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## **Report Name:** Sugar Semi-annual

**Country:** South Africa - Republic of

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**Report Category:** Sugar

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### **Report Highlights:**

FAS Pretoria revises MY 2025/26 sugarcane production downward due to quality issues caused by limited sun exposure during the rainy season. Sugar production is revised slightly downward from the previous FAS Pretoria forecast; however, MY 2025/26 sugar production is still expected to rebound by six percent year-on-year. MY 2025/26 domestic consumption is revised upward, supported by stable prices. Sugar exports are also revised upward as surplus sugar is redirected to export markets due to rising imports, though revenue may be impacted by declining global sugar prices and new U.S. in-quota duties. Imports are revised upward, driven by cheaper non-SACU imports displacing domestic supply. On August 15, 2025, South Africa received a 24,744 Raw Value (RV)MT sugar allocation for FY 2025 but now faces a 30 percent in-quota duty in the U.S. market. While exports to the United States will continue, lower prices may reduce export revenue and impact the RV price.

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## Executive Summary

- Sugarcane and sugar production: Although the MY 2025/26 sugarcane production forecast was revised downward by 100,000 MT due to limited sun exposure during the rainy season and expected carry-over cane in some regions, it is still forecast to rise by seven percent year-on-year due to improved rainfall. The MY 2025/26 sugar production forecast is also revised slightly downward to 2,050 MMT due to reduced cane quality and poor mill performance in some production regions, though production is expected to rebound by six percent compared to MY 2024/25 due to improved cane yields.
- Domestic consumption: MY 2025/26 domestic sugar consumption is revised upward due to increased production, imports, stable sugar prices, and new regulations supporting the implementation of Phase 2 of the Sugar Master Plan, which includes price restraints and local procurement commitments.
- Exports: MY 2025/26 total sugar exports are revised upward to 860,000 MT, due to increased production and surplus sugar redirected to export markets due to rising imports. However, export revenue may be impacted by declining global sugar prices, a stronger rand, and new U.S. in-quota duties. South Africa plans to fully utilize its U.S. TRQ allocation but may need to lower its asking price.
- Imports: Sugar imports are revised upward due to cheaper imports displacing domestic supply. While South Africa raised its import tariff to R3,646.80 (\$210.46) per MT in August 2025 to protect the domestic industry, Eswatini remains the dominant supplier due to SACU tariff exemptions, though its share of imports continues to decline as deep-sea imports rise.

### ***Report Notes***

The marketing year (MY) for sugar cane is April-March, while the sugar marketing year is May-April. For the purposes of this report, refined cane sugar has been converted to raw value basis using a factor of 1.07. The exchange rate used in this report (as of September 22, 2025) is 17.3280 South African Rand (ZAR) to one U.S. dollar (USD).

# Sugar Cane

**Table 1: Production, Supply, and Distribution (PSD) for Sugar Cane**

Sugar Cane for Centrifugal Market Year Begins	2023/2024		2024/2025		2025/2026	
	Apr 2023		Apr 2024		Apr 2025	
South Africa	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted (1000 HA)	348	348	346	349	0	349
Area Harvested (1000 HA)	246	246	255	250	0	250
Production (1000 MT)	17944	17944	17200	16471	0	17600
Total Supply (1000 MT)	17944	17944	17200	16471	0	17600
Utilization for Sugar (1000 MT)	17944	17944	17200	16471	0	17600
Utilizatn for Alcohol (1000 MT)	0	0	0	0	0	0
Total Utilization (1000 MT)	17944	17944	17200	16471	0	17600
(1000 HA) ,(1000 MT)						
OFFICIAL DATA CAN BE ACCESSED AT: <a href="#">PSD Online Advanced Query</a>						

## Area

FAS/Pretoria revises MY 2025/26 area under sugarcane production slightly upwards to track with updated industry data, so that area will remain unchanged from MY 2024/25. Rain-fed growing regions experienced drier than usual conditions in MY 2024/25, which led to lower yields and reduced grower revenue, discouraging area expansion. Adverse weather events in MY 2024/25 also led to a shortage of good quality seed cane for some growers. Additionally, growers faced an extended period without cash flow between harvest seasons. The MY 2024/25 season ended as much as two months earlier than usual due to a drop in sugarcane production, while harvesting for the MY 2025/26 season started later as growers sought to maximize yield from the above average rainfall levels. Motivated by the cane shortages in MY 2024/25, some growers replanted newer cane varieties on land previously left fallow due to milling capacity challenges, but not enough to increase area planted noticeably.

The electricity tariff in 2025 was approved to increase by 12.5 percent, which affected growers in irrigation regions, mostly in Mpumalanga province. FAS Pretoria contacts report that in practice, electricity costs increased by up to 30 percent due to irregularities from the electricity supplier. These challenges, coupled with local sales displaced by increased imports and the sugar tax (see policy section on page 21), have discouraged greater investment towards area expansion.

## Production

FAS Pretoria revises MY 2025/26 sugarcane production forecasts downward by 100,000 MT. Extended periods of limited sun exposure during the rainy season in some regions negatively impacted cane quality. Additionally, poor mill performance in certain areas is expected to result in carry-over cane, though FAS Pretoria contacts suggest this will be only small volumes.

However, MY 2025/26 sugarcane production is still expected to increase by seven percent following improved rainfall after drier-than-normal conditions in MY 2024/25. Rainfed production areas, particularly in KwaZulu-Natal province, benefited from above-average rainfall between January and April 2025, which enhanced cane growth and yields. Meanwhile, Mpumalanga province, where most irrigated cane is grown, experienced below-average rainfall from February to July 2025. Despite this, major irrigation dams in the region maintained adequate water levels to meet irrigation demands.

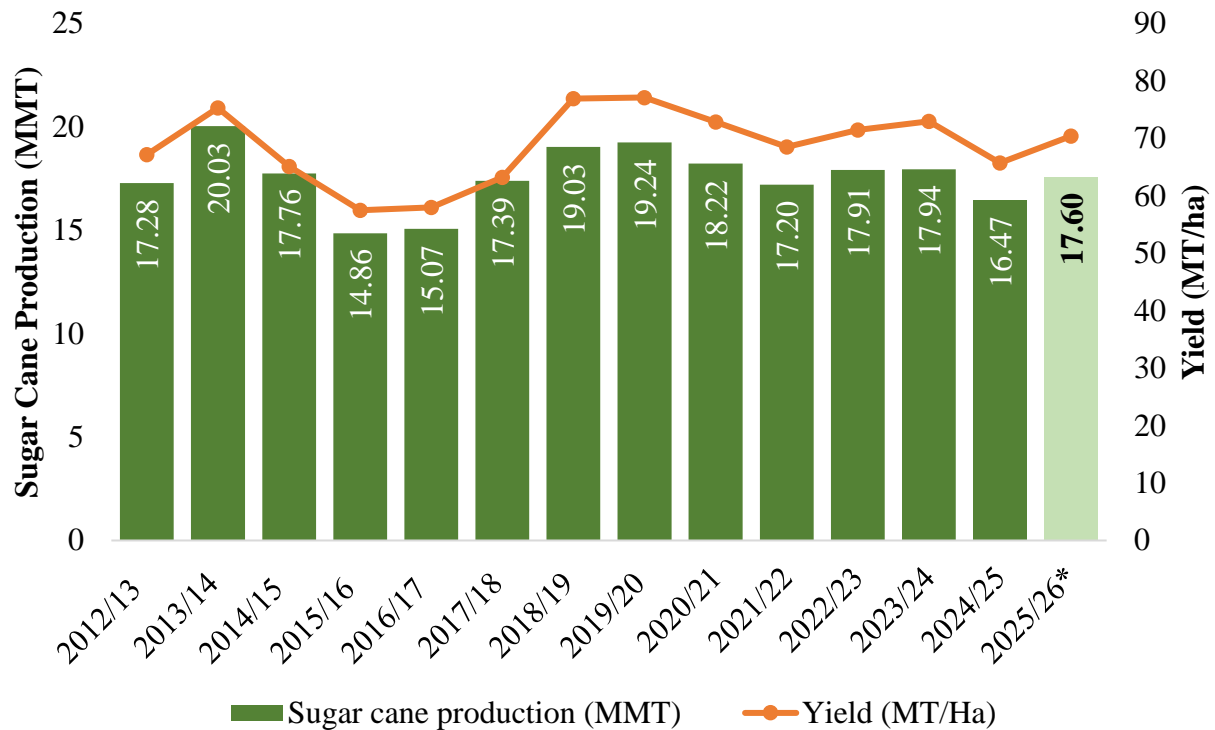
**Figure 1: South African Sugarcane Production Regions**



