

Required Report: Required - Public Distribution

Date: April 22, 2026

Report Number: SF2026-0013

Report Name: Sugar Annual

Country: South Africa - Republic of

Post: Pretoria

Report Category: Sugar

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Report Highlights:

FAS Pretoria forecasts that South African sugar production will increase by two percent in Marketing Year (MY) 2026/27 compared to the previous MY, driven by increased cane deliveries. Most sugar mills opened in March and are expected to crush cane through December 2026. In MY 2025/26, sugar imports surged as world sugar prices declined, prompting the government to increase the import tariff on February 13, 2026. As a result, FAS Pretoria expects imports to decline by 24 percent in MY 2026/27. Exports are forecast to drop by 17 percent as the industry prioritizes supplying the domestic market.

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Executive Summary

- Sugar cane and sugar production: Based on normal weather conditions and available water for irrigation, FAS Pretoria forecasts that sugar cane production will increase by two percent in MY 2026/27 compared to MY 2025/26. This improved cane production is expected to drive a two percent increase in sugar production. One of South Africa’s twelve sugar mills started the season early, in February, while most opened in March. The remaining three large mills will likely open in May, pending a court ruling on the provisional liquidation application for the Tongaat Hulett company.
- Domestic consumption: The sugar tax remained unchanged for Fiscal Year 2026. Combined with stable prices, sugar consumption is forecast to rise slightly by one percent in MY 2026/27 compared to the previous year
- Exports: MY 2026/27 sugar exports are forecast to decline by 17 percent compared to the previous MY as the industry prioritizes supplying the domestic market. South Africa received a sugar U.S. tariff rate quota allocation of 24,744 MT for FY 2026 and the quota is already fully utilized.
- Imports: FAS Pretoria forecasts that MY 2026/27 imports will drop by 24 percent following the government's implementation of an increased import tariff in February 2026.
- Trade Policy and Regulations: On April 10, 2026, the South African Department of Trade, Industry and Competition (DTIC), along with industry stakeholders, signed Phase Two of the South African Sugar Industry Master Plan to 2030.

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 April 8, 2026) is 16.4268 South African Rand (ZAR) to one U.S. dollar (USD).

Sugar Cane

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

| Market Year Begins | 2024/2025 | | 2025/2026 | | 2026/2027 | |
|---|---------------|----------|---------------|----------|---------------|----------|
| | Apr 2024 | | Apr 2025 | | Apr 2026 | |
| | USDA Official | New Post | USDA Official | New Post | USDA Official | New Post |
| South Africa | | | | | | |
| Area Planted (1000 HA) | 346 | 349 | 0 | 349 | 0 | 347 |
| Area Harvested (1000 HA) | 255 | 250 | 0 | 250 | 0 | 253 |
| Production (1000 MT) | 17200 | 16471 | 0 | 17242 | 0 | 17600 |
| Total Supply (1000 MT) | 17200 | 16471 | 0 | 17242 | 0 | 17600 |
| Utilization for Sugar (1000 MT) | 17200 | 16471 | 0 | 17242 | 0 | 17600 |
| Utilizatn for Alcohol (1000 MT) | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Utilization (1000 MT) | 17200 | 16471 | 0 | 17242 | 0 | 17600 |
| (1000 HA) ,(1000 MT) | | | | | | |
| OFFICIAL DATA CAN BE ACCESSED AT: PSD Online Advanced Query | | | | | | |

Area

FAS Pretoria forecasts that MY 2026/27 area under sugar cane production will decline one percent from MY 2025/26. Although area expanded slightly in some regions and some old cane fields were replanted, overall area planted to sugar cane continues to decrease gradually. The sugar industry is currently faced with several challenges that discourage expansion in area planted.

In MY 2025/26, South Africa experienced a surge in imports that suppressed local sales, taking away approximately ten percent of sales from locally produced sugar. Imported sugar is generally cheaper than locally produced sugar. With prices driven down in the domestic market, the local industry must divert production to the export market.

Electricity tariffs increased by an average of 8.76 percent effective April 1, 2026. This will primarily affect cane growers in Mpumalanga province, who irrigate their cane and represent almost 20 percent of total area planted. Growers also face rising costs for fertilizer and fuel due to the Middle East conflict. Although the Minister of Finance did not increase the sugar tax for fiscal year 2026, the industry remains concerned about its negative effects on sugar demand.

Tongaat Hulett, one of South Africa's milling companies, entered “voluntary business rescue” on October 27, 2022, due to financial distress and inability to meet debt obligations. In 2026, the business rescue practitioners sought provisional liquidation after funding discussions collapsed. Tongaat Hulett operates three of South Africa's 12 sugar mills. Depending on the outcome of the court case, the three mills are likely to open in May. However, if the outcome is an unfunded liquidation, it would result in the closure of these mills, resulting in non-payment to cane

growers and halting levy payments and other funding requirements for the entire sugar industry. This uncertainty further discourages investment in expanding area under cane.

Production

FAS Pretoria forecasts that MY 2026/27 production will increase by two percent on normal weather conditions, trend yield, and available water for regions that irrigate cane. Production regions received sufficient rain between December and February.

FAS Pretoria revises MY 2025/26 production to 17.242 million metric tons (MMT) based on finalized industry data (see Figure 2). This represents a five percent increase from MY 2024/25 following improved rainfall after drier-than-normal conditions in MY 2024/25. Rainfed production regions in KwaZulu-Natal received sufficient rain while dams supplying the Mpumalanga region had adequate water for irrigation.

Despite improved cane production, FAS Pretoria contacts report that cane quality in MY 2025/26 was slightly lower compared to MY 2024/25 due to rainy, wet conditions during the harvest period between April and July 2025.

