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Prepared By: OAA-Lagos

Approved By: Christopher Bielecki

Report Highlights:

Nigeria's sugarcane production remains unchanged, with marketing year (MY) 2025/26 forecasted at 3.5 million metric tons (MMT) due to high planting costs, limited private investment, and lower government support. With domestic sugar production meeting less than five percent of consumption, imports are projected to rise to 2 MMT. Consumption is expected to increase, driven by improved economic stability and growth in the food and beverage sectors. Despite new government initiatives, challenges such as infrastructure deficits and limited support for small-scale farmers continue to hinder progress toward increasing domestic cane production.

Sectoral Outlook and Policy Summary

The sugar sector continues to face structural challenges, including high production costs, limited investment, and ongoing infrastructure inadequacies particularly in electrical power, fuel, roads, and machinery. Despite government policy initiatives focused on “backward integration,” a policy mechanism which requires importers to expand domestic growing operations in exchange for importation rights, domestic production remains far below consumption.

Growers have been largely unable to expand planted area and improve yields, due to high operational costs for planting, irrigation, agrochemicals, and labor, especially among smallholder farmers. While major industry players have maintained their current operations, the sector’s growth potential is undermined by the lack of government support, inconsistent policy implementation, and insufficient support for small-scale producers. Policy efforts, such as the National Sugar Master Plan (NSMP) and recent agreements to boost domestic production, have so far not materially improved sugar production due to policy implementation challenges. The government restricts raw sugar imports to companies participating in the backward integration program and bans refined sugar imports to protect the domestic industry, but these measures have not significantly increased local production.

On the consumption side, the outlook is more positive. Consumption has been helped by food inflation dropping from 24 percent to 8.9 percent over the past year (partially due to the adoption of a new inflation calculation methodology), macroeconomic stability, improved foreign exchange conditions, and strengthening consumer purchasing power.

Sugarcane

Table 1. Sugarcane Production, Supply and Distribution

Sugar Cane for Centrifugal	**2024/2025**		**2025/2026**		**2026/2027**	
Market Year Begins	**Nov 2024**		**Nov 2025**		**Nov 2026**	
Nigeria	**USDA Official**	**New Post**	**USDA Official**	**New Post**	**USDA Official**	**New Post**
Area Planted (1000 HA)	130	130	130	130	0	130
Area Harvested (1000 HA)	95	95	100	100	0	100
Production (1000 MT)	1750	1750	3500	3500	0	3500
Total Supply (1000 MT)	1750	1750	3500	3500	0	3500
Utilization for Sugar (1000 MT)	1750	1750	3500	3500	0	3500
Utilization for Alcohol (1000 MT)	0	0	0	0	0	0
Total Utilization (1000 MT)	1750	1750	3500	3500	0	3500
(1000 HA) ,(1000 MT)						
OFFICIAL DATA CAN BE ACCESSED AT: PSD Online Advanced Query						

Production

Post forecasts MY 2026/27 sugarcane production at 3.5 MMT, unchanged from the prior year's estimate (Table 1). This unchanged estimate is attributed to a lack of improvement in the area planted, inconsistent private sector-government investment, and high operational costs in irrigation, agrochemicals, and labor.

According to contacts, the NSMP's backward integration program (BIP) officially commenced in January 2013. While the government promised to support infrastructure development, including irrigation for sugar plantations, implementation has faced significant challenges. The failure to fully implement infrastructure development, alongside issues such as insecurity and land disputes, has resulted in the program not meeting its initial production targets.

Dangote Sugar Refinery, BUA Sugar Refinery, and Golden Sugar Refinery are the major players in the cultivation of industrial sugarcane, and they reportedly plan to maintain the same area planted in the next MY. Unlike when the BIP began, when major players were motivated to expand harvested areas to qualify for higher import quotas, there is now little incentive to increase production because of low returns on investment and a lack of government support for infrastructure development.

Nigeria grows two types of sugarcane: industrial cane, which is processed into sugar, and soft (chewing) cane, which is informally consumed raw for its sweet juice or processed into crude sugar products. The major sugarcane-producing states are Kaduna, Niger, Kano, and Adamawa.

However, about 70 percent of the sugarcane cultivated in Nigeria comes from small-scale farmers who do not have access to improved varieties. They mainly produce the soft chewing cane while the major players produce the remaining 30 percent as industrial cane.

Several other factors have contributed to low sugarcane productivity, including the lack of good varieties, dependence on rain-fed production, high input costs, lack of appropriate technology, minimal use of good agricultural practices, and limited access to credit facilities for small-scale farmers who contribute the largest share to domestic production.

Policy

In August 2025, the NSDC signed agreements with four operators to develop projects aimed at producing 400,000 tons of sugar annually. This implementation was a major push to boost domestic sugar production under the second phase of the NSMP, aiming to reduce imports through new investments, partnerships, and improved productivity.

The NSMP has not met its stated goals of increasing local sugar production, despite the 15 years of efforts. The NSMP was initially designed to eliminate sugar imports by 2020 by having the major stakeholders file BIPs. However, current domestic sugar production contributes less than five percent of consumption, a marginal increase from production in 2010, leaving imports to compensate for the remaining 95 percent of the total sugar supply.