Source: South African Canegrowers Association (SACGA)

FAS/Pretoria maintains MY 2024/25 sugar cane production at 16.47 million MT (MMT). Production was at its lowest level since MY 2016/17 when cane was affected by drought conditions. Growers experienced unseasonably dry conditions in major rain-fed producing regions, leading to yield losses. Carried over (unharvested) cane from the previous season also affected MY 2024/25 cane quality and yield. MY 2023/24 sugarcane production is maintained at 17.94 MMT (see Figure 2).

**Figure 2: South African Sugar Cane Production**



Sources: FAS Pretoria using South African Canegrowers Association (SACGA) data  
 \*FAS Pretoria Forecast

The price paid to sugar cane growers by millers, known as the Recoverable Value (RV) price, is a function of the following factors: gross sugar production, local sugar notional prices, industry costs and special levies, sugar-to-RV ratio, export sugar prices, and the exchange rate. As a result, growers aim to supply sugar cane that achieves the highest amount of sugar content that the mill can recover. As shown in Table 2, the final RV price for MY 2024/25 was R7,665.63 (\$442.38) per MT, a R280.95 (\$16.21) increase from the MY 2023/24 RV price. The increase in RV price was driven by payments of business rescue defaults, an increase in the sugar notional prices, a decline in sugar production estimates, a modest increase in the world sugar price, and a weaker Rand to U.S. dollar exchange rate.

The MY 2025/26 RV price estimate for September stands at R7,384.68 (\$426.17) per MT, reflecting a four percent decrease compared to the final RV price for MY 2024/25. This reduction is attributed to decrease in the weighted average global sugar price, lower local sales projections, driven by a rise in deep-sea duty-paid imports, a stronger rand relative to the U.S. dollar, and higher industry costs.

**Table 2: Sugar Cane Prices Paid to Growers**

MY	Price	Percentage Change
	(Rands/ Recoverable Value Ton)	
2020/21	5,030.39	19%
2021/22	5,334.37	6%
2022/23	5,435.07	2%
2023/24	7,429.76	37%
2024/25	7,665.63	3%
2025/26	7,384.68	-4%

Source: FAS Pretoria using SACGA data

## Sugar

**Table 3: Production, Supply, and Distribution (PSD) for Sugar**

Sugar, Centrifugal Market Year Begins	2023/2024		2024/2025		2025/2026	
	May 2023		May 2024		May 2025	
South Africa	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
<b>Beginning Stocks</b> (1000 MT)	104	104	11	11	144	226
<b>Beet Sugar Production</b> (1000 MT)	0	0	0	0	0	0
<b>Cane Sugar Production</b> (1000 MT)	2075	2075	1940	1940	2090	2050
<b>Total Sugar Production</b> (1000 MT)	2075	2075	1940	1940	2090	2050
<b>Raw Imports</b> (1000 MT)	320	320	326	354	320	340
<b>Refined Imp.(Raw Val)</b> (1000 MT)	41	41	80	83	50	150
<b>Total Imports</b> (1000 MT)	361	361	406	437	370	490
<b>Total Supply</b> (1000 MT)	2540	2540	2357	2388	2604	2766
<b>Raw Exports</b> (1000 MT)	607	607	450	390	540	600
<b>Refined Exp.(Raw Val)</b> (1000 MT)	263	263	195	204	250	260
<b>Total Exports</b> (1000 MT)	870	870	645	594	790	860
<b>Human Dom. Consumption</b> (1000 MT)	1641	1641	1550	1550	1580	1600
<b>Other Disappearance</b> (1000 MT)	18	18	18	18	18	18
<b>Total Use</b> (1000 MT)	1659	1659	1568	1568	1598	1618
<b>Ending Stocks</b> (1000 MT)	11	11	144	226	216	288
<b>Total Distribution</b> (1000 MT)	2540	2540	2357	2388	2604	2766
(1000 MT)						
OFFICIAL DATA CAN BE ACCESSED AT: <a href="#">PSD Online Advanced Query</a>						

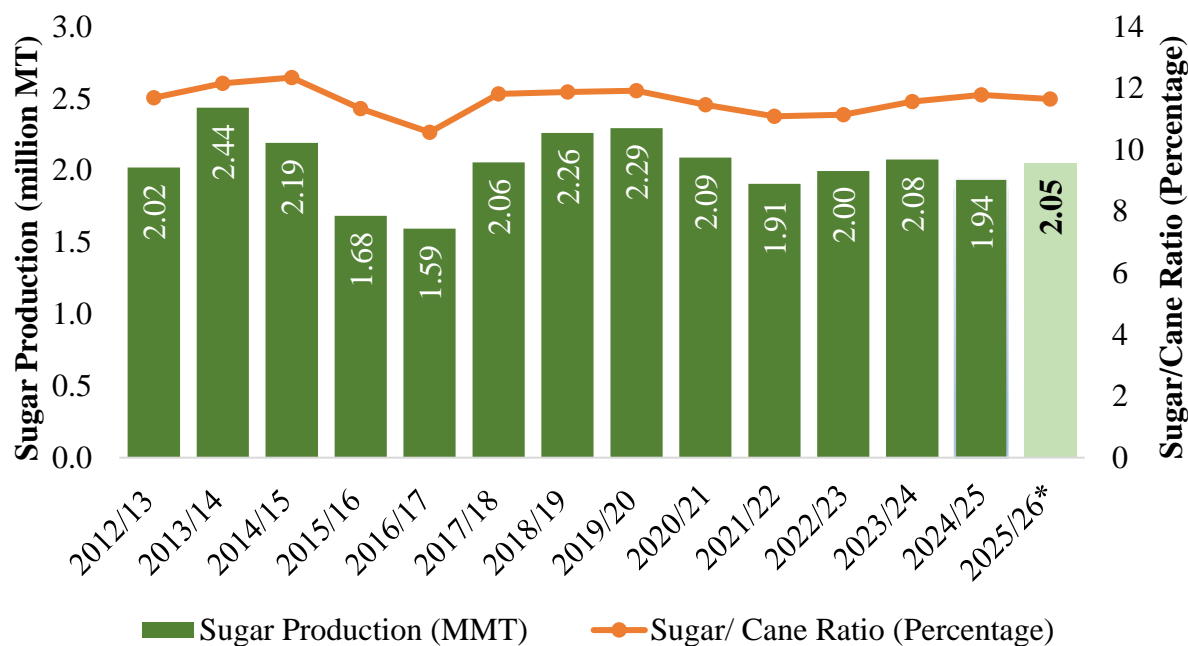
## Production

FAS/Pretoria revises MY 2025/26 sugar production forecast slightly downwards to 2,050 MMT on reduced cane quality and poor mill performance in some regions. However, compared to MY 2024/25, FAS/Pretoria forecasts that sugar production will rebound by six percent in MY 2025/26 on expected improvement in cane yield. FAS Pretoria contacts report that some millers started the crushing season in late April and most millers plan to continue crushing until December.