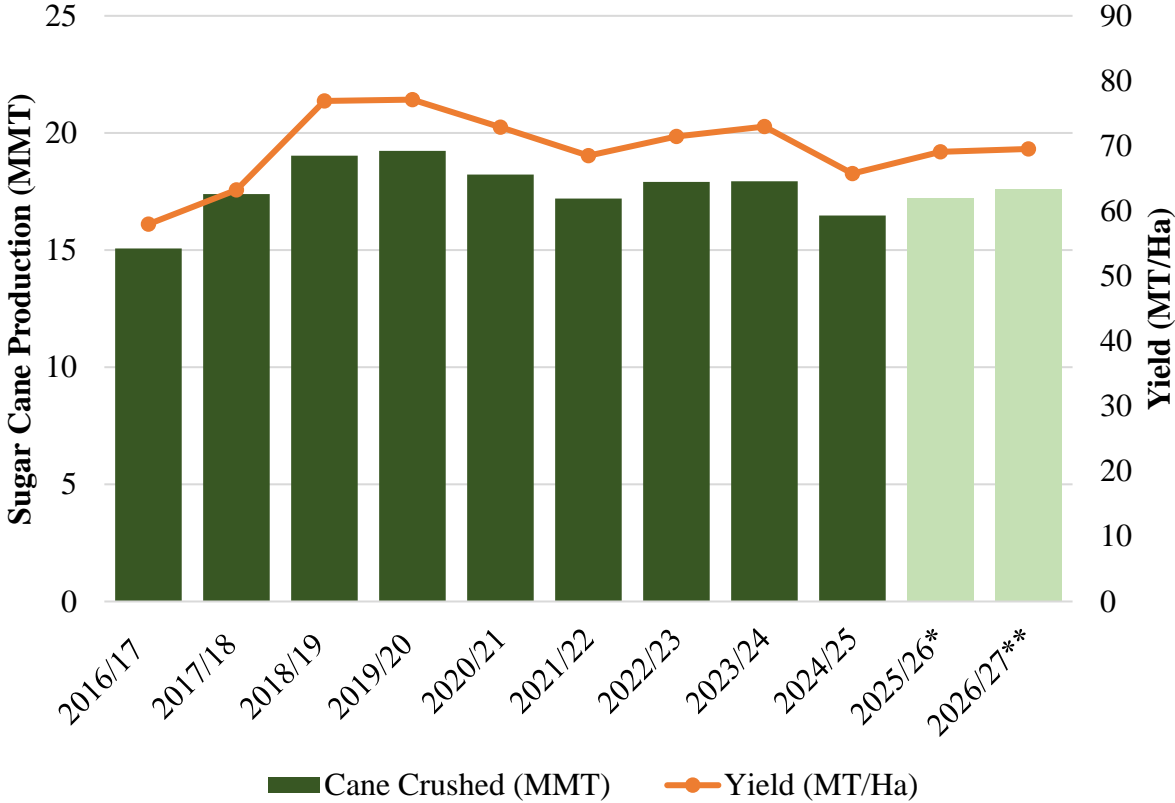
Figure 1: South African Sugar Cane Production Regions



Source: South African Canegrowers Association (SACGA)

FAS/Pretoria maintains MY 2024/25 sugar cane production at the previous Post estimate of 16.471 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.

Figure 2: South African Sugar Cane Production



Sources: FAS Pretoria using South African Canegrowers Association (SACGA) data
 *FAS Pretoria Estimate **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 sales, 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 2025/26 is R7,486.09 per MT, this is a four percent drop from the final MY 2024/25 RV price. This decrease is due to strengthening of the rand against the U.S. dollar, a drop in the weighted average no.11 world sugar price, lower local sales driven by a rise in imports, and a lower sugar-to-RV ratio.

Table 2: Sugar Cane Prices Paid to Growers

| MY | Price | Percentage Change |
|---------|--------------------------------|-------------------|
| | (Rands/ Recoverable Value Ton) | |
| 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 | 7,486.09 | -4% |

Source: FAS Pretoria using SACGA data

Sugar

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

| Sugar, Centrifugal Market Year Begins | 2024/2025 | | 2025/2026 | | 2026/2027 | |
|---|---------------|----------|---------------|----------|---------------|----------|
| | May 2024 | | May 2025 | | May 2026 | |
| | USDA Official | New Post | USDA Official | New Post | USDA Official | New Post |
| South Africa | | | | | | |
| Beginning Stocks (1000 MT) | 11 | 11 | 226 | 226 | 0 | 309 |
| Beet Sugar Production (1000 MT) | 0 | 0 | 0 | 0 | 0 | 0 |
| Cane Sugar Production (1000 MT) | 1940 | 1940 | 2050 | 2016 | 0 | 2060 |
| Total Sugar Production (1000 MT) | 1940 | 1940 | 2050 | 2016 | 0 | 2060 |
| Raw Imports (1000 MT) | 354 | 354 | 340 | 390 | 0 | 350 |
| Refined Imp.(Raw Val) (1000 MT) | 83 | 83 | 150 | 200 | 0 | 100 |
| Total Imports (1000 MT) | 437 | 437 | 490 | 590 | 0 | 450 |
| Total Supply (1000 MT) | 2388 | 2388 | 2766 | 2832 | 0 | 2819 |
| Raw Exports (1000 MT) | 390 | 390 | 600 | 555 | 0 | 500 |
| Refined Exp.(Raw Val) (1000 MT) | 204 | 204 | 260 | 350 | 0 | 250 |
| Total Exports (1000 MT) | 594 | 594 | 860 | 905 | 0 | 750 |
| Human Dom. Consumption (1000 MT) | 1550 | 1550 | 1600 | 1600 | 0 | 1620 |
| Other Disappearance (1000 MT) | 18 | 18 | 18 | 18 | 0 | 18 |
| Total Use (1000 MT) | 1568 | 1568 | 1618 | 1618 | 0 | 1638 |
| Ending Stocks (1000 MT) | 226 | 226 | 288 | 309 | 0 | 431 |
| Total Distribution (1000 MT) | 2388 | 2388 | 2766 | 2832 | 0 | 2819 |
| (1000 MT) | | | | | | |
| OFFICIAL DATA CAN BE ACCESSED AT: PSD Online Advanced Query | | | | | | |

