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Prepared By: Thiemi Hayashi

Approved By: Joseph Taylor

Report Highlights:

Irregular rainfall linked to El Niño is already affecting the crushing pace in Brazil's Center-South (CS), the country's main sugarcane-producing region. A few mills are expected to keep crushing into the off-season, but the region will still likely carry cane over into MY 2027/28 (known in Brazil as cana bisada). In the North and Northeast (NNE), the MY 2026/27 harvest began in September, and production should stay close to the historical average despite El Niño. Weaker foreign demand for sugar and lower world prices have led producers to shift their production mix toward ethanol, which lowers sugar export estimates. For FY 2027, the United States reduced Brazil's raw sugar tariff-rate quota (TRQ) allocation to 100,000 metric tons, raw value (MTRV), about 55,000 MTRV less than in previous years.

Sugarcane Production

Table 01

Sugarcane Production, Supply and Demand

Sugar Cane for Centrifugal	2024/2025		2025/2026		2026/2027	
Market Year Begins	Apr 2024		Apr 2025		Apr 2026	
Brazil	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted (1000 HA)	9600	0	0	9850	0	9950
Area Harvested (1000 HA)	9400	0	0	9700	0	9800
Production (1000 MT)	645000	0	0	660000	0	695000
Total Supply (1000 MT)	645000	0	0	660000	0	695000
Utilization for Sugar (1000 MT)	316050	0	0	326700	0	340550
Utilization for Alcohol (1000 MT)	328950	0	0	333300	0	354450
Total Utilization (1000 MT)	645000	0	0	660000	0	695000
(1000 HA) ,(1000 MT)						

Post has revised total sugarcane production forecast for marketing year 2026/27 (MY 2026/27) upward from 675 million metric tons (MMT) to 695 MMT. Favorable weather during the growing season, particularly in the Center-South (CS) region, supported strong development of sugarcane fields.

Post adjusted its CS region production forecast upward from 620 MMT to 640 MMT, while leaving its North-Northeast (NNE) region estimate unchanged at 55 MMT.

The Center-South region comprises the states of São Paulo, Rio de Janeiro, Espírito Santo, Minas Gerais, Goiás, Mato Grosso, and Mato Grosso do Sul. Its marketing year runs from April to March.

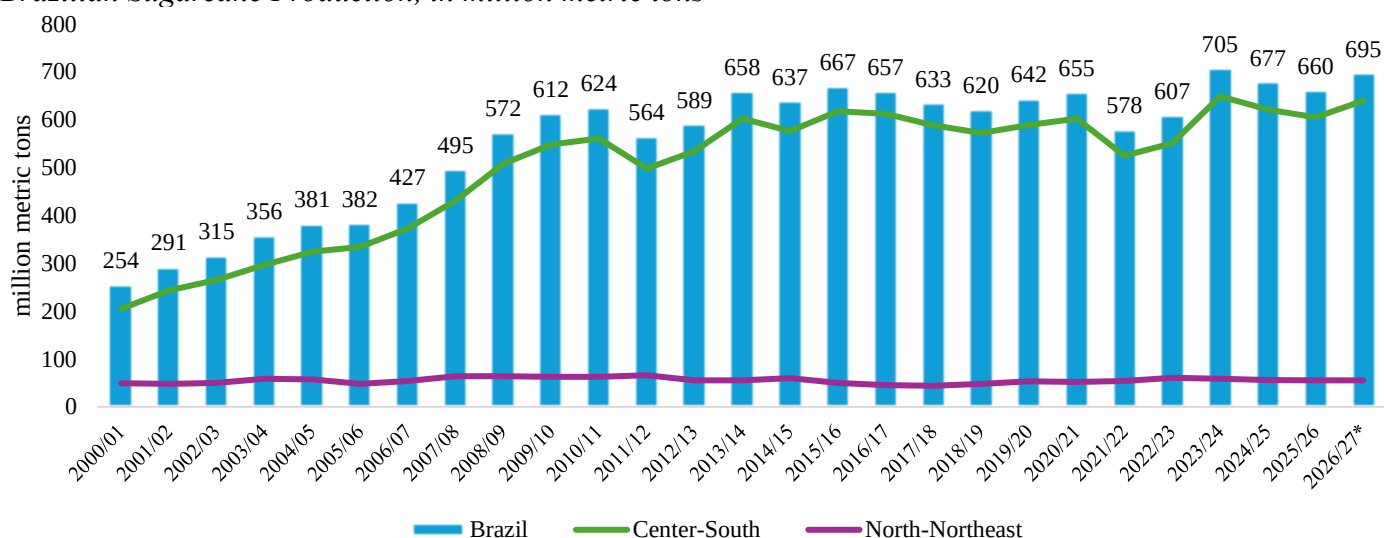
The North-Northeast region includes Bahia, Sergipe, Alagoas, Pernambuco, Paraíba, Rio Grande do Norte, Piauí, Maranhão, Tocantins, Pará, Acre, and Amazonas. According to Brazil's Ministry of Agriculture and Livestock (MAPA), harvest periods within this region vary by state:

- Amazonas, Bahia, Maranhão, Pará, Piauí, and Tocantins: the harvest runs from May to April.
- Alagoas, Paraíba, Pernambuco, Rio Grande do Norte, and Sergipe: the harvest runs from September to August.

To streamline data analysis, this report standardizes the North-Northeast region's marketing year as running from September to August.

Figure 02

Brazilian Sugarcane Production, in million metric tons

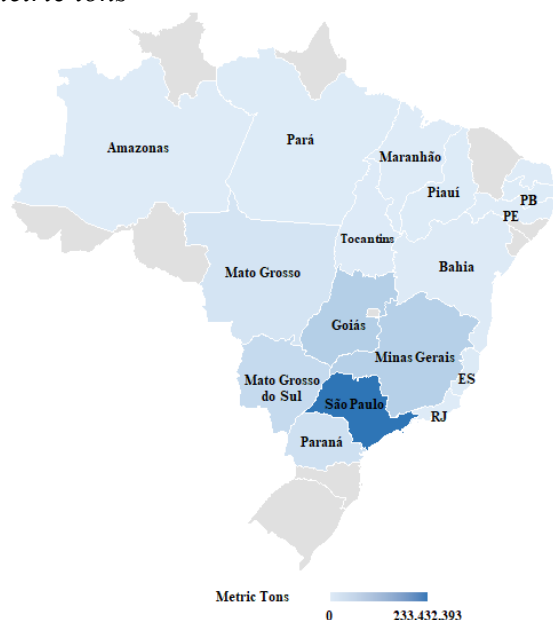


*Source: National Supply agency (Conab) and Ministry of Agriculture and Livestock (MAPA); Chart by Post Brasilia *forecast*

According to the Ministry of Agriculture and Livestock (MAPA), Brazil's cumulative sugarcane production from April 1 to August 31 amounted to 420 MMT, an increase of 2 percent compared to the same period of the last crop season (412 MMT). The Center-South region crushed 413 MMT, up from 404 MMT crushed in the same period of MY 2025/26.

Figure 02

Sugarcane Main Producing States – Cumulative Production from MY2026/27, April 1 – August 31, in metric tons

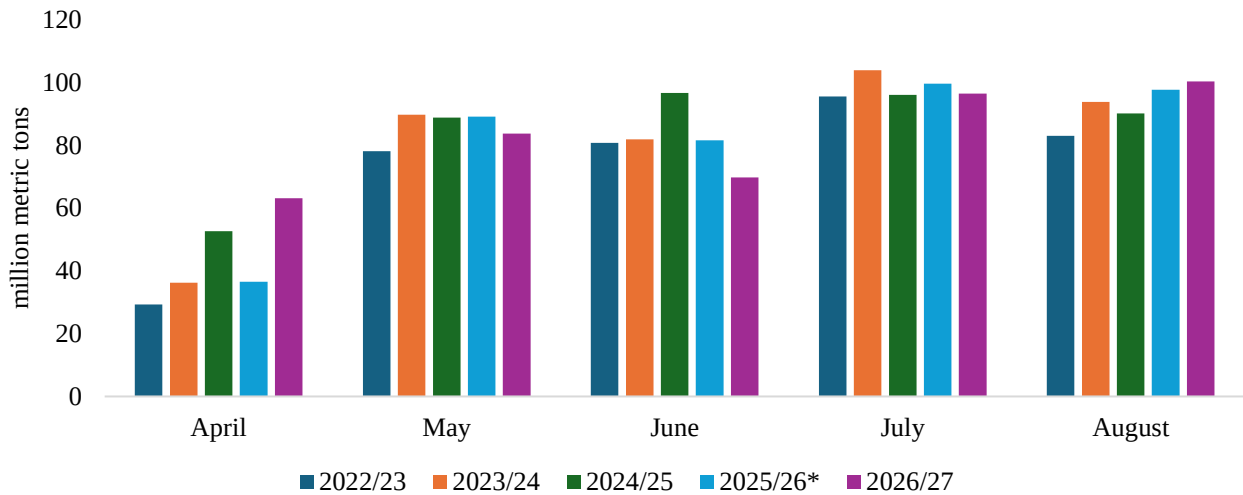


Source: Ministry of Agriculture and Livestock; Map by Post Brasilia. NOTE: Crushing season in NNE states usually begins in September.