FAS Pretoria maintains MY 2024/25 sugar production at 1,940 MMT, falling by seven percent from MY 2023/24, based on a drop in cane production. The crushing season usually ends around December each year; however, contacts report that some mills closed as early as October due to low cane yield. Despite a drop in cane deliveries, contacts report a slight improvement in milling recoveries on improved cane quality, increased mill maintenance, and reduction in mill down time. Sugar production for MY 2023/24 is maintained at 2.08 MMT.

Figure 3 shows sugar production volumes since MY 2012/13. The sugar recovery rate refers to the number of kilograms (kg) of sugar obtained from a metric ton of sugar cane, expressed as a percentage. The percentage of sugar produced from each ton of sugar cane is estimated to remain virtually unchanged from MY 2024/25 at 11.7 percent.

**Figure 3: Sugar Production**



Sources: FAS Pretoria using South African Sugar Association (SASA) data

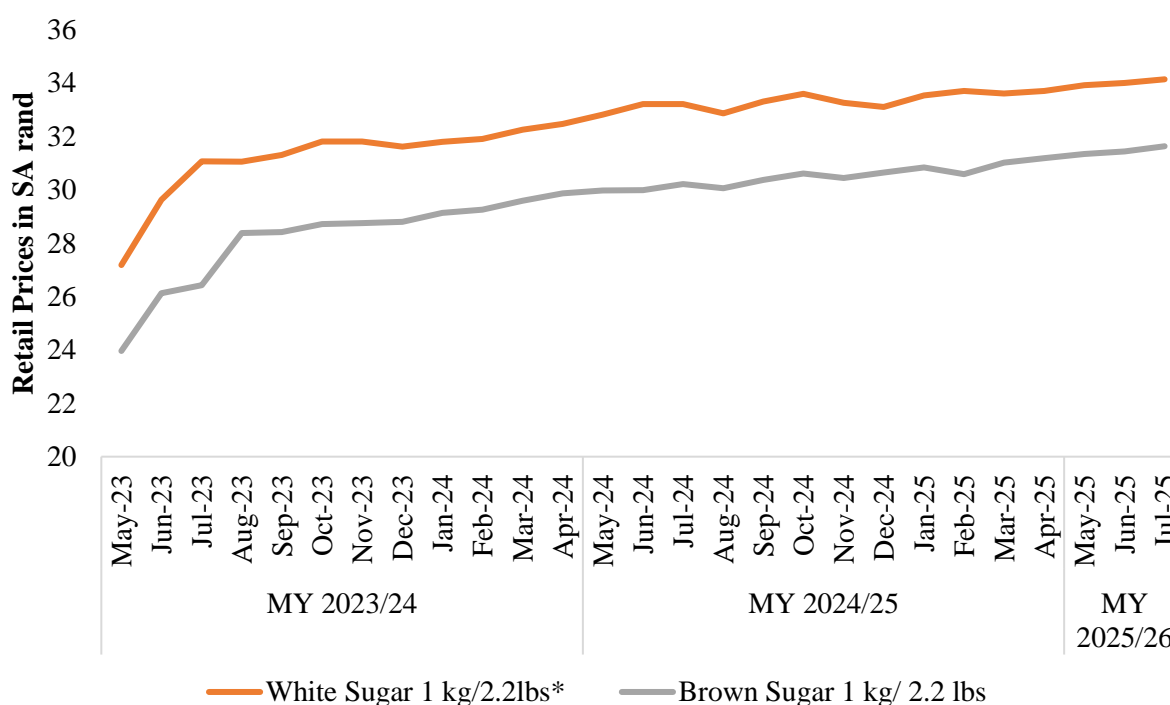
\*FAS/Pretoria Forecast

## Consumption

FAS/Pretoria revises domestic consumption upwards on increased domestic production, imports and sugar prices remaining relatively unchanged in MY 2025/26. FAS Pretoria contacts report that the sugar notional price increased minimally in March 2025 and has not changed since then. On August 13, 2025, the Minister of Trade, Industry, and Competition (DTIC) issued a regulation granting the sugar industry block exemption to competition laws to support the implementation of Phase 2 of the Sugar Master Plan. Phase 2 includes industry price restraints for cane and sugar producers, and local procurement commitments to boost domestic sales. The exemption allows some stakeholder collaboration on a price framework and market structure (but not price fixing). Furthermore, the South African Minister of Finance announced in March 2025 that the sugar tax will remain unchanged at 2.1 cent per gram of sugar content that exceeds 4 grams per 100 ml for the 2025 fiscal year (April 1, 2025 to March 31, 2026). See the policy section of this report for additional information.

FAS/Pretoria maintains MY 2024/25 domestic consumption estimates as domestic sugar price increases have slowed in MY 2024/25 compared to MY 2023/24 (see **Figure 4**). FAS/Pretoria maintains the previous MY 2023/24 domestic consumption estimates.

**Figure 4:** Average Retail Prices of Brown Sugar in South Africa



Source: FAS Pretoria chart using Statistics South Africa data

\*FAS Pretoria Estimates for 1kg/White Sugar prices based on reported 2.5 kg prices

Continued growth in the use of other sweeteners is expected based on the pace of ongoing investments by local producers—including sugar cane growers and milling companies—in the sweetener sector in response to consumer health trends. This growth in alternative sweetener use follows a trend in the beverage sector to reformulate drinks with less sugar and switch to no- or



low-calorie alternative sweeteners to avoid or minimize the impact of the sugar tax. This trend is expected to plateau in the coming years, with many food manufacturers having already reduced their use of sugar and increased the use of sweeteners such as aspartame, stevia leaf extract, sucralose, and acesulfame potassium.

Sugar in South Africa is primarily used for direct human consumption and as an ingredient to produce beverages and confectionary products. Food processing demand for sugar accounts for 49 percent of total domestic sugar sales, while direct home consumption accounts for the other 51 percent. The retail price of brown and white sugar in South Africa ranges from \$1.75 to \$2.10 per kg and is affordable for most of the population. Refined sugar packets in South African retail shops range from 2-gram sachets to 25-kilogram bags. Below are images of some of the refined sugars typically sold in retail shops.



*Photo source: Woolworth and Checkers websites*

South Africa's sugar sector remains concerned that new front-of-package food labelling regulations could cause a further shift away from sugar as a sweetener in consumer-oriented food and beverage products (see FAS/Pretoria's GAIN report for more details: [South Africa Issues New Draft Regulation on Food Labelling](#)). See the policy section of this report for additional information.