Production

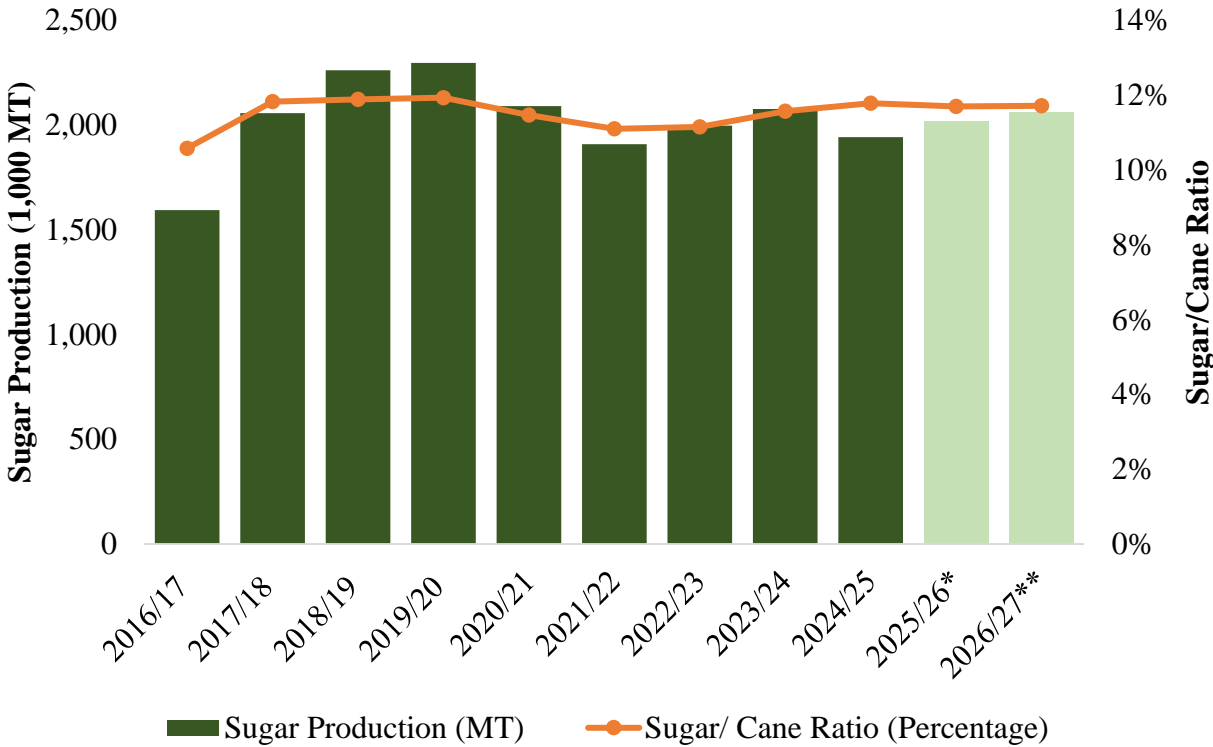
FAS Pretoria forecasts that sugar production will improve by two percent due to increased sugar cane deliveries. Sugar mills had sufficient time to conduct off-crop maintenance between January and March. One mill reportedly started crushing cane in late February, while most mills

started crushing in March and are expected to continue until early December. Tongaat Hulett, which applied for liquidation, operates three sugar mills. Depending on the court's decision in mid-April, these mills are likely to open in May and crush until December.

FAS Pretoria revises the MY 2025/26 sugar production estimate downwards to 2.016 MMT due to reduced cane quality and poor mill performance in some regions. However, this represents a four percent increase from MY 2024/25 due to the higher quantity of cane deliveries. 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.

Figure 3 shows sugar production volumes since MY 2016/17. 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 in MY 2026/27 from each ton of sugar cane is estimated to remain virtually unchanged from MY 2025/26 at 11.7 percent.

Figure 3: Sugar Production



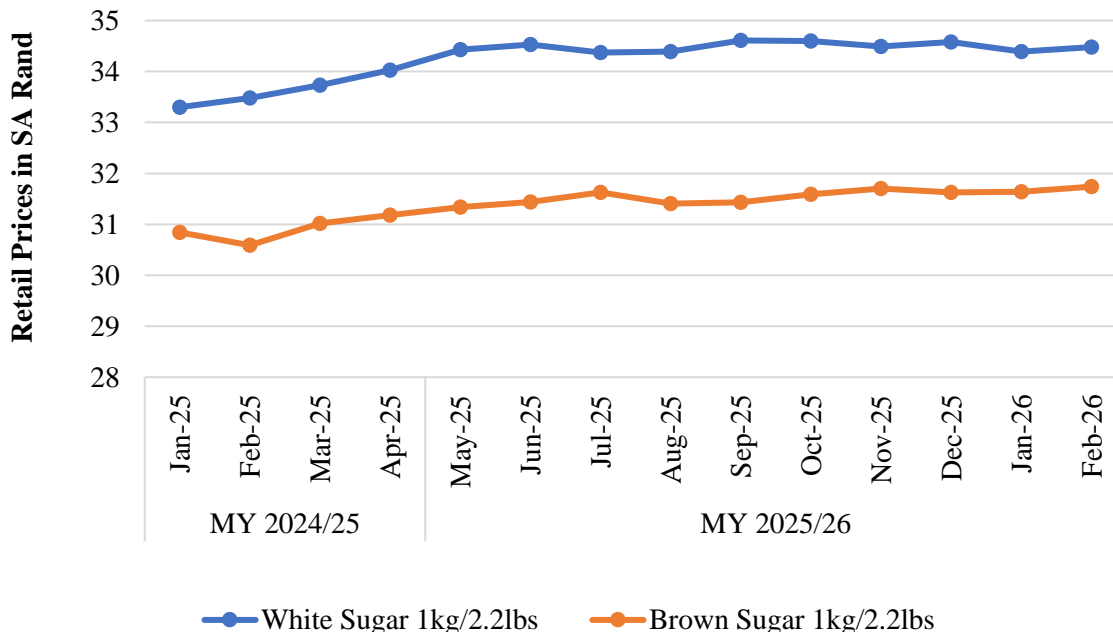
Sources: FAS Pretoria using South African Sugar Association (SASA) data
 *FAS Pretoria Estimate **FAS/Pretoria Forecast

Consumption

FAS/Pretoria forecasts that MY 2026/27 domestic consumption of sugar will increase slightly, by one percent, due to the unchanged sugar tax, and sugar prices remaining relatively stable in MY 2026/27. During a budget speech in February 2026, the South African Minister of Finance did not mention any increase in the sugar tax. Therefore, FAS/Pretoria expects the sugar tax to remain at 2.1 cents per gram of sugar content that exceeds 4 grams per 100 ml for the 2026 fiscal

year (April 1, 2026, to March 31, 2027). See the policy section of this report for additional information. FAS/Pretoria maintains MY 2025/26 and MY 2024/25 domestic consumption estimates based on available supply.

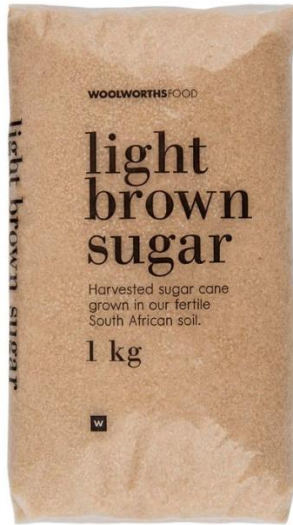
Figure 4: Average Retail Prices of Brown and White Sugar in South Africa



Source: FAS Pretoria chart using Statistics South Africa data

Continued growth in the use of other sweeteners is expected based on the pace of ongoing investments by local producers in the sweetener sector—including sugar cane growers and milling companies—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 accounts for 49 percent of total domestic sugar sales, while direct at-home consumption accounts for the other 51 percent. The retail price of brown and white sugar in South Africa ranges from \$1.75 to \$2.30 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.



