabad Khushab
Layyah Sugar Mills Ltd., 2D-1, Gulberg III, Lahore	Fx. (042)-5771066-71 (042)-5771175 (042)-5756687	Layyah Layyah
Madina Sugar & Chemicals Ltd. Gate # 3, The University of Faisalabad Sargodha Road, Faisalabad	Fx. (041)-8869891-5 (041)-8869899	Bhalwal Sargodha
National Sugar Mills Ltd., 146 M, Gulberg III Lahore	Fx. (042)-5835517 / 5838480 (042)-5838400	Bhalwal Sargodha
Noon Sugar Mills Ltd., 6 th Floor, EFU Building Jail Road Lahore	Fx. (042)-5715845-8 (042)-5715698	Bhalwal Sargodha
Safina (TIC) Ph.Wali Sugar Mills Ltd., 2D-1, Gulberg III, Lahore	Fx. (042)-5771066-71 (042)-771175/5756687	Lalian Jhang

n / Dist.	Mills Name & Address	Tel & Fax	Mills Location / Dist.
nador Pur	Pattoki Sugar Mills Ltd., T-09 , 3 rd Floor, Hafeez Centre, 75-E /1,Gulberg III Lahore	Fx (042)-5711061-5 (042) 5711068.	Pattoki Kasur
an an	Ramzan Sugar Mills Ltd., 7- A New Muslim Town Lahore	Fx. (042)-5857234-5 (042)-5857232	Chiniot Jhang
Shirin ar Khan	Shahtaj Sugar Mills Ltd., 72/C-1, Gulberg III Lahore	Fx. (042)-5710482-4 (042) 5711904	Mandi Bahauddin Gujrat
Toba gh	Shakarganj Mills Ltd., Management House 22, Civil Line, Jhang.	Fx. (047)-7614971-3 (047)-7620272	Jhang Jhang
	Shakarganj -II Mills Ltd., Management House 22. Civil Line, Jhang.	Fx. (047)-7614971-3 (047)-7620272	
bad o	Sheikhoo Sugar Mills Ltd., 11-F Commercial Area, Phase-1, D.H.A. Lahore , Cantt	Fx. (042)-5728904-6 (042)-5728904	Kot Adu Muzafargarh
	Tandlianwala Sugar Mills Ltd., 32-N, Gulberg-II Industrial Area, Lahore	Fx. (042)-5715081-6 (042)-5710605 / 02	Kanjwani Faisalabad
a	United Sugar Mills Ltd., 17, Abid Majeed Road Lahore Cantt.	Fx. (042)- 6664891-2 (042)-6654490	Sadiqabad Rahim Yar Khan
a	Abdullah (Yousaf) Sugar Mills Ltd., 103-/B-1, M.M. Alam Road, Lahore	Fx. (042)-5714074-5 (042)-5758467	Shahpur Sargodha
	Chishtia Sugar Mills Ltd., 187-A, scotch Cornor, Upper Mall , Lahore.	Fx. (042)-5755175-6 (042)-5752124-6 (042)-5762187	Sillanwali Sargodha

Mills Name & Address	Tel & Fax	Mills Location / Dist.
Gunj Buksh(Pasrur) Sugar Mills Ltd., 187-A, scotch Cornor, Upper Mall , Lahore,	042-5755175-6 FX. (042)-5762187	Pasrur Sailkot
Makkah Sugar Mills Ltd., 90-B/3 Canal Park Gulberg-II, Lahore	(042)-5879443-4 FX. (042)-5758777	Manga Road Kasur
Tandlianwala Sugar Mills Ltd. 32-N, Gulberg –II, Lahore	(042) 5712901 (042) 5710929	Shah Jamal Muzaffargharh

SINDH ZONE

Mills Name & Address	Tel & Fax	Mills Location / Dist.
Al-Abbas Sugar Mills Ltd., Pardeis House, Survey # 2/1, R.Y – 16, Old Queen Road, Karachi	021-2470220-29 Fx. 021-2470090/2470209	Mirwah Gorchani Mirpurkhas
Al-Asif Sugar Mills Ltd., Dewan Farooq Motores, Block A 7 th Floor, Finance & Trade Centre, Shahrah-e-Faisal, Karachi	021-5204604 021- 5205244 Fx. 021-5630814	Garho Thatta
Al-Noor Sugar Mills Ltd., 96-A, Sindhi Muslim Society, Karachi	021-4550161-63 021-4551990 / 4559863 Fx. 021-4556675/4551370	Taluka Moro Nawabshah
Ansari Sugar Mills Ltd., 41-K, Block 6, P.E.C.H.S, Karachi-75400	111-484-848 021-4531105 / 4531642 Fx. 021-4546456, 4535374	Matli Hyderabad
Army Welfare Sugar Mills Badin	(0297) 861205, Fx. (0297) 861733/861970	Badin
Bawany Sugar Mills Ltd., Dewan Farooq Motores, Block A, 7 th Floor, Finance & Trade Centre, Shahrah-e-Faisal, Karachi	021-5204604 021- 5205244 Fx. 021-5630814	Talhar Badin