São Paulo is the largest sugarcane producing state with 233 MMT, or 55 percent of total Brazilian output from April 1 to August 31. São Paulo produced 230 MMT of sugarcane during the same period of MY 2025/26. Goiás and Minas Gerais are the second and third largest sugarcane producing states in MY 2026/27, with 12.6 percent (53 MMT) and 12.3 percent (52 MMT), respectively.

Figure 03

Sugarcane Crushed in the Center-South Region, April 1 to August 31, in million metric tons

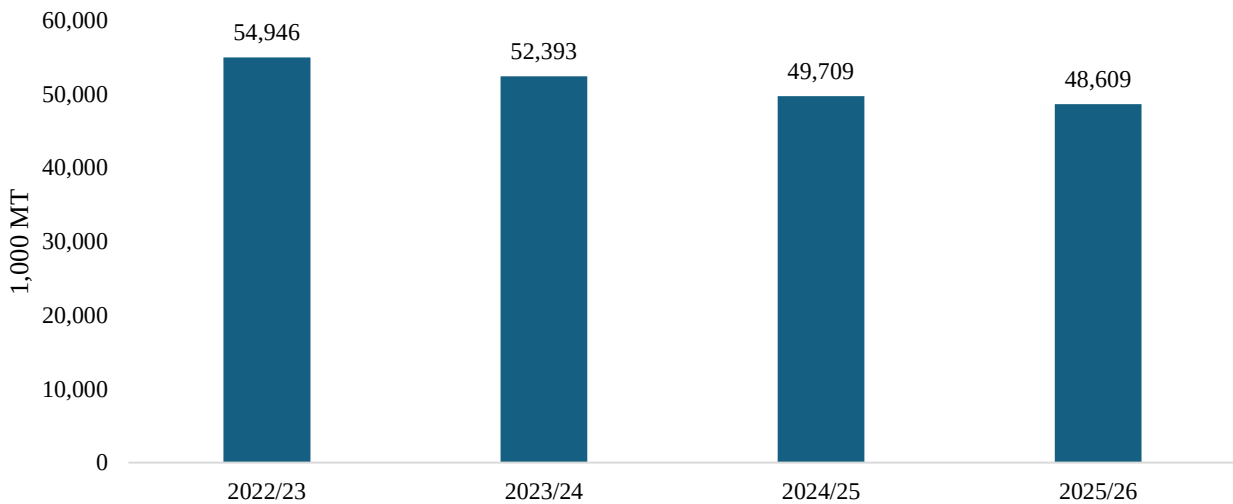


Source: Ministry of Agriculture and Livestock; Chart by Post Brasilia

The NNE region officially ended its harvest on August 31, with total crushing volume reaching 54.9 million metric tons (MMT). Of this total, 48.6 MMT of sugarcane was crushed in the Northeast sub-region, and 6.3 MMT was crushed in the North sub-region.

Figure 04

Sugarcane Crushed in the Northeast Region, Marketing Year, in 1,000 metric tons



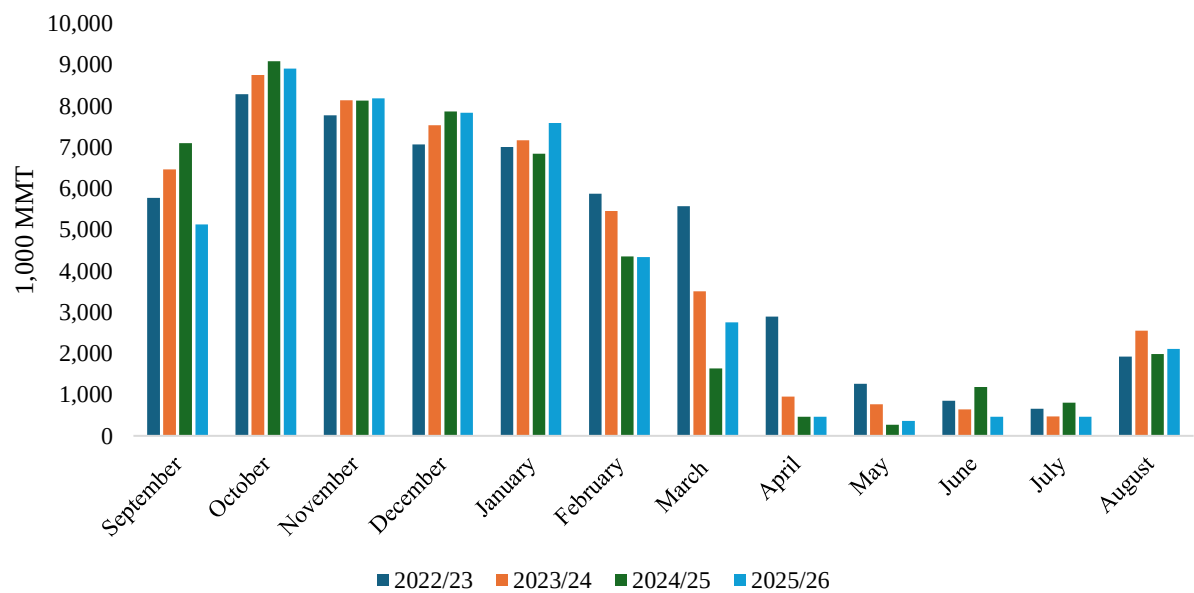
Source: Ministry of Agriculture and Livestock; Chart by Post Brasilia

Crushing in the Northeast has been progressively decreasing since MY 2022/23. According to the Association of Sugar, Ethanol, and Bioenergy Producers (NovaBio), the decline in milling reflects reduced availability of raw material and a shift in the region's production profile, in addition to difficulties in hiring temporary workforce for the harvest period. Experts also note that the decline in sugarcane production is related to the conversion of areas previously used for sugarcane cultivation into new agricultural activities, primarily [livestock farming](#).

In addition, irregular rainfall and climate variability have been affecting the progress of the latest harvest. NovaBio also noted that geopolitical factors and uncertainties in international trade are influencing mills' production decisions.

Figure 05

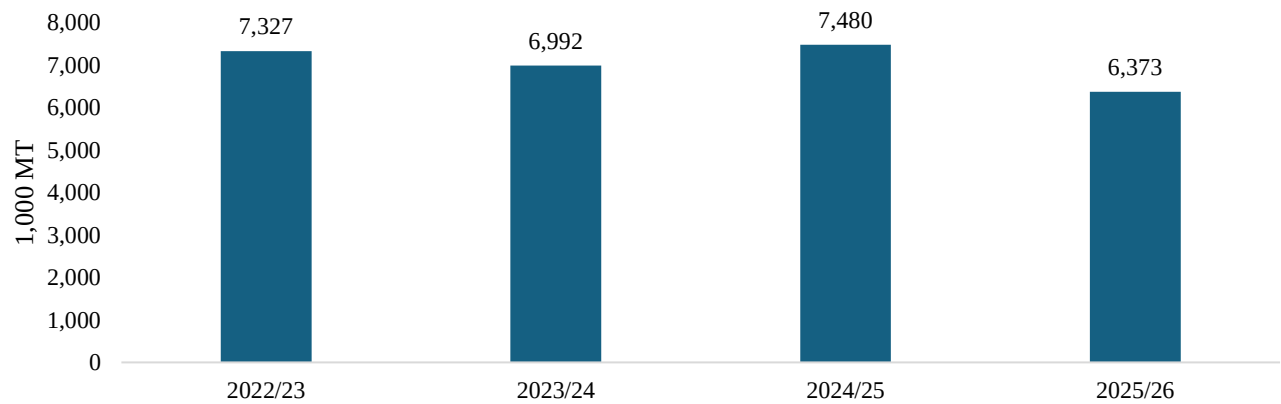
Monthly Sugarcane Crushed in the Northeast Region, in 1,000 metric tons