Light Brown Sugar 1 kg

R 31.99

Photo source: Woolworth and Checkers websites



Hulett's White Sugar 1kg

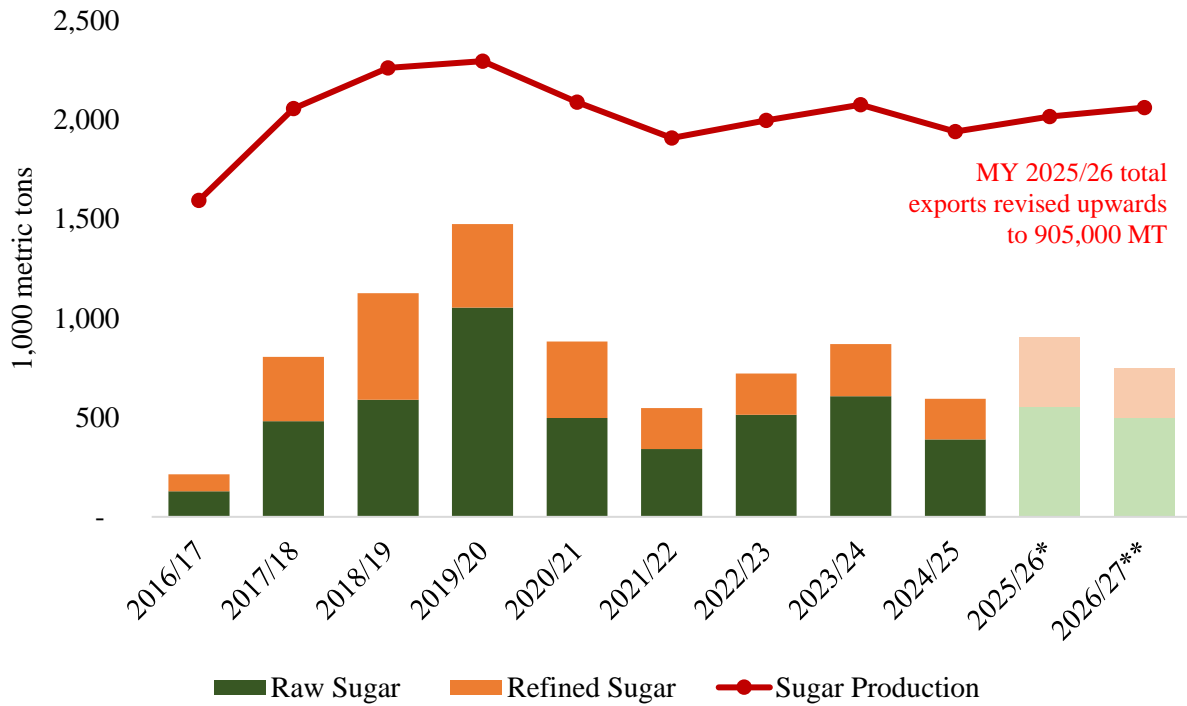
R36.99

Exports

FAS Pretoria forecasts that MY 2026/27 exports will drop by 17 percent as the industry prioritizes local and the duty-free South African Customs Union (SACU) market. SACU and domestic sugar prices typically exceed export prices, and South Africa only exports surplus sugar once it sufficiently supplies these markets. SACU members comprise Botswana, Eswatini, Lesotho, Namibia and South Africa.

FAS Pretoria revises MY 2025/26 total sugar exports (refined and raw sugar) upwards to 905,000 MT based on the pace of year-to-date exports. Exports are estimated to have increased by 52 percent compared to MY 2024/25 due to an increase in imports, which displace sales in the domestic market. As a result, the industry redirected excess sugar toward the export market. The value of exports was further eroded by declining global sugar prices and a stronger rand against the U.S. dollar (see Figures 6 and 7). FAS Pretoria maintains MY 2024/25 exports at 594,056 MT on finalized trade data.

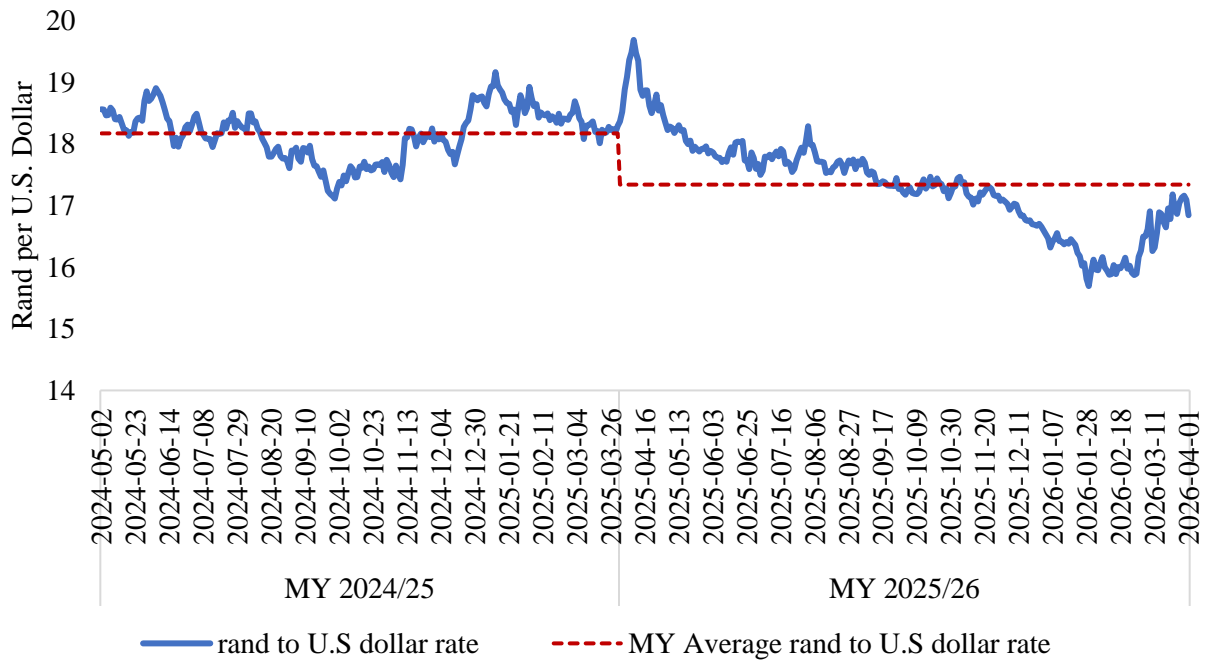
Figure 5: South Africa's Sugar Exports as a Portion of Production