Mills Name & Address	Tel & Fax	Mills Location
Dewan Sugar Mills Ltd., 7 th Floor, Block -A, Finance & Trade Centre, Shahrah-e- Faisal, Karachi	021-5204604 021- 5205244 Fx. 021-5630814-21	Budho Talpur Thatta
Dewan Khoski Sugar Mills 7 th Floor, Block -A, Finance & Trade Centre Shahrah-e- Faisal, Karachi	021-5204604 021- 5205244 Fx. 021-5630814-21	Khoski Badin
Digri Sugar Mills Ltd., 48 J /1 Block 6, P.E.C.H.S. Karachi	021-4541195-8 Fx. 021- 4534501	Digri Mirpurkhas
Faran Sugar Mills Ltd., 3 rd Floor, Bank House # 1, Habib Square, M.A. Jinnah Road, Karachi	021-2418050-4 111-786-878 Fx. 021-2421010	Sheikh Bhirkio Hyderabad
Ghotki Sugar Mills Ltd., 17-Abid Majeed Road., Lahore Cantt.	042-6664891-2 Fx. 042-6654490	Channu Ghotki
Habib Sugar Mills Ltd., 4 th Floor, Imperial Courts, Dr. Ziauddin Ahmed Road, Karachi	(021)- 5680036-9 Fx. (021)- 5684086	Nawabshah
Khairpur Sugar Mills Ltd., Suit #3, Hill Top Arcade, 1 st Floor, Plot 4D, Gizri Boulevard, DHA Phase-IV, Karachi	(021)- 4931021-4 Fx. (021)- 4933313	Naroo Dhoro Khairpur
Larr Sugar Mills Ltd., 16-E, Block 6, Rashid Minhas Street, P.E.C.H.S Karachi.	(021)- 4545591-4 Fx. (021)-4537720	Deh Kinjhar – Sajawal Thatta
Matiari Sugar Mills Ltd., C-48, KDA Scheme No.1 Karachi. 75350	(021)-4521382, 4529698 Fx. (021)- 4541734	Matiari Hyderabad
Mehran Sugar Mills Ltd., 8 th Floor, Adamjee House, I.I. Chundrigar Road, Karachi.	(021)-2417131-4 Fx. (021)- 2416477	Tando Allah Yar Hyderabad

Mills Name & Address	Tel & Fax	Mills Location
Mirpurkhas Sugar Mills Ltd., 2 nd Floor, Modern Motors House, Beaumont Road, Karachi.	(021)-5682565-7 (021)-5682569-70 Fx. (021)-5682839	Mirpurkhas Mirpurkhas
Mirza Sugar Mills Ltd., 10 th Floor, Lakson Square, Building No. 1, Portion 'B' Sarwar Shaheed Road, Karachi	(021)-5680151 Fx. (021)- 5680183	Deh Charo Tappo Badin
Najma (Thar) Sugar Mills Ltd., Sikander House F-58, Park Lane Block -5 Clifton, Karachi	(021)-5831082 Fx. (021) - 5831069	Jhuddo Mirpurkhas
Naudero (Larkana) Sugar Mills Ltd., 2 nd Floor, Hockey Club Of Pakistan Stadium, Karachi-75350	(021) 5655131-4 Fx. (021) 5680533	Naudero Larkana
Pangrio Sugar Mills Ltd., 10 th Floor Lakson Square, Building No. 1 Portion 'B' Sarwar Shaheed Road, Karachi	(021)- 5680151 Fx. (021)-5680183	Deh Rajauri-2 Badin
Ranipur Sugar Mills Ltd., H # 23-F/1, Block 6, P.E.C.H.S Shahrah-e-Faisal Karachi	(021)-4314854-6 Fx. (021)-4314857	Ranipur Khairpur
Sakrand Sugar Mills Ltd., 41-K Block 6 , P.E.C.H.S., Karachi	111-484-848 (021)- 4531642 Fx. (021)- 4535374, 4546456	Qazi Ahmed Nawabshah
Sanghar Sugar Mills Ltd., 101- Ocean Centre, Talpur Road, Karachi	(021)-2427171-2 Fx. (021)- 2410700	Sindhri Sanghar
Seri Sugar Mills Ltd., 1 st Floor, Hassan Ali Centre, Opp. M.W. Tower, M.A. Jinnah Road, Karachi.	(021)-2418389-90/2439630 (021)-2437828 Fx. (021)-2413600	Deh Norai Jagir Hyderabad
Shahmurad Sugar Mills, Ltd., 96-A, Sindhi Muslim Society, Karachi	(021)-4550161-3 / 4550031 Fx. (021)-4556675/4551370	Jhok Sharif Thatta