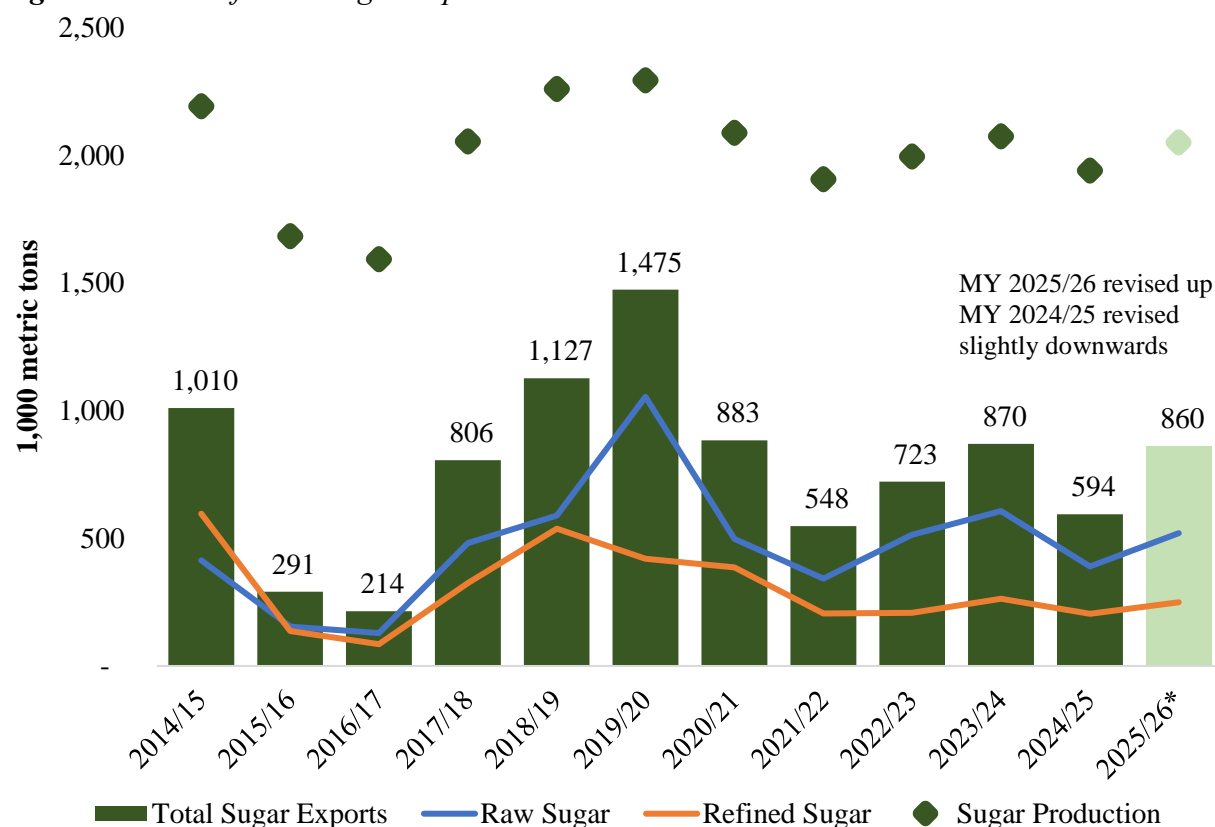
### **Exports**

FAS/Pretoria revises MY 2025/26 raw and refined sugar exports (total) estimates upwards to 860,000 MT, driven by production. This marks a 45 percent rebound from MY 2024/25, when production was adversely affected by hot and dry weather conditions. However, the value of exports is expected to be affected by declining global sugar prices and a stronger exchange rate against the U.S. dollar (see Figures 6 and 7). Domestic sugar prices typically exceed export prices, and South Africa only exports surplus sugar once the domestic market and the South African Customs Union (SACU) markets are sufficiently supplied. SACU members comprise

Botswana, Eswatini, Lesotho, and Namibia. In MY 2025/26, sugar imports are projected to increase, reducing sales in the domestic market. As a result, the industry is expected to redirect excess sugar toward the export market.

FAS/Pretoria revises MY 2024/25 total sugar exports downward by 51,000 MT from the previous estimate, reflecting the decline in sugar production. This represents a 26 percent decrease compared to MY 2023/24, driven by reduced production and industry efforts to prioritize adequate supply to the local market. FAS/Pretoria maintains MY 2023/24 exports at 869,989 MT.

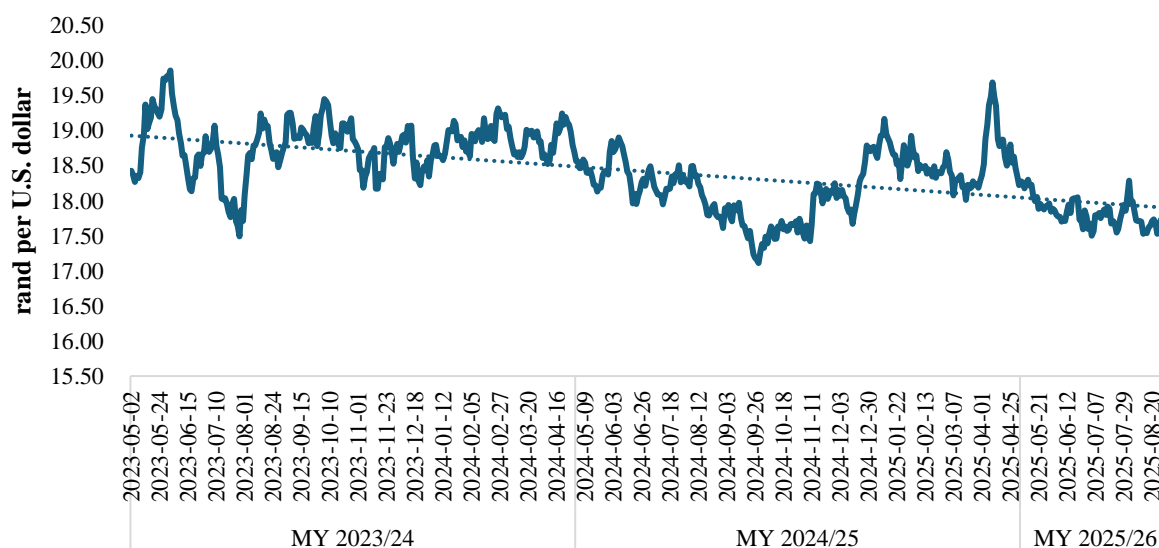
**Figure 5: South Africa's Sugar Exports**