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

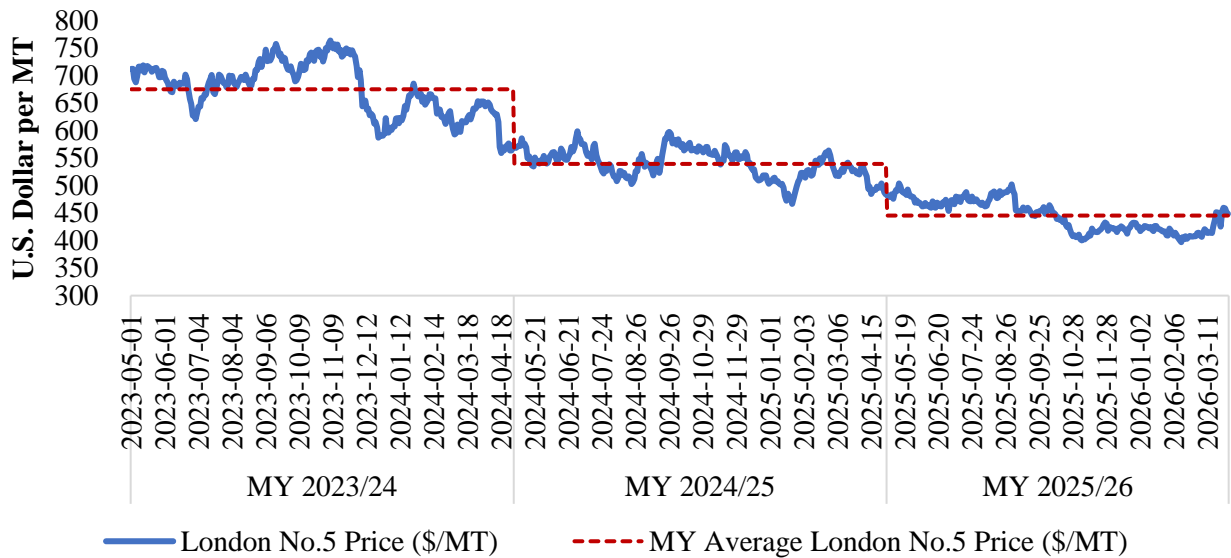
*FAS Pretoria Estimate ** FAS Pretoria forecast

Figure 6: South African Rand per U.S. Dollar Exchange Rate



Source: FAS Pretoria using South African Reserve Bank data

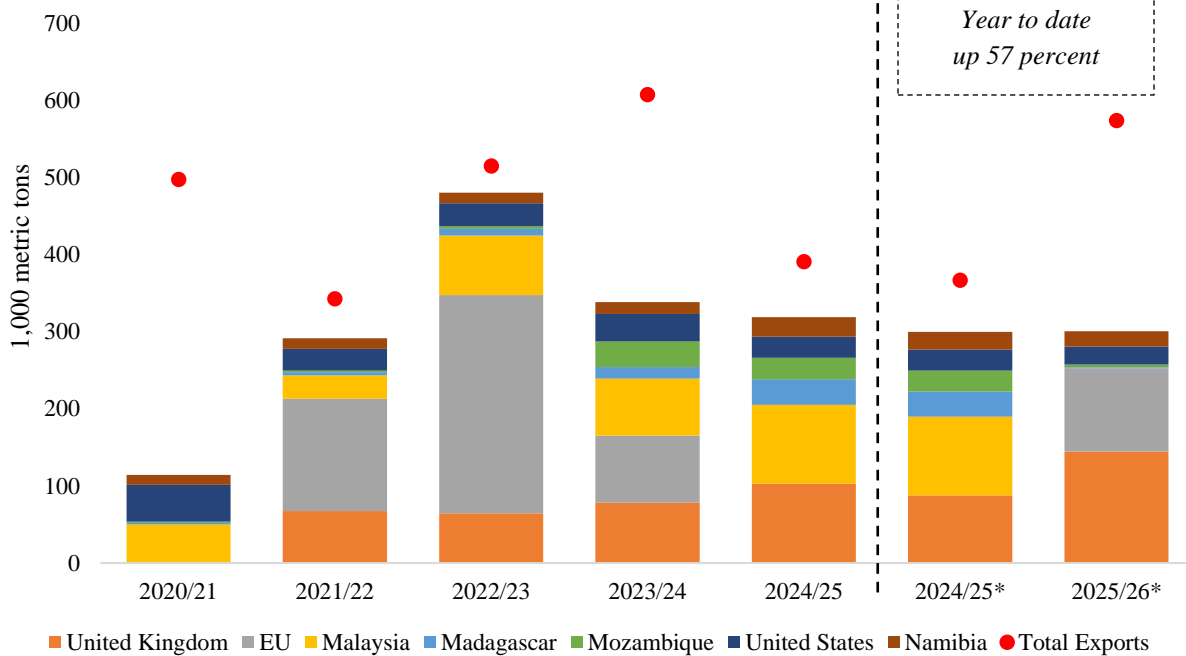
Figure 7: Global Sugar Price (London No.5 Price)



Source: FAS Pretoria using Intercontinental Exchange 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

*Year to date: May – February

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)

| | Volumes in Metric Tons Raw Value | | |
|---------------------|---|---|---|
| | FY 2024 <i>Oct 1, 2023- Sept 30, 2024</i> | FY 2025 <i>Oct 1, 2024- Sept 30, 2025</i> | FY 2026 <i>Oct 1, 2025- Sept 30, 2026</i> |
| TRQ Allocation | <u>24,744</u> | <u>24,744</u> | <u>24,744</u> |
| Unused Reallocation | <u>8,340</u> | 0 | |
| Increase Allocation | <u>4,310</u> | 0 | |
| Total | 37,394 | 24,744 | 24,744 |

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.