Mills Name & Address	Tel & Fax	Mills Location / Dist.
Sindh Abadgar's Sugar Mills Ltd., 209, 2 nd Floor, Progressive plaza, Beaumont Road, Karachi	Fx. (021)-5638212-18 (021)-5638219	Deenpur Hyderabad
TMK Sugar Mills Ltd., 1 st Floor, Hassan Ali Centre, Opp. M.W. Tower, M.A. Jinnah Road, Karachi.	Fx. (021)-2418389-90/2439630 (021)-2437828 (021)-2413600	TMK Hyderabad
Bachani Sugar Mills Ltd., 2 nd Floor Europa Centre, Hasrat Mohani Road, Off. I.I. Chundrigar Road, Karachi	Fx.	Tando Allah Yar Hyderabad
Dadu Sugar Mills Ltd., Under Privatization commission of Sindh		Piarogoth Dadu
Kiran Sugar Mills Ltd., 40-D, East Avenue, Phase-1, Defense Housing Authority, Karachi.		Duber Road Sukkur
Tharparkar Sugar Mills Ltd., C-27, Beverly Estate Ploat No. F-24, Block -9 Kehkashan Clifton, Karachi	Fx. (021)-5863730-1 (021)-5863729	Tharparkar Mirpurkhas
Thatta Sugar Mills Ltd., Under Privatization Commission of Sindh		Deh Bijora Thatta

N.W.F.P ZONE

Mills Name & Address	Tel & Fax	Mills Location
Al-Moiz Sugar Mills Ltd., 2-D-1, Gulberg-III, Lahore	Fx. (042) 5771066-71 (042) 5756687, 5771175	Chashma D.I. Khan
Bannu Sugar Mills Ltd., Serai Naurang, Bannu	Fx. (0969) 352444, 350111 (0969) 350112	Serai Naurang Bannu

Mills Name & Address	Tel & Fax	Mills Location
Chashma Sugar Mills Ltd., Dera Ismail Khan	Fx. (0966)750090-91 (0966)750092	D.I. Khan
Chashma Sugar Mills Ltd., Unit 2, Ramak, Dera Ismail Khan	Fx. (0966)756365, 756365 (0966)756327	D.I. Khan
Frontier Sugar Mills Ltd., Distillery Limited, Takht-I-Bhai, Mardan.	Fx (0937) 8551041, 51 (0937) 8552878	Takht-I- Bhai Mardan
Khazana Sugar Mills Ltd., Khazana, Peshawar	Fx. 091-2041694 091-2045732 091-2040550	Peshawar
Premier Sugar Mills Ltd., Mardan N.W.F.P.	Fx. 0937-862051-2 0937-862989	Mardan
Saleem Sugar Mills Ltd., 65 Amin Building, The Mall, Lahore.	Fx.	Charsadda
Tandlianwala Sugar Mills Ltd. (Ext. Zamand 32-N, Gulberg-II Industrial Area, Lahore	Fx. (042)-5715081-6 (042)-5710605 / 02	Miran Taunsa Road Dera Ismail Khan

Pakistan Sugar Mills Association
Sugar Production Marketing & Stock
Summary Season (2007-08)
As on 30th September' 2008