Source: Ministry of Agriculture and Livestock; Chart by Post Brasilia

Figure 06

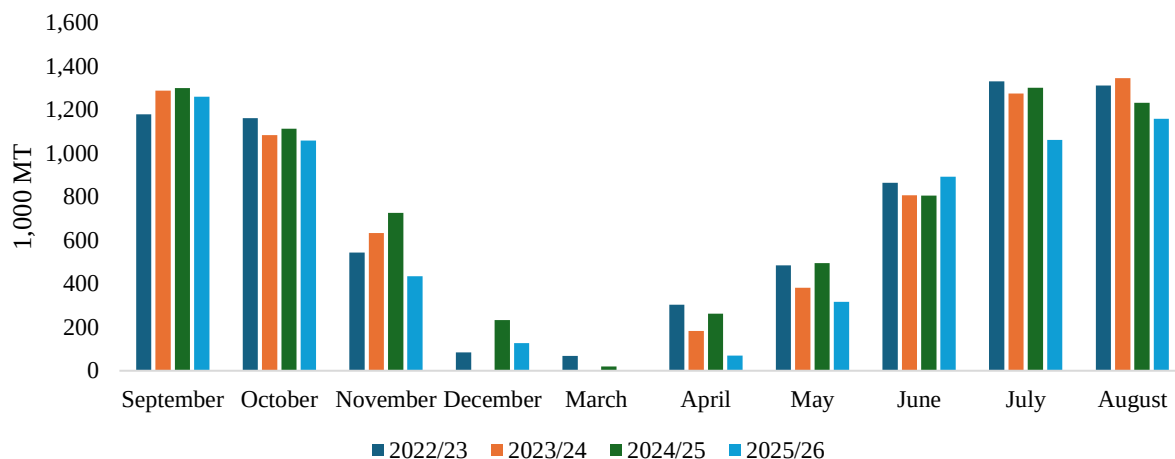
Total Sugarcane Crushed in the North Region, Marketing Year, in 1,000 metric tons



Source: Ministry of Agriculture and Livestock; Chart by Post Brasilia

Figure 07

Monthly Sugarcane Crushed in the North Region, in 1,000 metric tons



Source: Ministry of Agriculture and Livestock; Chart by Post Brasilia. NOTE: January and February were excluded since there is no registered production.

Planted and Harvested Area

Post maintains the forecast for the total area planted with sugarcane in MY 2026/27 at 9.95 million hectares (mi/ha), and total sugarcane harvest area is forecast at 9.1 mi/ha. According to experts, the sugarcane area available for harvest in the Center-South region is estimated at 8.1 mi/ha. São Paulo accounts for about 54 percent of the cultivated area. For the North-Northeast region, the area designated for cane cutting remains at 975 thousand hectares.

Table 02

Area Harvested to Sugarcane (hectares)

	2022/23	2023/24	2024/25	2025/26	2026/27*
São Paulo	4,265,681	4,278,657	4,413,183	4,425,400	4,440,000
Center-South	7,453,360	7,517,884	7,819,238	8,013,478	8,125,000
North-Northeast	937,225	884,505	947,086	961,134	975,000
Brazil	8,390,585	8,402,390	8,766,325	8,974,612	9,100,000

*Source: National Supply Company (CONAB); Chart by Post Brasilia. *Forecast.*

Agricultural and Industrial Yields

Agricultural yield refers to the average amount of sugarcane harvested per unit of area. Post adjusts Brazil's average sugarcane agricultural yield for MY 2026/27 upward from 77,300 kilograms per hectare (kg/ha) to 77,500 kg/ha. The average yield in the Center-South region is forecast at 78,769 kg/ha, while the average yield in the North-Northeast region is projected at 56,410 kg/ha.

Table 03*Average Sugarcane Agricultural Yields (1,000 kilogram per hectare – kg/ha)*

	2022/23	2023/24	2024/25	2025/26	2026/27*
São Paulo	73,153	90,229	80,897	77,966	81,981
Center-South	73,929	86,337	79,421	75,502	78,769
North-Northeast	65,085	66,703	59,128	57,224	56,410
Brazil	72,348	83,908	77,230	73,545	76,373

*Source: National Supply Company (CONAB); Chart by Post Brasilia. *Forecast. NOTE: Post has updated historical sugarcane agricultural yields to correspond to official data.*

The difference between agricultural yields in CS and NNE regions is primarily due to the higher use of machinery and technological inputs in the Center-South, enabled by higher investments and flatter terrain. Other factors that influence agricultural productivity include planting methods, plant variety, irrigation, presence of pests, and climate conditions. Harvest mechanization in the Northeast region is estimated at approximately 27 percent. In the Center-South, approximately 99 percent of the sugarcane harvest is mechanized.

Brazil's average industrial yield in MY 2026/27 remains forecast at 138.2 kilograms of total recoverable sugar per ton (kg TRS/t) throughout the remaining crushing period. Industrial yield refers to the average amount of sugar produced per unit of cane harvested.

Table 04*Sugarcane Industrial Yields (kilogram of total recoverable sugar per ton – kg TRS/t)*

	2022/23	2023/24	2024/25	2025/26	2026/27*
São Paulo	140.49	137.94	139.1	139.4	139.5
Center-South	140.78	138.85	137.7	138.1	138.3
North-Northeast	125.02	127.09	133.3	132.0	132.0
Brazil	139.18	137.9	137.4	138.0	138.2

*Source: National Supply Company (CONAB). Chart by Post Brasilia *Forecast*

In April, the first month of the MY2026/27 harvest, average Total Recoverable Sugars (TRS) per ton of cane (kg/tc) in the CS region registered 142.02 kg/tc, below the 147.32 kg/tc recorded in the same month of the previous harvest. TRS levels then outpaced the prior year in May, June, and July, averaging 146.18 kg/tc, 157.50 kg/tc, and 157.70 kg/tc, respectively, each above the same months last season (139.44 kg/tc, 149.30 kg/tc, and 154.25 kg/tc).

This trend reversed in August, following atypical rainfall in the CS region beginning in late July. The rainfall increased impurities and limited mills' ability to boost sugar output, reducing TRS levels on a year-over-year basis. As a result, the average TRS kg/tc in August registered 159.43 kg/tc, below the 161.82 kg/tc recorded in the same period of the previous harvest, leaving mills with operational difficulties adjusting crystallization capacity to fully capitalize on the favorable trend in international futures prices.

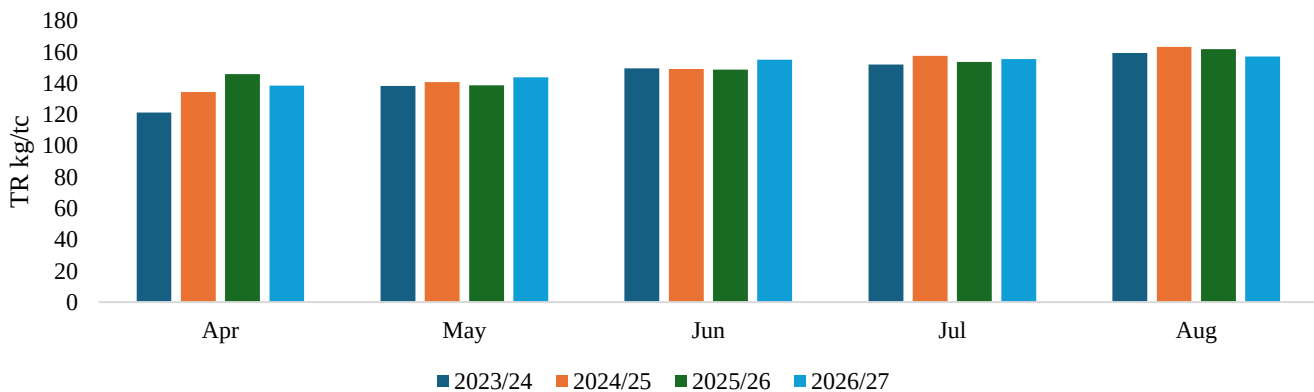
Precipitation levels above what is typically expected for this time of year, combined with elevated soil moisture, prolonged the vegetative growth cycle of CS-region sugarcane, delaying maturation and limiting the accumulation of TRS kg/tc. Persistent rainfall has also increased impurities in harvested cane and forced some mills to halt crushing activities altogether.

As a result, Post contacts affirm that several mills expect to extend the crushing calendar beyond the traditional maintenance stop in November, continuing crushing through December. Mills are extending operations into December to manage the larger cane supply tied to strong CS yields, as well as making up for lost output during rain-driven stoppages.

Even with crushing possibly extending past the usual end of the season, analysts expect approximately 10 MMT of cane to carry over into MY 2027/28, plus another 15-20 MMT harvested later in that season. This carryover cane (*cana bisada*) could give the Center-South a record crush, but it may also lower industrial yields and cane quality.

Figure 08

Average Total Recoverable Sugars per Ton of Cane (kilogram per ton of cane – kg/tc), Center-South



Source: Ministry of Agriculture and Livestock; Chart by Post Brasilia.

In the North and Northeast regions, average TRS levels (TRS kg/tc), cumulative for the MY2025/26 crop, remained within the average historical range.