Cane Sugar

Table 2. Sugar Production, Supply and Distribution

Sugar, Centrifugal	**2024/2025**		**2025/2026**		**2026/2027**	
Market Year Begins	**May 2024**		**May 2025**		**May 2026**	
Nigeria	**USDA Official**	**New Post**	**USDA Official**	**New Post**	**USDA Official**	**New Post**
Beginning Stocks (1000 MT)	95	95	80	80	0	90
Beet Sugar Production (1000 MT)	0	0	0	0	0	0
Cane Sugar Production (1000 MT)	100	100	105	105	0	105
Total Sugar Production (1000 MT)	100	100	105	105	0	105
Raw Imports (1000 MT)	1700	1700	1900	1900	0	2000
Refined Imp.(Raw Val) (1000 MT)	120	120	130	130	0	130
Total Imports (1000 MT)	1820	1820	2030	2030	0	2130
Total Supply (1000 MT)	2015	2015	2215	2215	0	2325
Raw Exports (1000 MT)	0	0	0	0	0	0
Refined Exp.(Raw Val) (1000 MT)	385	385	375	375	0	350
Total Exports (1000 MT)	385	385	375	375	0	350
Human Dom. Consumption (1000 MT)	1500	1500	1700	1700	0	1800
Other Disappearance (1000 MT)	50	50	50	50	0	50

Total Use (1000 MT)	1550	1550	1750	1750	0	1850
Ending Stocks (1000 MT)	80	80	90	90	0	125
Total Distribution (1000 MT)	2015	2015	2215	2215	0	2325
(1000 MT)						
OFFICIAL DATA CAN BE ACCESSED AT: PSD Online Advanced Query						

Production

FAS-Lagos forecasts domestic cane sugar production at 105,000 metric tons (MT) in MY 2026/27, unchanged from the prior year's estimate (Table 2). This is attributed to unchanged domestic cane production.

Total sugar supply for MY 2026/27 is expected to increase to 2.3 MMT, a five percent increase compared to prior year's estimate. This is attributed to the expected increase in domestic sugar consumption, improved milling efficiency, and increased raw sugar imports.

Despite stable domestic cane deliveries, contacts expect a slight improvement in milling recoveries on improved raw sugar imports. In addition, new players aside from the major three (Dangote, Golden Penny and BUA) are beginning to refine sugar. This is expected to increase the total sugar supply in the next MY.

Of the three major sugar producing companies, Dangote is the only firm that turns local sugarcane into white sugar. Golden Sugar's local processing ends in raw sugar. BUA, on the other hand, refines imported raw sugar. BUA and Dangote operate at an estimated 50 percent capacity (Table 3).

Table 3. Refining Capacity of Major Sugar Refineries

Major Sugar Refineries	Refining Capacity (year)	Average Refining (MT) (year)
Dangote Sugar	1.5 MMT	750,000
BUA Sugar	1.5 MMT	750,000
Golden Penny	750,000 MT	400,000-450,000

Source: FAS-Lagos

Consumption

FAS-Lagos forecasts sugar consumption in MY 2026/27 at 1.8 MMT, a six percent increase compared to the forecast for MY 2025/26. This anticipated growth is driven by improved economic conditions, including the stabilization of the naira, and expected increase in consumer purchasing power.

Sugar consumption is projected to rise due to increasing demand from sectors such as food, beverages, pharmaceuticals, and confectionery. According to industry contacts, the food processing industry is the fastest-growing segment of the sugar value chain. There is a notable increase in the consumption of sugar-intensive products, such as bakery and confectionery items and soft drinks. Additionally, Nigeria's growing population and increasing urbanization are likely to further boost sugar consumption. The expanding population, particularly the rising working-age demographic, is expected to support higher sugar demand.

The NSDC indicates that household consumption of refined sugar accounts for less than 20 percent of total use, while industrial use within the beverage, food processing, bakery and confectionery, and pharmaceutical sectors accounts for the remaining 80 percent. According to the Council, companies such as Cadbury, Dangote, and BUA are major buyers of sugar. Per capita sugar consumption in Nigeria is about 9 kilograms per year, which is below the African average of approximately 17 kilograms.

Trade

Imports

FAS-Lagos forecasts raw sugar imports in MY 2026/27 at 2.0 MMT, a five percent increase compared to the forecast for MY 2024/25. This increase is attributed to the expected rise in consumption of both raw and refined sugar, as well as naira stability and reduced pressure on foreign exchange. Notably, the increase in imports is not due to expanded raw sugar import allocations for beneficiaries of the BIP, but rather the result of quota utilization made possible by improved foreign exchange availability and naira stabilization compared to the previous MY.

According to Trade Data Monitor, Nigeria imported 1.7 MMT of raw sugar in 2025 a five percent increase compared to 2024. This is attributed to the improvement in milling operations, and the ease of sourcing foreign exchange for imports. Brazil is the largest supplier of raw sugar to Nigeria with over a 97 percent market share.

The importation of refined sugar in retail packaging is banned. Nigeria allows the import of raw sugar but prohibits refined sugar imports to protect the domestic industry and promote local production. Only companies such as Dangote Sugar Refinery, BUA Sugar Refinery, and Golden Sugar Company, which are engaged in BIP initiatives, are permitted to import raw sugar under the quota system.

Because of these restrictions, local companies that package and cube sugar must source refined sugar from domestic producers unless they can justify the need to import. In such cases, the government requires these companies to submit detailed projections of their sugar requirements for the next three to five years, along with other necessary documentation.

Attachments:

No Attachments