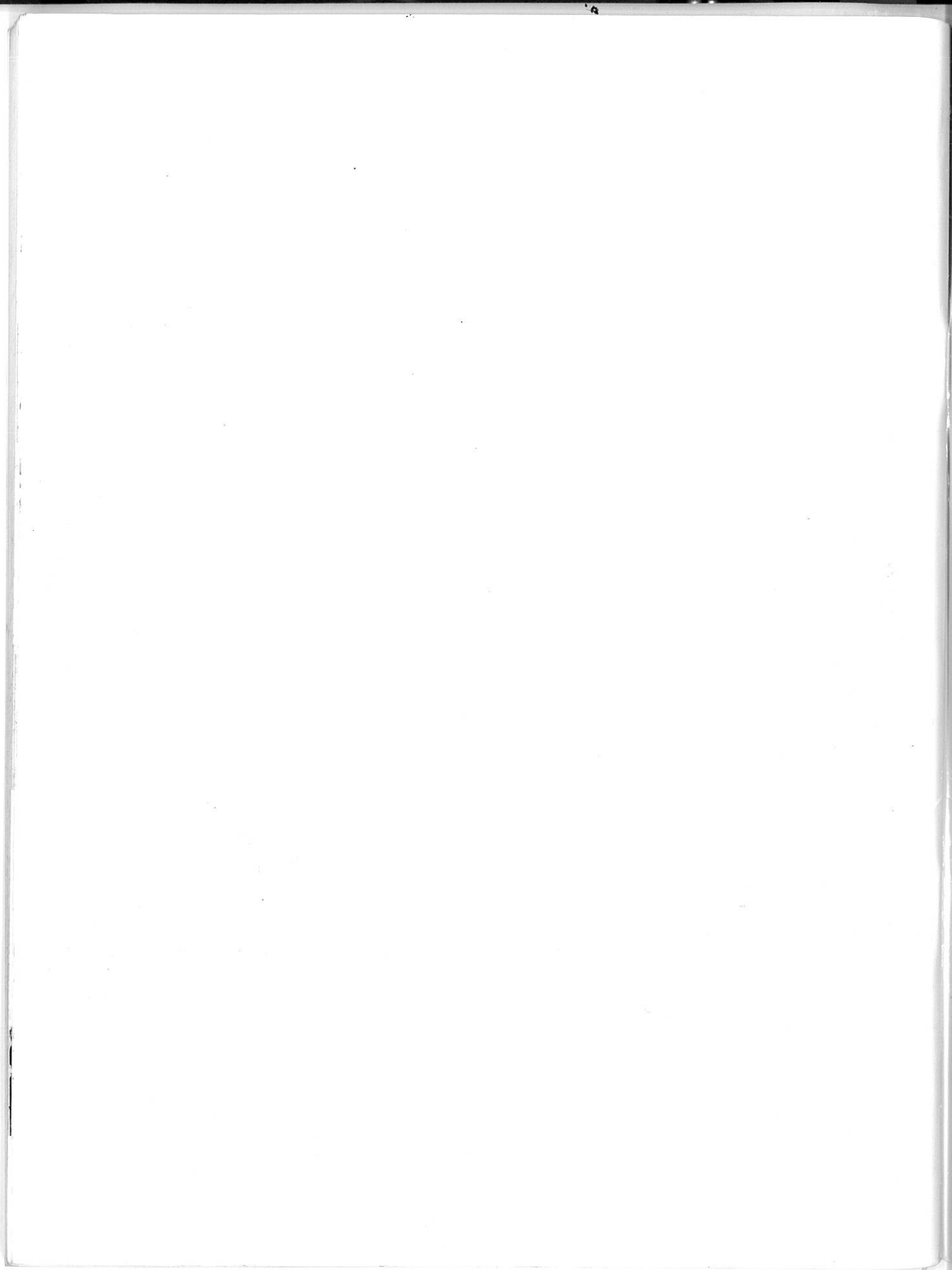
Sugarcane Plantation Area	1,241,300 Ha	
Sugarcane Production	63,920,000 Tonnes	
Sugarcane Utilization by Mills @ 82.60%	52,776,922 Tonnes	
Sugar production @ 8.98 % recovery	4,740,913 Tonnes	
Carryover Stock	986,160 Tonnes	
Imports (2007-08)	24,531 Tonnes	
Beet sugar	5,532 Tonnes	
Raw Sugar	5,929	
Availability	5,763,065 Tonnes	
Mills sale from Production 2007-08	3,646,615 Tonnes	
Mills sale from last year's Production	621,627 Tonnes	
Sale from Imports (2007-08)	24,531 Tonnes	
Sale from TCP imported Reserve	281,603 Tonnes	
Total Sale		4,574,376 Tonnes
Recorded Export	(277,339) Tonnes	
Domestic Sale		4,297,037 Tonnes
Average Sale/ Month ±12 months	358,086 Tonnes	
Stock Situation		
Mills stock from production 2007-08	701,243 Tonnes	
TCP reserve	404,516 Tonnes	
Mills stock from last year's production	82,930 Tonnes	
Total Stock Year (2007- 08) ending 30/09/2008		1,188,689 Tonnes

Monthly Supply and Av. retail price (2007-08)