Figure 09

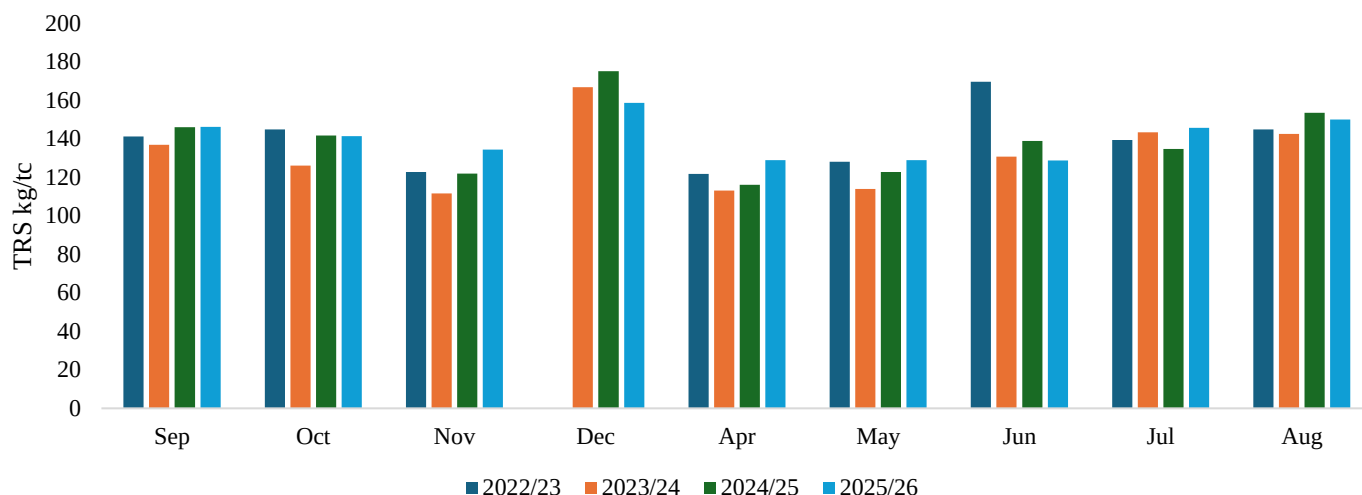
Average Total Recoverable Sugars per Ton of Cane (kilogram per ton of cane – kg/tc), Northeast Region



Source: Ministry of Agriculture and Livestock; Chart by Post Brasilia.

Figure 10

Average Total Recoverable Sugars per Ton of Cane (kilogram per ton of cane – kg/tc), North Region



Source: Ministry of Agriculture and Livestock; Chart by Post Brasilia.

Since early August, raw sugar prices on the New York futures market (ICE Futures U.S.) have trended upward, with October 2026 contracts rising from US\$17.27 cents per pound (c/lb) on August 25 to US\$18.73 c/lb on September 10 and settling at US\$17.82 on September 29. This increase reflects a weaker U.S. dollar, concerns over global supply chains and geopolitical conflicts, and possible supply restrictions among other major sugar-producing countries.

Figure 11

Sugar #11 Prices, US-Dollar cents per pound (US\$ c/lb) for October 2026 Contracts



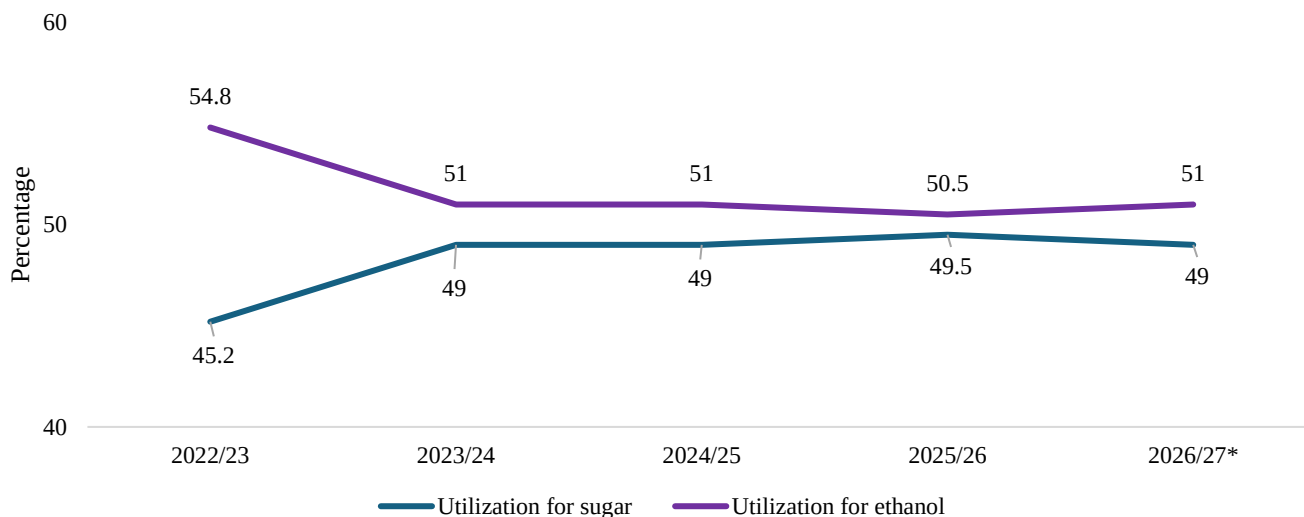
Data and Chart Sources: Intercontinental Exchange (ICE); as of September 30, 2026.

Even with the recent rise in international sugar prices, sugarcane crushing is still projected to lean toward ethanol production. The anhydrous ethanol blend mandate in gasoline rose from 27 percent (E27) to 30 percent (E30) in August 2025, and to 32 percent (E32) in August 2026, increasing demand for ethanol.

Within this context, Post has adjusted its sugar/ethanol production mix forecast to 49 percent sugar and 51 percent ethanol, compared with the prior forecast of 48 percent sugar and 52 percent ethanol.

Figure 12

Sugarcane Breakdown – Sugar/Ethanol Production Mix, in percentage



*Source: National Supply Company (CONAB) and Industry Sources; Chart by Post Brasilia. *Forecast*

Sugarcane Prices in the Domestic Market

The pricing methodology for sugarcane historically followed the Consecana-SP model, established in 1999, which required joint participation from the sugar-energy industry and producers to determine

pricing for Center-South cane remuneration, based on cane value and total recoverable sugar (ATR) conversion rates.

On April 3, 2026, the Brazilian Sugarcane and Bioenergy Industry Association (UNICA) and the Organization of Sugarcane Producers Associations of Brazil (ORPLANA) signed a Memorandum of Understanding to implement a technical and economic review of the pricing model. This review was based on studies conducted by the Getúlio Vargas Agribusiness Center (FGV Agro) and aimed to modernize Consecana-SP's governance structure.

On [April 16](#), the review of the Consecana-SP model was concluded, establishing an additional 4.5 percent factor in favor of producers. This factor was not incorporated into the official reference formula, thereby avoiding automatic extension to third-party contracts. The additional factor applies retroactively to the 2024/25 and 2025/26 harvests and remains in effect from the 2026/27 harvest onward, alongside the implementation of independent auditing measures.

The agreement further specifies that existing standard Consecana contracts will receive the 4.5 percent adjustment beginning with the 2024/25 harvest. For new contracts, the minimum VTC (Total Cane Value), which is the relationship between the price of total recoverable sugar (ATR) and the quantity of ATR, will correspond to the Consecana-SP price plus the 4.5 percent factor, applicable to cases where remuneration falls below that threshold. Regarding governance reforms, the agreement guarantees technical independence in the issuance of official circulars and establishes external auditing procedures to verify the calculation of the ATR price.

Starting in June 2026, the monthly ATR per-kilogram value will be made available exclusively to Consecana-SP subscribers.

Climate Updates

According to Brazil's National Institute of Meteorology ([INMET](#)), Brazil's average annual temperature in 2025 was 24.56°C, approximately 0.33°C above the historical average. This makes 2025 the seventh-warmest year on record in Brazil, based on data from the 1961-2025 period. The warmest year on record was 2024, with an average temperature of 25.02°C, 0.79°C above average.