Source: FAS Pretoria using Trade Data Monitor, LLC. data

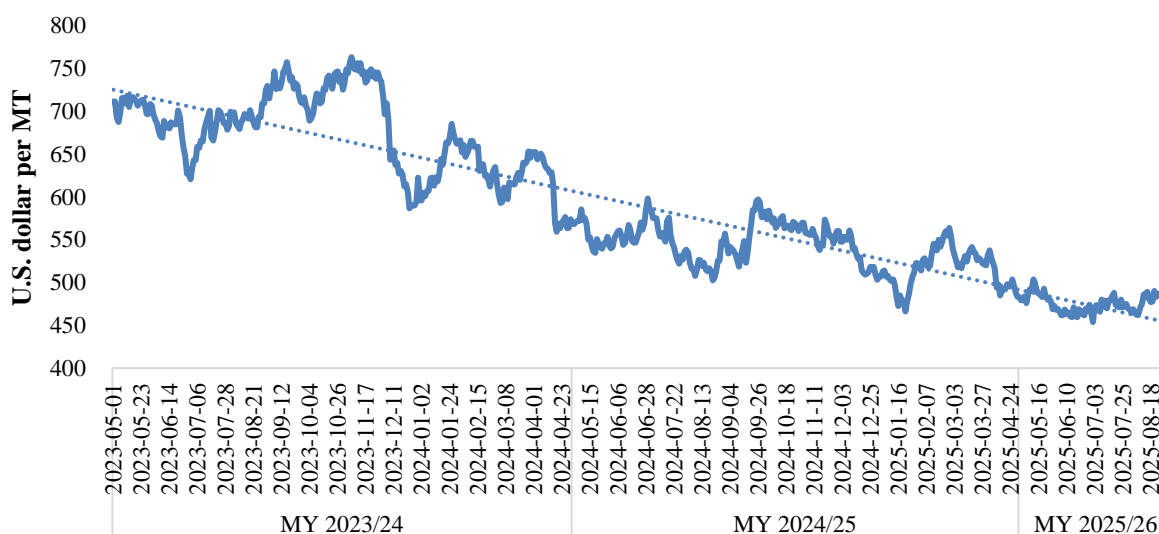
\* FAS Pretoria forecast

**Figure 6: South African Rand per U.S. Dollar**



Source: FAS Pretoria using South African Reserve Bank

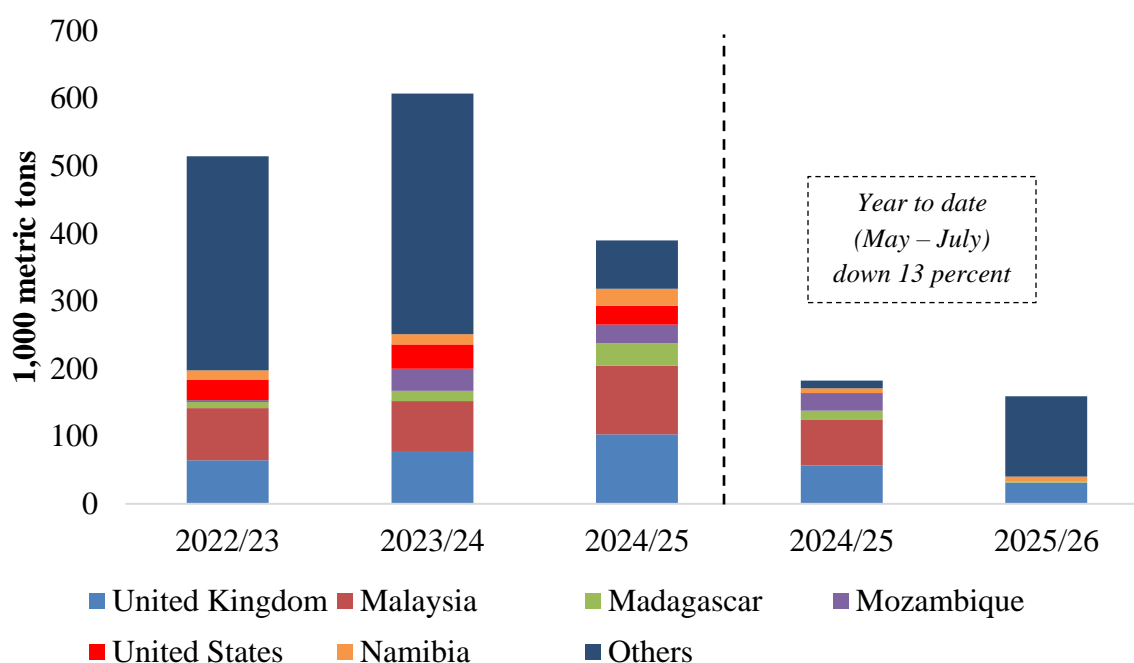
**Figure 7: Global Sugar Price**



Source: FAS Pretoria using SA Canegrowers data

In MY 2024/25, the United Kingdom was the largest market for South African raw sugar (26 percent), closely followed by Malaysia (26 percent), and Madagascar (9 percent). South Africa has a tariff-rate quota (TRQ) of 49,320 MT in the UK market for raw sugar (see TRQ allocation in policy section).

**Figure 8: South Africa's Raw Sugar Exports**



Source: FAS Pretoria using Trade Data Monitor, LLC. Data

**Table 4: U.S. Tariff-Rate Quota Allocations for South African Raw Cane Sugar, Refined and Specialty Sugar, and Sugar-Containing Products. (Values in Raw Value Metric Tons)**

	FY 2023 Oct 1, 2022 – Sept 30, 2023	FY 2024 Oct 1, 2023 – Sept 30, 2024	FY 2025 Oct 1, 2024 – Sept 30, 2025	FY 2026 Oct 1, 2025 – Sept 30, 2026
Initial allocation	24,744	24,744	24,744	24,744
Additional allocation	12,147	12,650	-	-
<b>Total</b>	<b>36,891</b>	<b>37,394</b>	<b>24,744</b>	<b>24,744</b>

Source: FAS Pretoria using USTR information

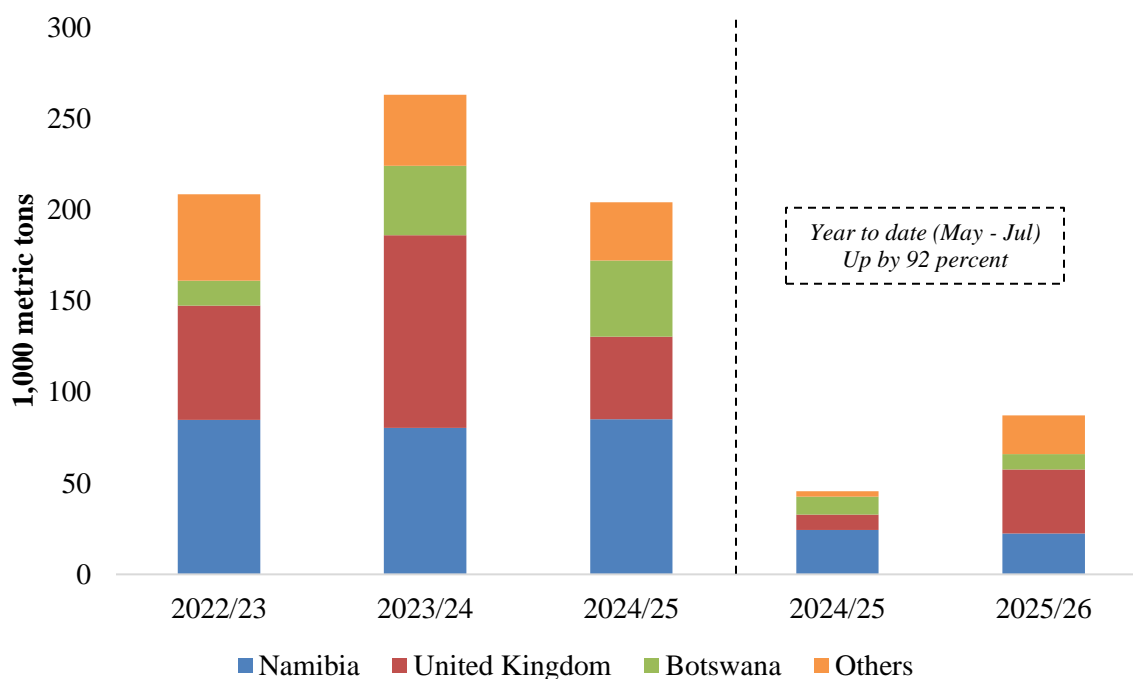
The United States is a premium market for South African sugar, and South Africa consistently utilizes its full TRQ allocation each year. On average, the United States accounts for approximately seven percent of South Africa's total sugar exports by volume but nearly 15 percent by value. On August 15, 2025, the Office of the U.S. Trade Representative announced an allocation of 24,744 Raw Value Metric Tons (RVMT) for the fiscal year 2025 (October 1, 2025 to September 30, 2026) (see Table 4). Historically, South Africa exported in-quota sugar to the United States duty-free; however, as of August 7, 2025, South African sugar is subject to a 30 percent in-quota duty, along with an over-quota duty based on weight. FAS Pretoria contacts indicate that South Africa will continue exporting sugar to the United States in FY 2025 but may need to lower its selling price, which could erode export revenue and further reduce the RV price. Export shipments are already being delayed as negotiations on tariffs are ongoing.

For FY 2025, South Africa received an allocation of 24,744 RVMT, which was fully utilized by October 2024. The United States accounted for seven percent of South Africa’s total raw sugar exports in MY 2024/25. It is important to note that the sugar industry’s marketing year (MY) runs from April to March, while the TRQ year runs from October to September. This overlap can result in TRQs for two different fiscal years being recorded within a single marketing year.

Year-to-date exports (May 2025–July 2025) indicate that South African refined sugar exports increased by 92 percent, driven by improved production. In MY 2024/25, the SACU countries were the leading market for South African refined sugar, accounting for 62 percent followed by the United Kingdom (22 percent).

South Africa does not export refined sugar to the United States. The refined sugar quota allocations in the United States are on a first-come, first-served basis. Please note, refined sugar exports are converted to raw sugar values in FAS/Pretoria’s PSD table using a factor of 1.07.