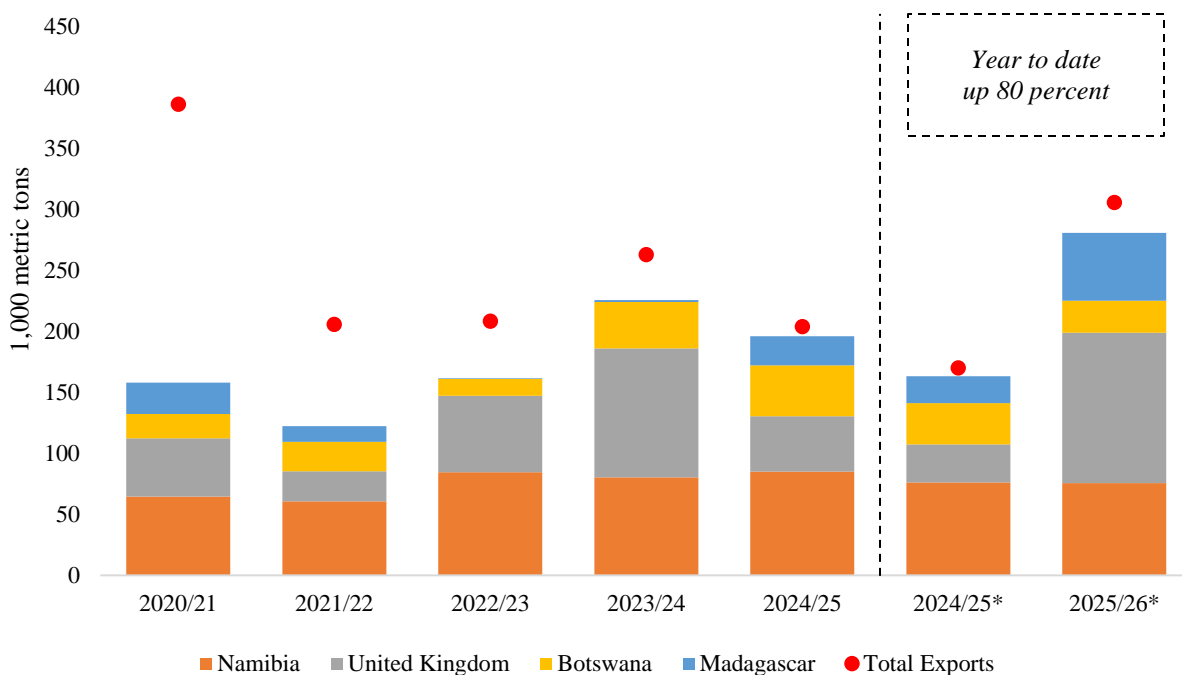
On August 15, 2025, the Office of the U.S. Trade Representative announced an allocation of 24,744 Raw Value Metric Tons (RVMT) for fiscal year 2025 (October 1, 2025, to September 30, 2026) (see Table 4). Historically, South Africa exported in-quota sugar to the United States duty-free; however, as of April 2025, South African sugar became subject to an in-quota duty as well as its over-quota duty based on weight.

In MY 2025/26, South Africa's raw sugar exports to the United States were delayed and reached the United States starting in March 2026. Because a reduced 10 percent tariff took effect on February 24, 2026, the industry benefitted from the lower rate compared to the previous duty of 30 percent. FAS Pretoria contacts report that the industry offered a discount to U.S. importers to cover the cost of the tariff.

For FY 2025, South Africa received an allocation of 24,744 RVMT, which it fully utilized by October 2024. 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 TRQ quantities for two different fiscal years being recorded within a single marketing year.

Year-to-date exports (May 2025 to February 2026) indicate that South African refined sugar exports increased by 80 percent, driven by a surge in imports that shifted volumes of locally produced sugar toward the export market. In MY 2024/25, SACU countries were the leading market for South African refined sugar, accounting for 62 percent, followed by the United Kingdom (22 percent).

Figure 9: Refined Sugar Exports



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

*Year to date: May - February

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.

Imports

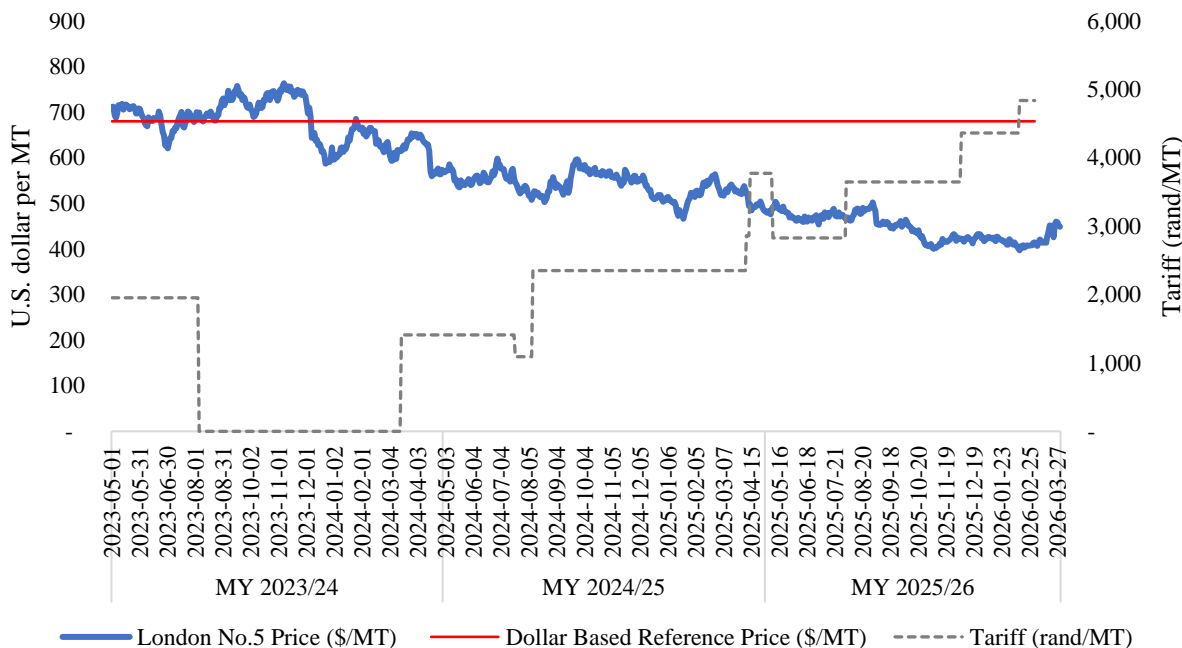
FAS Pretoria forecasts that MY 2026/27 imports will drop by 24 percent due to increased tariff protections and improved supply from locally produced sugar. FAS Pretoria revises MY 25/26 sugar imports upwards to 590,000 MT due to administrative delays in adjusting tariffs as world prices dropped. Imports of raw and refined sugar between May 2025 and February 2026 surged by 16 percent and 166 percent, respectively, from the same period in MY 2024/25 (see Figures 11 and 12). MY 2025/26 imports are estimated to increase by 12 percent year-on-year.

In MY 2025/26, tariffs were revised upwards four times as world sugar prices continued their downward trend. The current tariff of R4,837.20 per metric ton was triggered on December 5, 2025, and implemented on February 13, 2026. Since then, global prices have stabilized and started to increase; therefore, imports are expected to ease. Data through February 2026 indicate that non-SACU imports primarily originated from Brazil, India, Thailand, and Guatemala for both refined and raw sugar. FAS Pretoria maintains MY 2024/25 total sugar imports at 437,260 MT (354,287 MT for raw sugar and 82,937 MT for refined sugar).