Table 05
Ranking of the Ten Highest Average Annual Temperatures in Brazil, Period from 1961–2025

Position	Year	Average Annual Temperature (°C)
1	2024	25.02
2	2023	24.92
3	2015	24.89
4	2019	24.83
5	2016	24.66
6	1998	24.61
7	2025	24.56
8	2017	24.48
9	2012	24.45
10	2020	24.43

Source: National Institute of Meteorology (INMET); Chart by Post Brasilia

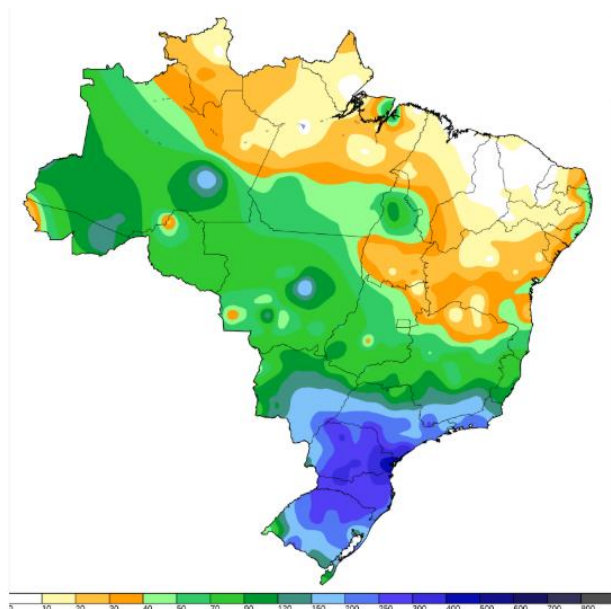
Between September 1–15, the Center-South (CS) sugarcane-producing region accumulated an average of 96.4 milliliters (mm) of rainfall, approximately 41.6 percent of the total rainfall expected for the month, as cold fronts and low-pressure systems moved through the region. The rainfall interrupted harvest operations for four days on average across producing areas, and producers now express growing concern about their ability to conclude harvesting before the off-season period.

Through the first half of September, rainfall interrupted 19 crushing days in the CS region during the cumulative MY 2026/27 harvest, which is roughly 10 days more than in the same period of 2025, which adds to concerns about the crushing pace and the production potential of the current crop.

INMET data show that rainfall between September 1–15 in São Paulo, the largest sugarcane-producing state, exceeded any full month of September over the past 90 years, and one INMET station registered 273.4 mm in just the first half of the month, far above the typical September average of under 100 mm.

Figure 13

30-Day Accumulated Rainfall, on September 30, 2026



Source and Map: National Institute of Meteorology ([INMET](#)).

The increase in rainfall was driven by a series of cold fronts during the second week of September and may be linked to the El Niño phenomenon. In Brazil, El Niño's effects can lead to above-average rainfall in parts of the South and Southeast regions during the winter months (June, July, and August), which is normally the driest season in that part of the country.

Forecasts point to heavy rain and elevated risk of extreme weather events by November across the South region, São Paulo, and Mato Grosso do Sul, spreading into the Southeast, Center-West, Acre, Rondônia, and Amazonas. Forecasts also point to below average and irregular rain in the Northeast, northern Minas Gerais, and parts of the North.

In December, El Niño will likely remain active, sustaining heavy rain and strong wind in the Southeast and Center-West. In the North, forecasters expect below-average rainfall for the remainder of the year, with the NNE region losing rainfall intensity overall (though Paraíba and Pernambuco should still see occasional volumes).

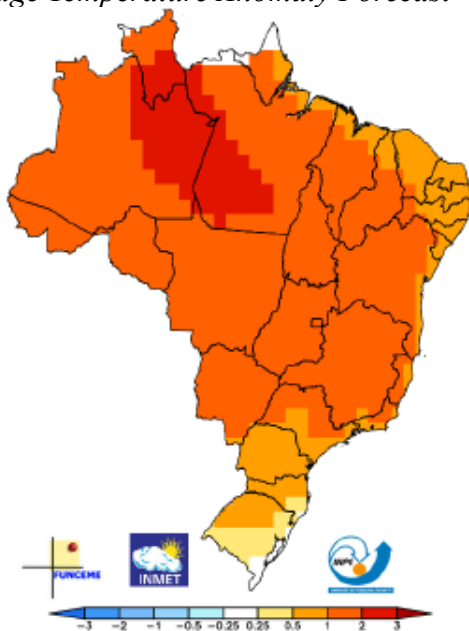
In the CS region, continued irregular rainfall in September raises the likelihood of further harvest pauses and could force mills to adjust harvest schedules or extend the harvest period beyond November. Usually, CS mills typically begin their offseason in November or December, using this period to perform equipment maintenance. In the North-Northeast region, by contrast, the reduction in rainfall intensity should help enable the start of the harvest in that region.

Spring in Brazil begins on September 22 and will likely bring elevated temperatures nationwide. Forecasters expect intense and prolonged heat waves concentrated in the North and Northeast, while the Southeast and Center-West will likely see above-average temperatures with shorter periods of intense heat.

Rainfall and temperature patterns can affect the stages of the next planting cycle, both in CS and NNE. In the CS region, growers typically plant and replant between October and April, placing this window within the period of elevated and irregular rainfall and storm risk forecast for the remainder of the year. In the NNE region, growers typically plant between September and March, coinciding with the start of the rainy season and the region's highest temperatures. The below-average rainfall and intense heat forecast for the NNE could affect planting conditions during this window.

Figure 14

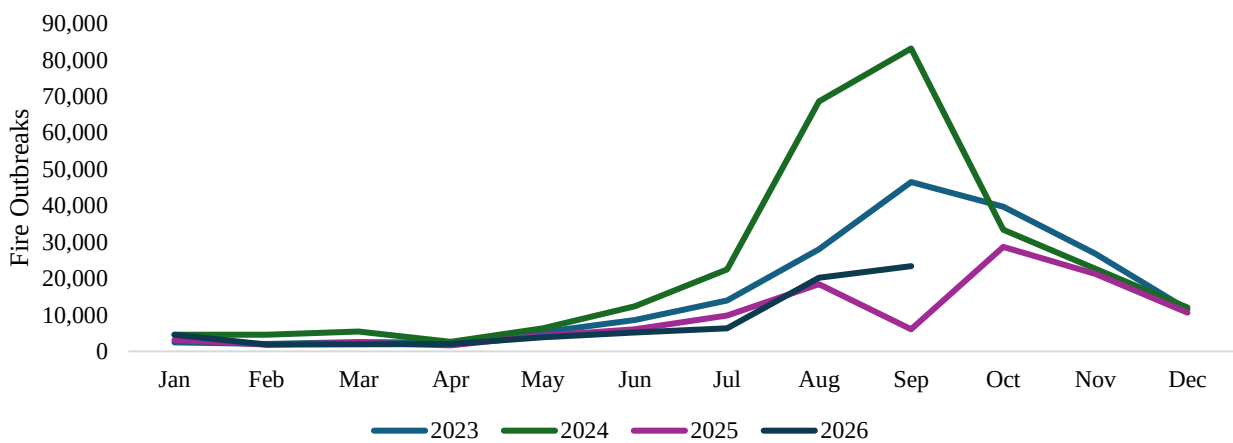
Average Temperature Anomaly Forecast – September, October, November 2026



Source and Chart: National Institute of Meteorology (INMET). NOTE: Seasonal forecast of average air temperature anomalies, in degrees Celsius, obtained by the INMET/CPTEC/FUNCME multi-model objective model, for the September-October-November 2026 quarter. Data available at <https://portal.inmet.gov.br/boletinsagro#>

Regarding fire outbreaks, Brazil recorded 69,359 fire hotspots between January and September 29, 2026. Between January and September 2025, 53,614 hotspots were recorded. In both years, these figures remained well below the number recorded in 2024, when 210,205 fire outbreaks were driven primarily by high temperatures, low humidity, and reduced soil and vegetation humidity.

Figure 15
Number of Fire Outbreaks



Source: Brazil's National Institute for Space Research (INPE), Fire Monitoring Program

For 2026, [experts warn](#) about the effects of El Niño increasing fire risk. The phenomenon tends to increase the likelihood of above-average temperatures across much of the country and irregular rainfall distribution, particularly in Brazil's North, Northeast, and Center-West regions. The combination of high temperatures and dry air can drive increased wildfires.

According to Brazil's Ministry of Environment and Climate Change, fire danger alerts are in effect between August and October, with particular concern for the Amazon, Cerrado, and Caatinga biomes. The states with the highest fire risk are Amazonas, Pará, Tocantins, Maranhão, and Mato Grosso.