	Sale	Rs / Kg
October	231,323	29.36
November	235,397	28.75
December	480,064	26.89
January	495,912	25.73
February	360,953	25.92
March	454,311	25.64
April	404,005	25.18
May	455,007	28.45
June	362,809	29.75
July	347,675	31.68
August	250,445	31.95
Sept.	219,136	33.46
Total	4,297,037	
Average	358,086	28.56

SUGARCANE & SUGAR - I					
Sugar Year (Oct-Sept.)	1999-2000	2000-2001	2001-2002	2002-03	2003-04
Sugarcane Area HA.	1,009,800	960,000	999,700	1,099,700	1,074,700
Sugarcane produced	42,000,000	43,620,000	48,041,000	52,049,000	53,800,000
Yield / Ha-Tonnes	41.59	45.41	48.06	47.33	50.00
Cane Utilized by Mills	28,982,711	29,408,880	36,708,638	41,786,689	43,661,377
% age of utilization	69.00	67.47	76.33	80.28	81.15
Cane support./ indicative price Punjab, NWFP / Sindh	35/36	35/36	42/43	40 / 43	40 /41
Average Recovery %	8.33	8.39	8.71	8.74	9.15
Sugar Production (cane)	2,414,746	2,466,788	3,197,745	3,652,745	3,997,010
Sugar Production (Beet)	14,618	17,276	29,173	22,066	23,796
Sugar Production (Raw)		531,930	22,111	1,945	
Total Sugar Production	2,429,364	3,015,994	3,249,029	3,676,756	4,020,806
Beginning Stocks 1st Oct.	371,389	27,274	620,791	637,149	759,103
Imports	420,740	632,645	27,494	9,052	11,697
Total Available	3,221,493	3,675,913	3,897,314	4,322,957	4,791,606
Export	22,160	0	8,000	80,000	132,008
End Stock 30th Sep.	27,274	620,791	637,149	759,103	809,357
Consumption / Marketing	3,172,059	3,055,122	3,252,165	3,483,854	3,850,241
Average Consump. / month	264,300	254,600	271,000	290,321	320,853
Season's Av. retail price / kg	22.85	26.73	22.96	20.12	19.26
Intl.Sugar Trade Price US \$ / T	200.52	242.90	234.30	220.96	224.15
Molasses Prod.Cane +B+R	1,397,378	1,501,501	1,822,959	2,048,117	2,122,099

SUGARCANE & SUGAR - II					
Sugar Year (Oct-Sept.)	2004-05	2005-06	2006-07	2007-08	Est. 2008-09
Sugarcane Area HA.	966,600	906,980	1,029,000	1,241,300	1,042,000
Sugarcane produced	43,533,000	44,292,000	54,871,000	63,920,000	52,100,000
Yield / Ha-Tonnes	45.04	48.80	53.10	51.49	50.00
Cane Utilized by Mills	32,101,739	30,090,632	40,483,977	52,776,922	41,680,000
% age of utilization	73.74	67.94	73.78	82.54	80.00
Cane support./ indicative price Punjab / NWFP / Sindh	40 /43	45/ 45 / 60	60 / 65 / 67	60 / 65 / 67	80 / 80 / 81
Average Recovery %	9.10	8.59	8.69	8.98	8.50
Sugar Production (cane)	2,922,125	2,588,176	3,516,218	4,740,913	3,542,800
Sugar Production (Beet)	11,373	8,934	7,865	5,532	8,000
Sugar Production (Raw)	182,303	401,396	2,860	5,929	
Total Sugar Production	3,115,801	2,998,506	3,526,943	4,752,374	3,550,800
Beginning Stocks 1st Oct.	809,357	577,653	1,310,862	986,160	1,188,689
Imports	622,040	1,593,344	106,747	24,513	
Total Available	4,547,198	5,169,503	4,944,552	5,763,047	4,739,489
Export	28,032	46,892	12	277,339	
End Stock 30th Sep.	577,653	1,310,862	986,160	1,188,689	440,000
Consumption / Marketing	3,941,513	3,811,749	3,958,380	4,297,019	4,300,000
Average Consump. / month	328,459	317,646	329,865	358,085	
Season's Av. Retail price / kg	25.31	33.07	30.61	28.56	
Intl. Av. Sugar Trade Price US \$/T	275.30	404.00	326.31	344.44	
Molasses Production C+B+R	1,497,395	1,437,954	1,911,102	2,663,780	



**Pakistan Sugar Mills Association
Domestic Production, Availability & Consumption
Sugar Year Oct. to Sept. 1992-2008**