**Figure 9: Refined Sugar Exports**



Source: FAS Pretoria using TDM, LLC. data

### **Imports**

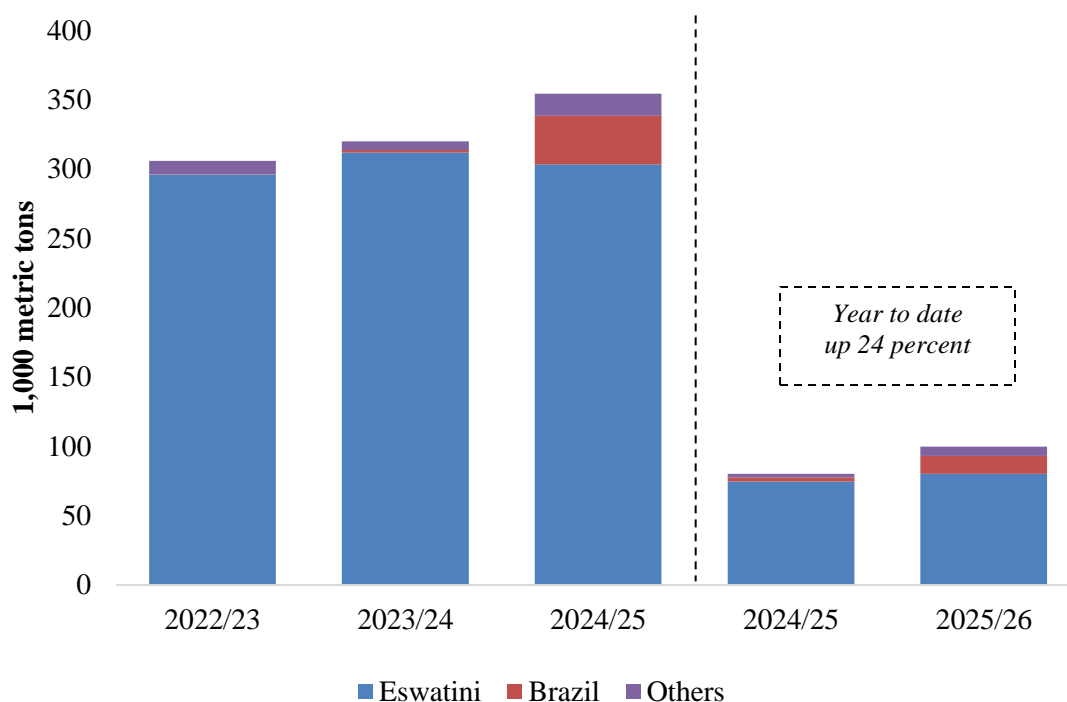
In much of 2025, the Rand has been stronger, global prices have fallen, and the tariff has been lower, making imports more attractive. FAS Pretoria revises the MY 2025/26 import estimate upwards by 120,000 MT based on the pace of imports through July 2025. Although sugar production is expected to improve in MY 2025/26, cheaper imports are expected to displace domestic supply. Imports of raw and refined sugar between May and July 2025 increased by 24 percent and 486 percent respectively from the same period in 2024 (see Figure 10 and Figure 12). MY 2025/26 imports are expected to increase by 12 percent year-on-year.

On May 09, 2025, South Africa adjusted its import tariff from R3,774,00 (\$217.80) per MT to R2,828.50 (\$163.23) per MT, which led to an increase in deep-sea duty-paid imports. Data through July 2025 indicates that non-SACU imports primarily originated from Guatemala, Brazil, and Thailand for both refined and raw sugar. As global sugar prices continued to decline, South Africa raised its import duty to R3,646.80 (\$210.46) per MT on August 1, 2025. This increase will likely limit sugar imports particularly from non-SACU markets for the remainder of MY 2025/26.

FAS/Pretoria revises MY 2024/25 sugar imports slightly upwards to 437,260 MT based on finalized data. This represents a 21 percent increase compared to the previous year, driven by reduced domestic production.

In MY 2023/24 and the preceding marketing year, raw sugar imports from Eswatini accounted for 97 percent of South Africa's total raw sugar imports because Eswatini is part of SACU and thus not subject to import duties. However, in MY 2024/25, Eswatini's share of South Africa's raw sugar imports decreased to 86 percent, while Brazil's share rose to 10 percent—significantly higher than its four-year average of just one percent. Year-to-date data for MY 2025/26 indicates further shifts, with Eswatini's share declining to 80 percent, Brazil increasing to 13 percent, and Belgium accounting for 5 percent. These changes reflect an increase in deep-sea imports, driven by a strengthening rand against the U.S. dollar and a continued decline in global sugar prices.

**Figure 10: South African's Raw Sugar Imports**

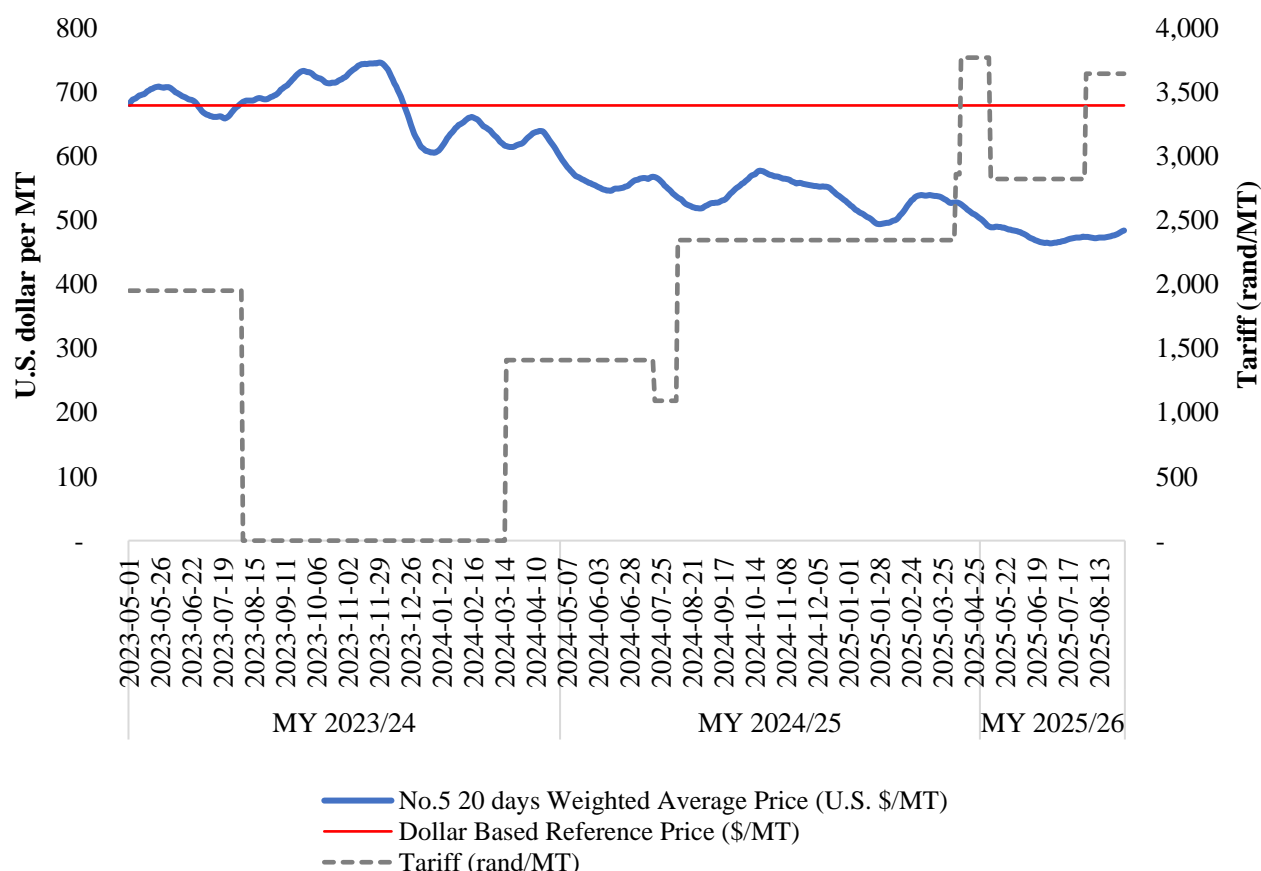


Source: FAS Pretoria using Trade Data Monitor, LLC. data

South Africa imposes a tariff on imports to protect the domestic sugar industry against low world sugar prices using a variable tariff formula to determine an applied tariff. The current Dollar Based Reference Price (DBRP) is \$680 per MT, increased from \$566 per MT since July 2018.