Sugar Production

Table 06

Sugarcane Production, Supply and Demand

Sugar, Centrifugal Market Year Begins Brazil	2024/2025		2025/2026		2026/2027	
	Apr 2024		Apr 2025		Apr 2026	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Beginning Stocks (1000 MT)	760	760	570	570	321	321
Beet Sugar Production (1000 MT)	0	0	0	0	0	0
Cane Sugar Production (1000 MT)	43700	43700	43800	43295	42500	42200
Total Sugar Production (1000 MT)	43700	43700	43800	43295	42500	42200
Raw Imports (1000 MT)	0	0	0	0	0	0
Refined Imp.(Raw Val) (1000 MT)	0	0	0	0	0	0
Total Imports (1000 MT)	0	0	0	0	0	0
Total Supply (1000 MT)	44460	44460	44370	43865	42821	42521
Raw Exports (1000 MT)	30570	30764	29940	29939	29500	29200
Refined Exp.(Raw Val) (1000 MT)	4320	4325	4161	4112	4100	4100
Total Exports (1000 MT)	34890	35089	34101	34051	33600	33300
Human Dom. Consumption (1000 MT)	9000	8801	9948	9493	9000	9000
Other Disappearance (1000 MT)	0	0	0	0	0	0
Total Use (1000 MT)	9000	8801	9948	9493	9000	9000
Ending Stocks (1000 MT)	570	570	321	321	221	221
Total Distribution (1000 MT)	44460	44460	44370	43865	42821	42521

Post has revised its total cane sugar production estimate for MY 2026/27 downward, from 42.5 million metric tons (MMT) to 42.2 MMT, raw value, reflecting the current pace of the harvest. Concerns over delays in cane crushing, caused by irregular and atypical rainfall in August and September, contributed to this reduction in the sugar production forecast. The Center-South region is expected to produce 38.7 MMT, while North-Northeast cane sugar production is forecast at 3.5 MMT.

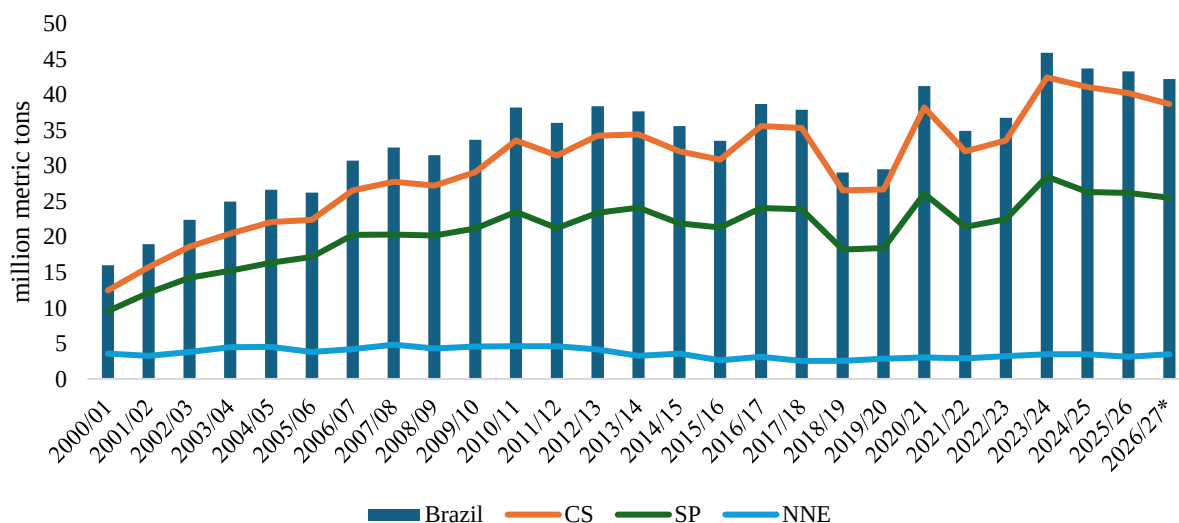
Between April 1 and August 31, cumulative sugar production in Brazil totaled 24.1 MMT. The Center-South region contributed 23.9 MMT, representing 99 percent of national output, with São Paulo alone producing 15 MMT, 63 percent of total national production and 65 percent of total Center-South production. During the same period in MY 2025/26, cumulative production reached 27 MMT, with the Center-South region producing 26.8 MMT and São Paulo producing 17.3 MMT.

In the North-Northeast region, sugar production in MY 2025/26 totaled 3.1 MMT, a 16 percent decline compared to the previous harvest (3.7 MMT). Alagoas was the largest producer, with 1.4 MMT (45 percent of the region's total production), followed by Pernambuco with 873.64 thousand metric tons (28 percent of the total) and Paraíba with 216,886 metric tons (7 percent of the total).

For MY 2026/27, during the period April 1 to August 31, sugar production in the North-Northeast region totaled 163,671 metric tons, a 12 percent decline compared to the same period the previous year (187,119 metric tons).

Figure 16

Brazilian Sugar Production – in million metric tons, raw value



Source: Ministry of Agriculture and Livestock; Chart by Post Brasilia

Table 07

Brazilian Sugar Production per Type, from April 1st to August 31st, in thousand tons

	VHP			Demerara			Cristallization 0 to 180			Others		
	2024/25	2025/26	2026/27	2024/25	2025/26	2026/27	2024/25	2025/26	2026/27	2024/25	2025/26	2026/27
SP	13,294	13,005	11,510	21.10	22.16	23.50	4,297	3,951	3,803	359.41	343.03	160.37
CS	19,568	19,596	17,112	24.07	22.17	23.50	6,765	6,310	6,044	904.66	882.77	692.92
NNE	12.65	29.4	14.3	15.29	5.97	15.28	139.4	115.6	50.99	109.14	94.5	83.12
Brazil	19,581	19,625	17,126	39.36	28.14	38.78	6,904	6,426	6,095	1,014	977.27	776.0

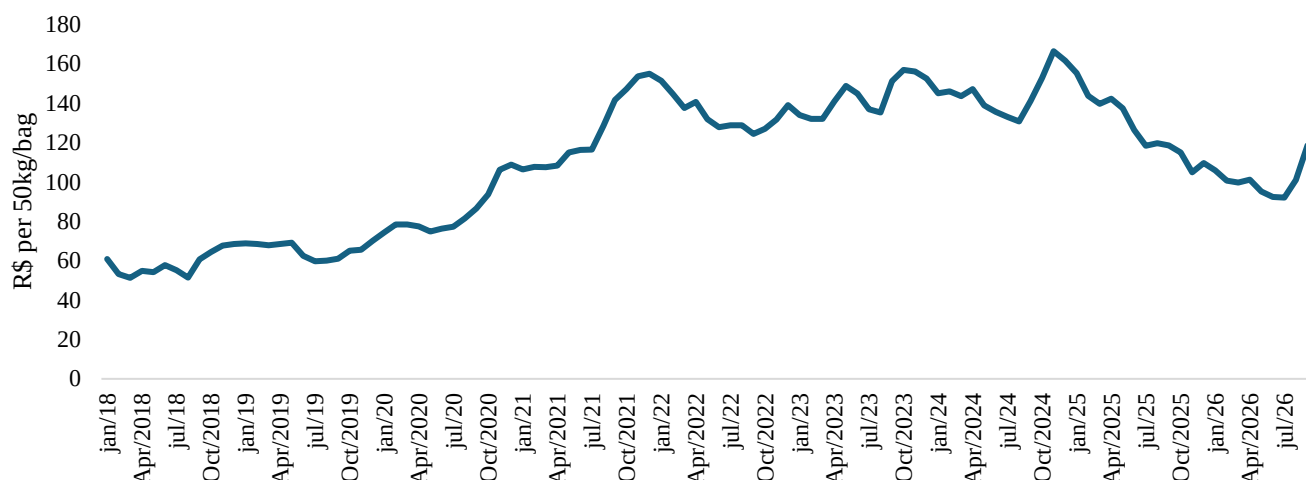
Source: Ministry of Agriculture and Livestock; Chart Post Brasilia. NOTE1: Consider SP (São Paulo); CS (Center-South); NNE (North-Northeast). NOTE2: Others include Amorphous Refined Sugar; Granulated Refined Sugar; High Test Molasses; Crystallization 181 to 300; and Organic.

Sugar Prices in the Domestic Market

The Center for Advanced Studies in Applied Economics (Cepea) tracks crystal sugar prices received by producers in the domestic spot market. Between April and September, the Cepea Crystal Sugar Index, São Paulo reference, averaged R\$100.11 per 50-kilogram bag (kg/bag), a reduction of 21.2 percent compared to the same period of MY2025/26 (R\$127.19 per 50kg/bag).

Figure 17

Monthly Average Crystal Sugar Price Index - São Paulo Reference, in Brazilian Reais (R\$), per 50 kilograms bag (50kg/bag), including tax



Source: Center for Advanced Studies in Applied Economics (Cepea); Chart by Post Brasília. NOTE: The index refers to Icumsa from 130 to 180.

São Paulo reference crystal sugar prices have been declining since July 2025, driven primarily by a slower pace of spot market purchases and lower production volumes tied to mills' production mix. This decline in output resulted from low international prices and a higher ethanol-oriented mix during the current harvest.