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. Tariff protection is granted when the world sugar price remains below the Dollar Based Reference Price (DBRP) of

\$680 per MT (see FAS/Pretoria GAIN report: [South Africa: South Africa Revises Sugar Import Duties](#)). As shown in Figure 10, the current tariff on imported sugar is R4,837.20 (\$294.47) per MT effective as of February 13, 2026.

Figure 10: Sugar Price and Tariff Level trends

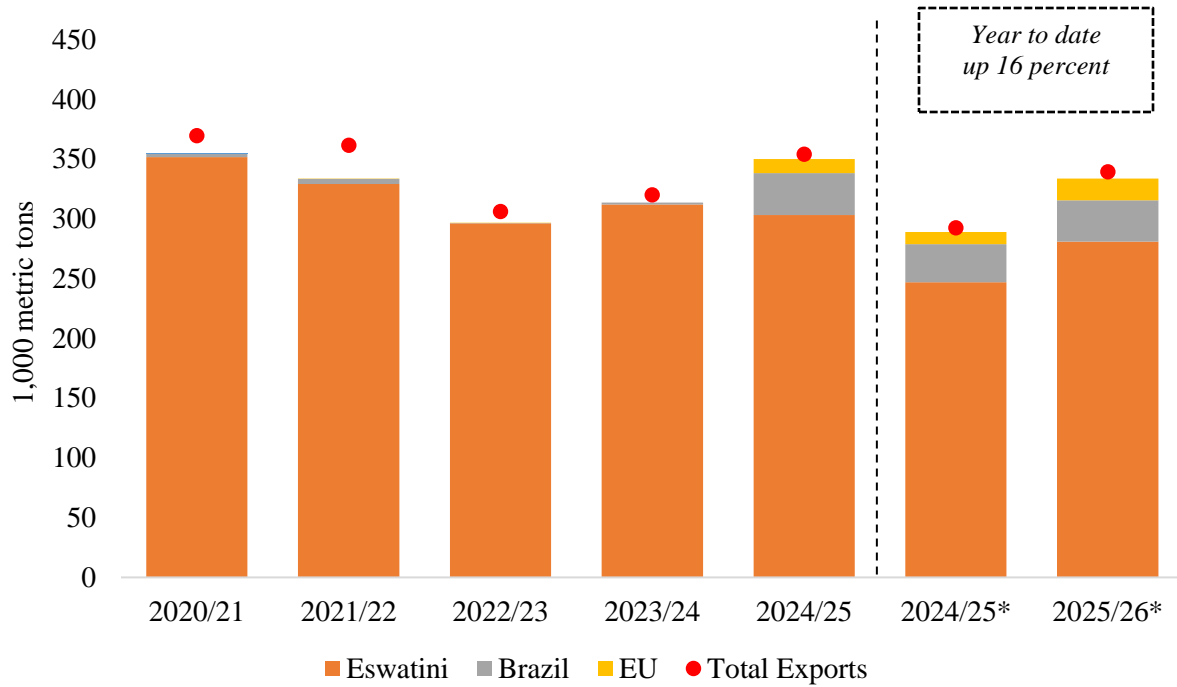


Source: FAS Pretoria using ITAC, SARS and SACGA data

After applications from multiple industry associations, ITAC has initiated a review to adjust the DBRP, which may prevent future swings in import volumes. Please see the Trade Policy and Regulations Section for more information.

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. This reflects 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 11: South African's Raw Sugar Imports

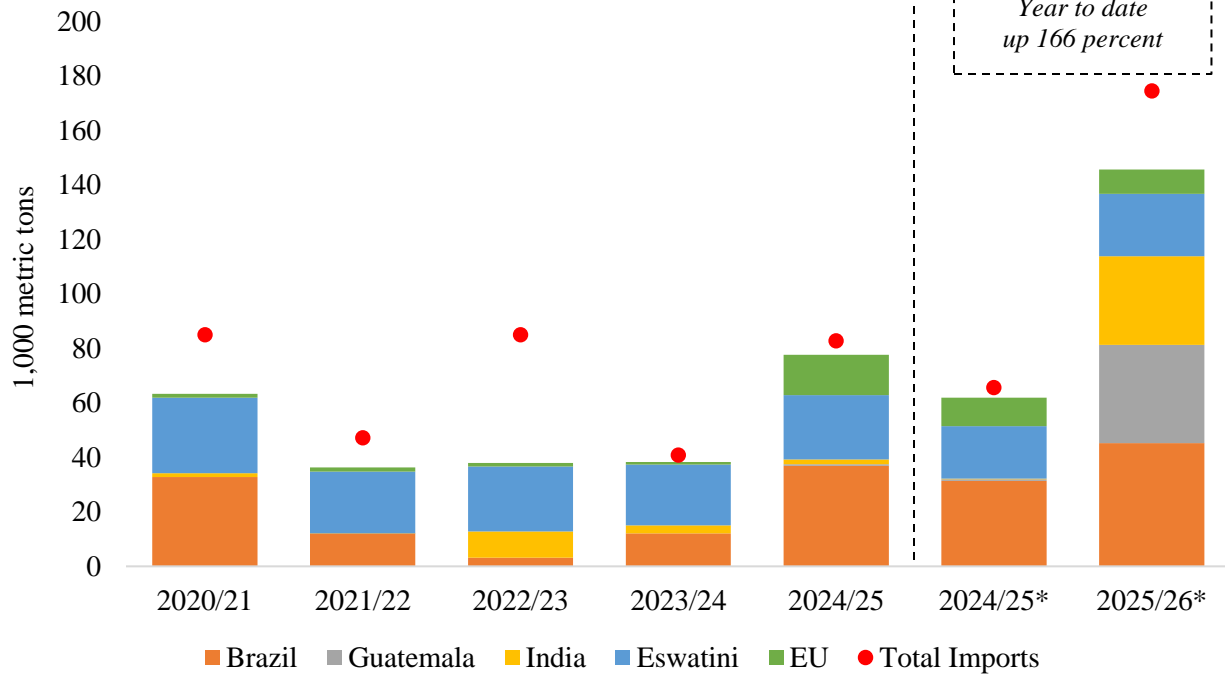


Source: FAS Pretoria using Trade Data Monitor, LLC. data

*Year to date: May - February

Regarding year to date imports in MY 2025/26, South Africa imported refined sugar mainly from Brazil (27 percent), Guatemala (24 percent), India (17 percent), Thailand (13 percent), and Eswatini (13 percent) (see Figure 12). In MY 2025/26, global sugar prices declined, and the rand strengthened, leading to a surge in deep-sea duty-paid sugar imports, as illustrated in Figure 12 and Figure 13.