Tariff protection is granted when the world sugar price remains below the DBRP of \$680 per MT (see FAS/Pretoria GAIN report: [South Africa: South Africa Revises Sugar Import Duties](#)). As shown in Figure 11, the current tariff on imported sugar is R3,6468 (\$210.46) per MT effective as of August 1, 2025.

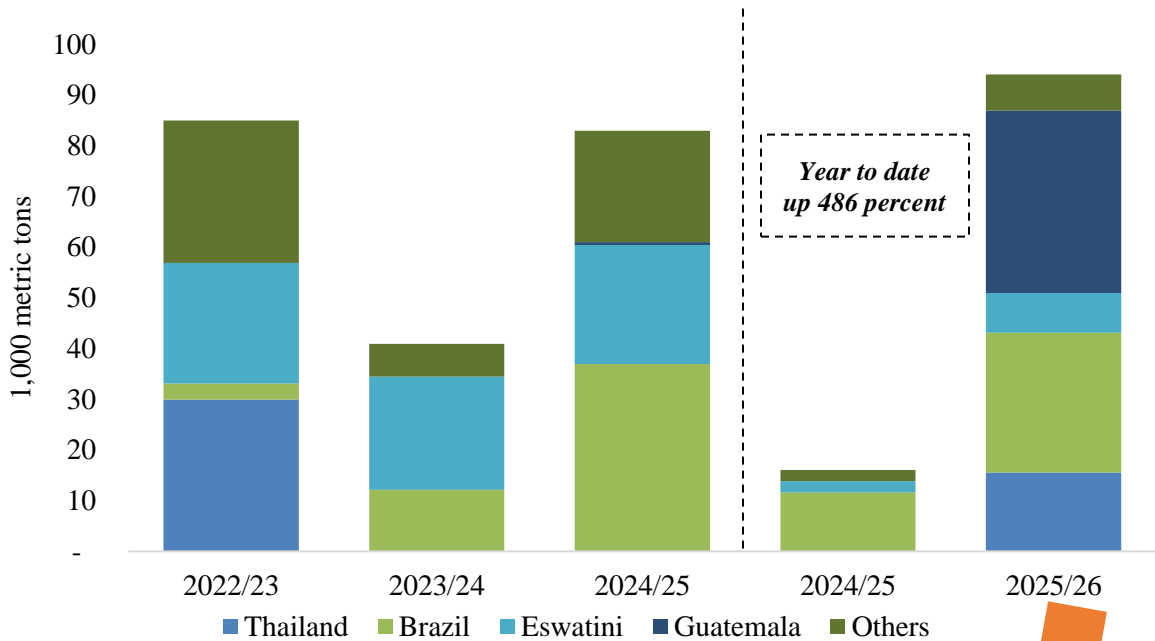
**Figure 11: Sugar Price and Tariff Level trends**



Source: FAS Pretoria using ITAC, SARS and SACGA data

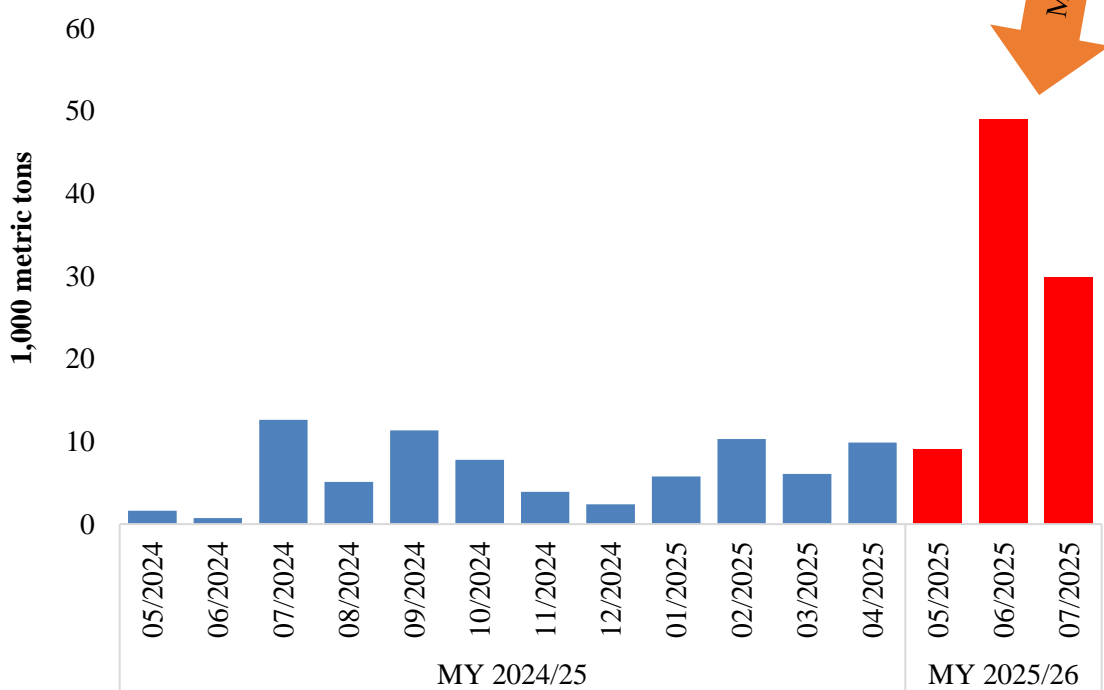
Refined sugar imports in MY 2024/25 came mainly from Brazil (44 percent) and Eswatini (28 percent). Year to date imports in MY 2025/26 show that South Africa imported refined sugar mainly from Guatemala, Brazil, and Thailand (see Figure 12). During June and July 2025, global sugar prices declined, and the rand strengthened, leading to a surge in deep-sea duty-paid sugar imports, as illustrated in Figure 13. However, with the upward adjustment of the import duty, deep-sea imports are expected to decrease from August 2025 onward.

**Figure 12: Refined Sugar Imports by Market Year**



Source: FAS Pretoria using Trade Data Monitor, LLC. data

**Figure 13: Monthly Imports of Refined Sugar**



Source: FAS Pretoria using Trade Data Monitor, LLC. data



### **Stocks**

FAS/Pretoria estimates South Africa's ending sugar stocks will increase to 288,000 MT in MY 2025/26, based on an increase in domestic production and imports. Carry-over stocks of unsold sugar at the end of the South African sugar industry marketing year (March 31 of each year), is purchased by the South Africa Sugar Association so that it is regarded as sold. This ensures revenue sharing between growers and millers, per the agreed division of proceeds formulas (more information is found in the policy section of this report). Large volumes of ending stocks pose a cost burden for the industry, as growers and millers must pay for storage.

## **Trade Policy and Regulations**

### **South African Sugar Industry Master Plan to 2030**

On November 17, 2020, the South African Department of Trade, Industry and Competition (DTIC); and the Department of Agriculture, along with industry stakeholders, signed off on the [South African Sugar Industry Master Plan to 2030](#). The objective of the master plan is to ensure the long-term sustainability and profitability of the sugar sector in South Africa. The creation of industry master plans has become a common measure to support various sectors in South Africa. For example, the poultry industry also has a master plan. In general, master plans provide a comprehensive set of actions designed to achieve common policy objectives. The plans also provide guidance on policies, support, strategies, and actions required to achieve specified targets. The South African Sugar Industry Master Plan vision for 2030 is “a diversified and globally competitive, sustainable and transformed sugar cane-based value chain that actively contributes to South Africa’s economic and social development, creating prosperity for stakeholders in the sugar cane value chain, the wider bio-economy, society, and the environment.”