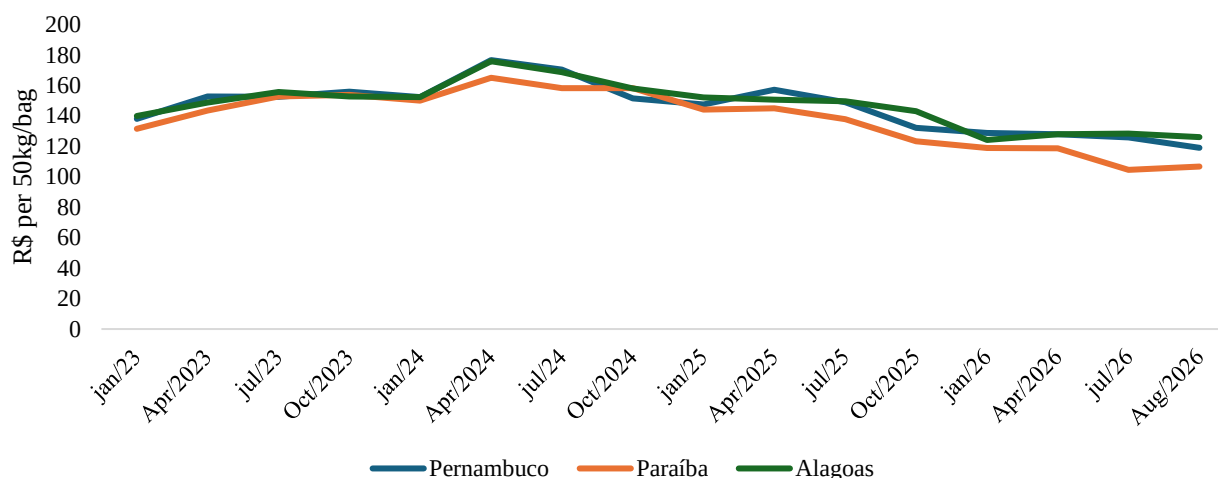
However, prices have recently shown signs of recovery, driven by increased demand, which has reduced the availability of prompt (spot) delivery supplies. Prices also responded to lower sugar production by mills, contributing to a tighter supply scenario. This constrained supply has been further influenced by irregular rainfall, which disrupted the pace of sugarcane harvesting in the Center-South region.

The average crystal sugar prices in Pernambuco, Paraíba, and Alagoas, the main producing states in Brazil's Northeast region, were R\$126.70, R\$114.89, and R\$130.52, respectively, between September 2025 and August 2026. During the same period in the previous harvest, average prices were R\$151.60, R\$144.94, and R\$153.61, respectively.

Among the reasons for this price decline are the devaluation of ATR (total recoverable sugar), which reacted to the drop in Very High Polarization (VHP) sugar prices, and a reduction in regional supply resulting from lower sugarcane production. Additionally, climatic fluctuations and irregular rainfall affected both the quality of sugarcane fields and industrial efficiency across the main producing states in the Northeast region.

Figure 18

Average Crystal Sugar Price Index in Pernambuco, Paraíba and Alagoas, Domestic Market, in Brazilian Reais (R\$), per 50 kilograms bag (50kg/bag), including tax



Source: Center for Advanced Studies in Applied Economics (Cepea); Chart by Post Brasília. NOTE: The index refers to Icumsa from 130 to 180.

Consumption and Stocks

There is no official source for domestic sugar consumption in Brazil. Post maintains the forecast for sugar consumption in MY2026/27 at 9 MMT. Sugar ending stocks are projected at 221,000 metric tons.

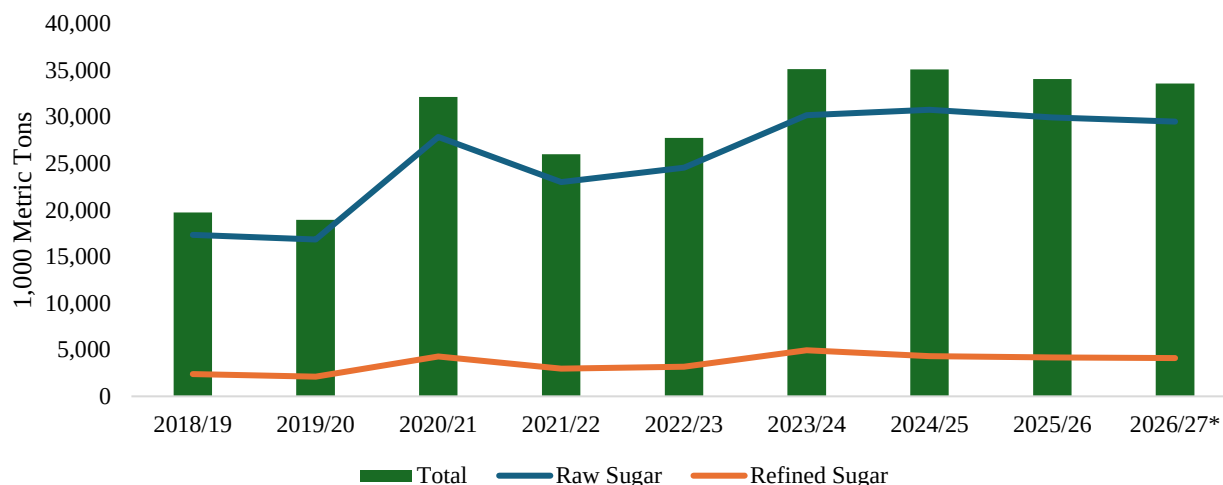
Trade

Between April and August 2026, Brazilian sugar exports declined, reflecting a greater share of the production mix directed toward ethanol rather than sugar, a shift further driven by low international prices and weaker demand. This reduced allocation of sugarcane to sugar production lowered both the volume of sugar exported and the revenues generated, compared to the previous harvest.

Post adjusts the forecast of Brazil's sugar exports for MY2026/27 to 33.3 MMT, raw value. Raw sugar exports are projected to account for 29.2 MMT and refined sugar for 4.1 MMT. From April to August 2026, Brazil exported 11.9 MMT, a reduction of 17 percent compared to the same period of the previous year (14.4 MMT). Revenues from April to August 2026 amount to US\$4.1 billion, a reduction of 33 percent compared to the same period of the previous year (US\$6.1 billion).

Figure 19

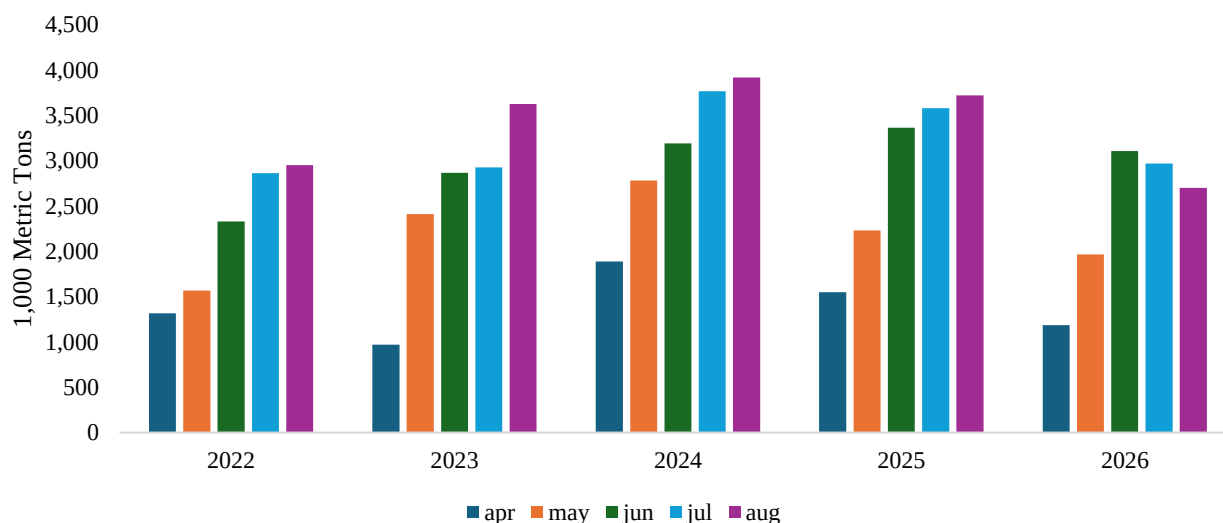
Brazilian Sugar Exports, Raw and Refined Sugar, Marketing Years, in 1,000 metric tons, raw value



*Source: Trade Data Monitor; Chart by Post Brasilia. *Forecast. NOTE: Harmonized Codes (HS) include 170111, 170112, 170113, 170114, 170191, 170199*