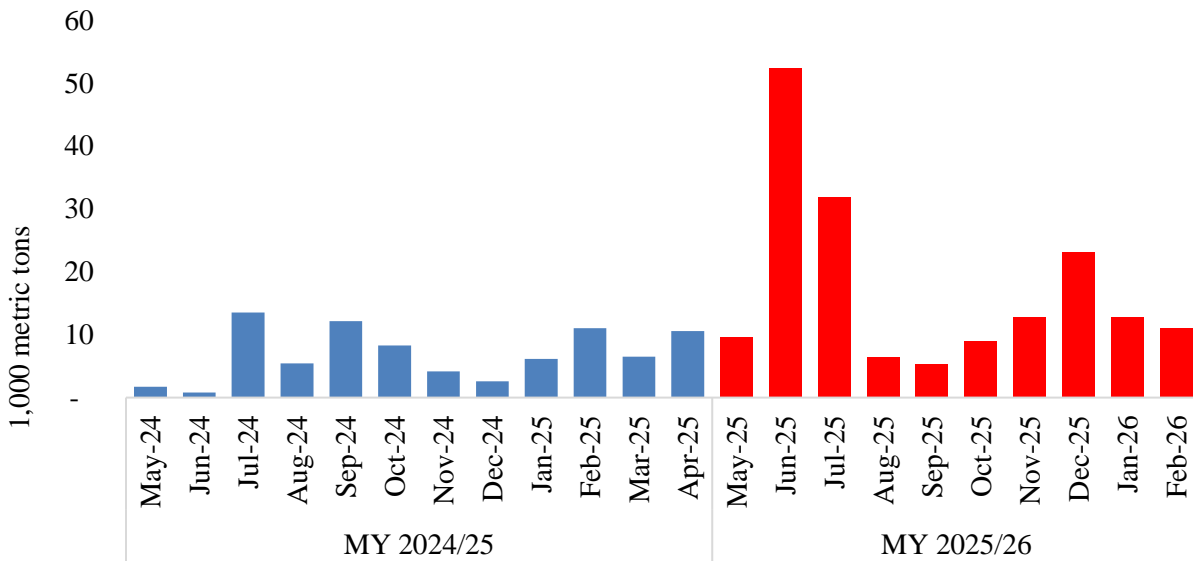
Figure 12: Refined Sugar Imports by Market Year



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

*Year to date: May - February

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 431,000 MT in MY 2026/27, based on an increase in domestic production. Carry-over stocks of unsold sugar at the

end of the South African sugar industry marketing year (March 31 of each year), are purchased by the South Africa Sugar Association so that the stocks are 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 with FAS/Pretoria 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.

- ***Phase 2 of the Sugar Master Plan***

On August 13, 2025, 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. 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.

On April 10, 2026, the South African Department of Trade, Industry and Competition (DTIC) and industry stakeholders signed off on the Phase 2 of the South African Sugar Industry Master Plan to 2030. 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.

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 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. The current in-quota duty imposed on South African sugar is 10 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

| | Tariff Rate Quotas in Metric Tons | |
|--|--|-----------------------|
| | European Union | United Kingdom |
| Raw sugar HS 170113 HS 170114 | 100,000 | 49,320 |
| Refined sugar 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 being owed. Because the DBRP of \$566 per ton was below the cost of sugar production in South Africa, the DBRP was increased from \$566 to \$680 per ton in August 2018 to restrict increased imports from Brazil and the United Arab Emirates. In October 2024, the South African Sugar Association (SASA) applied for the DBRP to be increased again to \$905 per MT. Later, in 2025, the Beverage Association of South Africa (BEVSA) applied to ITAC for a downward revision of the DBRP to between \$552 per MT and \$650 per MT, citing the adverse impact of current import duties on the beverage sector. ITAC will not assess these applications individually but will instead undertake a self-initiated review that replaces the separate applications submitted by SASA and BEVSA. Industry awaits feedback from ITAC on this application.

- ***Import Tariff***

On February 13, 2026, the customs duty on sugar was adjusted upwards to R4,837.20/MT due to the downward trend in global sugar prices. The prevailing sugar price of \$423.17/ton triggered the adjustment on December 12, 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, therefore it was not officially adjusted until February 13, 2026.

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 (Rand/MT)</i> | <i>Date Implemented</i> |
|------------------------|---|----------------|-------------------------|----------------------------------|
| 4/1/2024 | 624.33 | 18.89 | 1,093.60 | 7/19/2024 |
| 5/27/2024 | 558.40 | 18.42 | 2,348.90 | 8/8/2024 |
| 12/23/2024 | 540.13 | 18.39 | 2,862.50 | 4/4/2025 |
| 1/31/2025 | 496.16 | 18.47 | 3,773.50 | 4/11/2025 |
| 3/17/2025 | 538.79 | 18.17 | 2,828.50 | 5/9/2025 |
| 5/26/2025 | 494.00 | 17.92 | 3,646.80 | 8/1/2025 |
| 10/27/2025 | 448.70 | 17.26 | 4,363.80 | 12/5/2025 |
| 12/5/2025 | 423.17 | 16.9878 | 4,837.20 | 2/13/2026 |

Source: SARS and ITAC

Table 7: South African Tariff Rates on Imported Sugar

| Heading/ Subheading | Article Description | Rate of Duty (SA cents per kg) | | | | | |
|------------------------|--|--------------------------------|--------|--------|--------|----------|--------|
| | | General | EU/UK | EFTA | SADC | MERCOSUR | AfCFTA |
| 17.01 | Cane or beet sugar and chemically pure sucrose, in solid form: | | | | | | |
| 1701.1 | Raw sugar not containing added flavoring or coloring matter: | | | | | | |
| 1701.12 | Beet sugar | 483.72 | 483.72 | 483.72 | 483.72 | 483.72 | 483.72 |
| 1701.13 | Cane sugar specified in Subheading Note 2 to this Chapter | 483.72 | 483.72 | 483.72 | 483.72 | 483.72 | 483.72 |
| 1701.14 | Other cane sugar | 483.72 | 483.72 | 483.72 | 483.72 | 483.72 | 483.72 |
| 1701.9 | Other: | | | | | | |
| 1701.91 | Containing added flavoring or coloring matter | 483.72 | 483.72 | 483.72 | 483.72 | 483.72 | 483.72 |
| 1701.99 | Other | 483.72 | 483.72 | 483.72 | 483.72 | 483.72 | 483.72 |

Source: SARS

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. 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.

Attachments:

No Attachments