- ***Phase 1 of the Sugar Master Plan***

The master plan follows a phased approach to planning and implementation. For the three-year Phase 1 stage, which ended in March 2023, the aim was to increase domestic use of sugar by at least 300,000 MT by having local manufacturers prioritize South African sugar instead of imports to make their products. Industry sources shared that domestic consumption had increased by 280,000 MT, just shy of the target but widely considered a success. The master plan also aimed to provide pricing certainty to retailers and consumers by listing producer prices at or below consumer inflation to boost sales. However, in June 2023, after the end of Phase 1 of the master plan, the sugar industry triggered an increase in the sugar notional price in an effort to keep up with the growing cost of production in recent years.

- ***Block exemption for the implementation of Phase 2 of the Sugar Master Plan, 2025***

On August 13, 2026, the Minister of Trade, Industry, and Competition granted the sugar industry a block exemption to the Competition Act No. 89 of 1998, to support implementation of Phase 2 of the Sugar Master Plan. The exemption does not allow price fixing, but does allow sugar growers, millers, retailers, and other stakeholders to collaborate on some issues to stabilize the local sugar market. Phase 2 includes key components such as industry diversification opportunities, price restraints for cane and sugar producers, and local procurement commitments to boost domestic sales. According to FAS Pretoria contacts, the regulation enables growers, millers, food and beverage manufacturers, and retailers to collectively negotiate local sugar purchasing without violating the Competition Act.

### **Sugar Marketing and Sales**

The South African sugar industry operates according to the terms set out in the [Sugar Act 1978](#), the [Sugar Industry Agreement \(2000\)](#), and the [Constitution of the South African Sugar](#)

[Association](#). The South African Sugar Association (SASA) is by law the only organization permitted to export raw sugar produced in South Africa. Sugar milling companies are only permitted to export refined sugar. South Africa always exports surplus raw sugar, regardless of the global prices and sometimes at a loss, because domestic sugar regulations stipulate that the price paid to sugar cane growers should be based on revenue obtained from the sugar sales in the local and export markets for that specific season. The South African sugar industry provides a rebate to domestic manufactures to promote the sale and use of locally produced sugar.

SASA sets the sugar notional price and manages the division of industry proceeds from the sale of sugar and molasses. The split between growers and millers is 64 percent to 36 percent, respectively. Producers are paid according to the recoverable value (RV) content delivered to the mills, whereas millers are compensated according to their share of sugar production.

## **Sugar Quota**

- ***U.S. Sugar Tariff-Rate Quota (TRQ) Allocation***

South Africa is a beneficiary of the U.S. sugar TRQ, which allowed the country to export sugar duty-free to the United States prior to the application of reciprocal tariffs in April 2025. From April to August 2025 the in-quota tariff became 10 percent, and since August 7 has been 30 percent. The United States is considered a premium market for South African raw sugar exports due to higher purchase prices relative to other export destinations. South Africa's TRQ allocation has remained relatively constant over the last several years, and South Africa has always utilized its full allocation and any additional reallocations each year.

- ***EU and UK Sugar Quotas and Policies***

South Africa was granted an annual duty-free sugar quota of 150,000 MT for export to the EU under the SADC-EU Economic Partnership Agreement, which was finalized in October 2016. Since the UK left the EU in 2020, South Africa has also received an annual duty-free quota of 71,365 MT under the Economic Partnership Agreement between the UK, SACU, and Mozambique (SACUM-UK EPA).

**Table 5: EU and UK Sugar Quota Allocations**

	<b>Tariff Rate Quotas in Metric Tons</b>	
	<b>European Union</b>	<b>United Kingdom</b>
<b>Raw sugar</b>		
HS 170113	100,000	49,320
HS 170114		
<b>Refined sugar</b>		
HS 170199	50,000	22,045

## Import Restrictions

- ***Dollar-Based Reference Price Mechanism***

South Africa applies the dollar-based reference price (DBRP) mechanism to ensure that, inclusive of the duty, the DBRP (currently \$680 per ton) is the lowest price that an importer will pay for imported sugar. If import prices are lower than the DBRP, an import duty is applied, while an import price higher than the DBRP would result in no import duty owed. The DBRP was increased from \$566 to \$680 per ton in August 2018 to restrict increased imports from Brazil and the United Arab Emirates, and because the DBRP of \$566 per ton was below the cost of sugar production in South Africa. It has not changed since 2018 – the sugar industry has applied in 2025 for the DBRP to be increased, but the process can take up to two years.

- ***Import Tariff***

On August 1, 2025, the custom duty on sugar was adjusted upwards to R3,646.80/MT due to the downward trend in global sugar prices. The prevailing sugar price at \$494.00/ton triggered the adjustment on May 26, 2025. There is often a lag between the time a tariff change is triggered and when it goes into effect through publication in the government gazette, hence it was adjusted in August 1, 2025 (see FAS/Pretoria GAIN report: [South Africa: South Africa Revises Sugar Import Duties](#)).

**Table 6: South Africa sugar import tariff changes**

<i>Date of trigger</i>	<i>No.5 20 day weighted Average Price (US \$/Ton)</i>	<i>R/US\$</i>	<i>Tariff (R/MT)</i>	<i>Date Implemented</i>
2024-01-09	608.34	18.71	1,409.10	2024-03-15
2024-04-01	624.33	18.89	1,093.60	2024-07-19
2024-05-27	558.40	18.42	2,348.90	<a href="#">2024-08-08</a>
2024-12-23	540.13	18.39	2,862.50	<a href="#">2025-04-04</a>
2025-01-31	496.16	18.47	3,773.50	<a href="#">2025-04-11</a>
2025-03-17	538.79	18.17	2,828.50	<a href="#">2025-05-09</a>
2025-05-26	494.00	17.92	<b>3,646.80</b>	<a href="#">2025-08-01</a>

Source: SARS and ITAC

## Tax on Sugar-Sweetened Beverages

The South African government created a sugar tax (dubbed a “health promotion levy”) in 2017 with an objective to cut obesity levels. The levy is currently 2.1 cents per gram of sugar content that exceeds 4 grams per 100 ml, or about 10 percent of the price of sugary drinks. In 2020, the government announced an increase in the levy; however, implementation was postponed to April 2023 to allow for engagement with the sugar industry. In February 2023, the Minister of Finance announced that increases to the sugar tax would be postponed for another two fiscal years, citing the impact of flooding and social unrest on the sugar industry. On March 12, 2025, the minister of Finance, Enoch Godongwana, announced that the sugar tax will not increase in fiscal year 2025/26. The South African sugar industry reports that the sugar tax added financial pressure and resulted in a loss of jobs. The minister’s decision allows the sugar industry more time to

diversify and implement transformation plans, although the industry continues to lobby for the removal of the tax.

### **Ethanol Production**

There is currently no commercial production of fuel-grade ethanol from sugar cane in South Africa. However, some sugar mills produce beverage-grade ethanol and industrial alcohols as by-products or back-end products from molasses. There have been discussions of piloting ethanol production at a vacant refinery in KwaZulu-Natal; however, no concrete plans have emerged.

### **Draft Regulations on Front-of-Package Labelling**

The South African Ministry of Health has published [draft regulations on labelling and advertising of foods](#). The draft regulation proposes that pre-packed foodstuffs will bear mandatory front-of-pack labelling when containing added sugar in excess of 10 grams per 100 grams in solids or 5 grams per 100 ml in liquids (see FAS/Pretoria's GAIN report for more details: [South Africa Issues New Draft Regulation on Food Labelling](#)). Industry and affected parties were given until July 21, 2023, to submit comments to the South African Director General of Health. The sugar sector submitted comments, as did some individual companies in the industry. The Ministry of Health is currently working through the comments.

### **Report Sources:**

South African Canegrowers Association - [www.sacanegrowers.co.za](http://www.sacanegrowers.co.za)

South African Sugar Association - [www.sasa.org.za](http://www.sasa.org.za)

**Attachments:** [Block Exemption for the Implementation of Phase 2 of the Sugar Master Plan, 2025.pdf](#)