Figure 20

Monthly Sugar Exports, April to August, in 1,000 metric tons, raw value



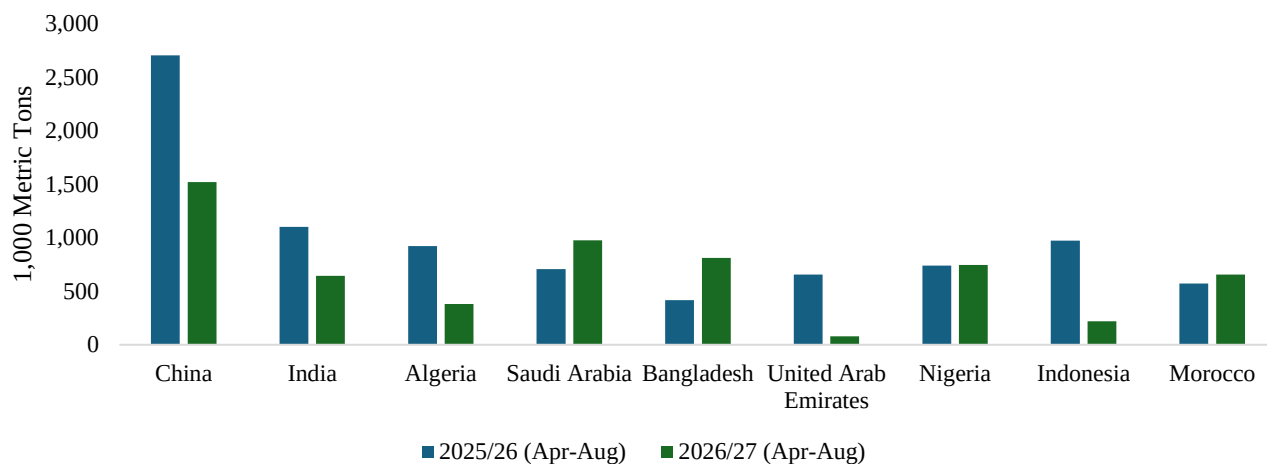
Source: Trade Data Monitor; Chart by Post Brasilia. NOTE: Harmonized Codes (HS) include 170111, 170112, 170113, 170114, 170191, 170199

Between April and August, the main importers of Brazilian sugar were China, with 13 percent of the total (1.5 MMT), followed by Saudi Arabia, with 8 percent (976,708 MT), and Algeria, with 7 percent (831,332 MT).

Analysts attribute the decline in Brazil's MY 2026/27 sugar exports to weaker global demand and earlier stock building by buyers, including China and India.

Figure 21

Monthly Sugar Exports by Top Destination, April to August, in 1,000 metric tons, raw value



Source: Trade Data Monitor; Chart by Post Brasilia. NOTE: Harmonized Codes (HS) include 170111, 170112, 170113, 170114, 170191, 170199

Policy

Sugar imports to the United States are governed by tariff-rate quotas (TRQ), which allow a certain quantity of sugar to enter the country at a low tariff. TRQs apply to imported raw cane sugar, refined sugar, sugar syrups, specialty sugars, and sugar-containing products. The sugar import program meets the U.S. commitments under the Uruguay Round Agreement on Agriculture, which resulted in the creation of the World Trade Organization (WTO).

USDA establishes the annual quota volumes for each federal fiscal year (FY October 1 – September 30), and the U.S. Trade Representative (USTR) allocates the TRQs among countries. Sugar and related products paying a higher, over-quota tariff may enter the country in unlimited quantities. About 40 countries worldwide receive TRQ allocations based on historical trade to the United States. The top three quota-holding countries are the Dominican Republic, Brazil, and the Philippines.

USDA announced on [July 14, 2026](#), the establishment of the in-quota FY 2027 (October 1, 2026 – September 30, 2027) TRQ for raw sugar at the WTO minimum amount of 1,117,195 metric tons raw value (MTRV). From the total USTR allocated 1,061,202 MTRV of the TRQ on [July 24, 2026](#). Brazil, the third-largest recipient of the U.S. sugar tariff-rate quota, received the allocation of 100,000 MTRV, which is equivalent to approximately 9 percent of the total TRQ.

On September 23, 2026, USTR announced country-specific in-quota allocations of the remaining quantity of 55,993 MTRV to 28 countries, excluding Brazil.

Table 08*U.S. Tariff-Rate Quota for Brazilian Raw Sugar - metric tons raw value*

Fiscal Year - FY	Original TRQ Allocation	Additional TRQ Allocation	Total
2013	155,634	0	155,634
2014	152,691	15,251	167,942
2015	152,691	37,978	190,669
2016	152,691	33,865	186,556
2017	152,691	30,000	182,691
2018	152,691	0	152,691
2019	152,691	22,464	175,155
2020	152,691	158,203	310,894
2021	152,691	34,577	187,268
2022	152,691	53,502	206,193
2023	155,993	76,580	232,573
2024	155,993	27,174	183,167
2025	155,993	n/a	155,993
2026	155,993	n/a	155,993
2027	100,000	n/a	100,000

Source: USTR; Chart Post Brasilia

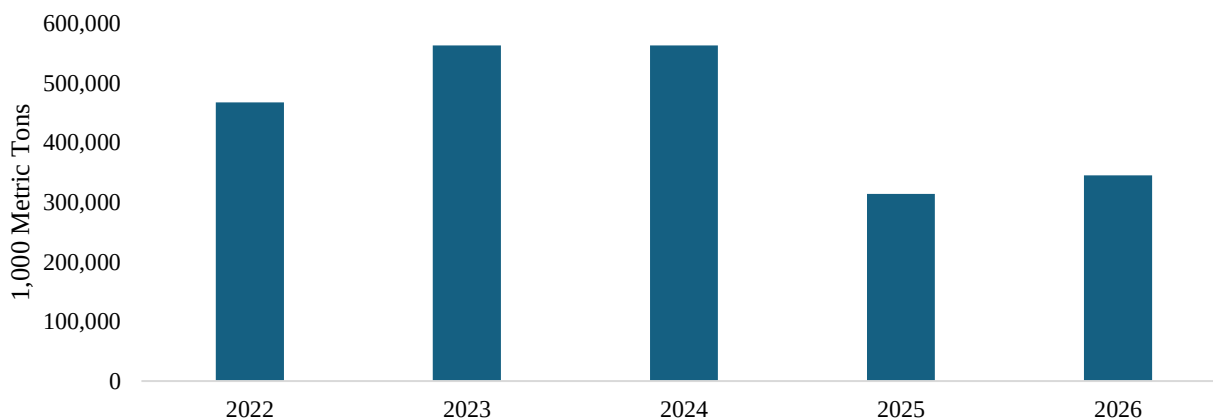
Under Law No. 9,362/1996, Brazil's preferential sugar export quotas under trade agreements are reserved exclusively for mills in the North and Northeast. With Brazil's share of the U.S. raw sugar tariff-rate quota reduced, NNE mills state the smaller quota leaves little room for additional exports, since out-of-quota sugar faces a tariff of about US\$340 per metric ton. NovaBio estimates potential losses at US\$30 million, affecting 20,000 cane suppliers, and points to the European Union as a possible alternative market.

Under the EU-Mercosur Interim Trade Agreement, in force since May 1, 2026, Mercosur countries share a 180,000 MT duty-free quota for raw cane sugar for refining, and Paraguay has its own 10,000 MT quota. Out-of-quota sugar is subject to tariffs of €339/MT for raw sugar and €419/MT for refined sugar. As of September 30, 2026, Mercosur members have not yet decided how to allocate the sugar quotas among themselves.

Between April 1 and August 30, Brazil exported 345,529 metric tons of sugar to the European Union, an increase of approximately 10 percent compared to the same period of last year (314,281 metric tons).

Figure 22

Brazilian Sugar Exports to the European Union (EU27), April to August, in 1,000 metric tons



Source: Agrostat, Ministry of Agriculture and Livestock; Chart by Post Brasília

Table 09

Official Exchange Rate (R\$/US\$), last day of the period

Month	2018	2019	2020	2021	2022	2023	2024	2025	2026
January	3.16	3.65	4.25	5.48	5.36	5.1	4.95	5.83	5.22
February	3.24	3.74	4.5	5.53	5.14	5.21	4.98	5.84	5.14
March	3.32	3.9	5.2	5.7	4.74	5.08	4.99	5.74	5.21
April	3.48	3.94	5.43	5.4	4.92	5	5.17	5.6	4.98
May	3.74	3.94	5.43	5.23	4.73	5.09	5.24	5.7	5.05
June	3.86	3.83	5.48	5	5.24	4.82	5.55	5.45	5.17
July	3.75	3.76	5.2	5.12	5.19	4.74	5.66	5.6	5.07
August	4.14	4.14	5.47	5.14	5.18	4.92	5.65	5.42	5.18
September	4	4.16	5.64	5.44	5.41	5	5.44	5.34	5.21*
October	3.72	4	5.77	5.64	5.26	5.05	5.77	5.38	
November	3.86	4.22	5.33	5.62	5.29	4.93	6.05	5.33	
December	3.87	4.03	5.2	5.58	5.78	4.84	6.19	5.5	

*Source: Brazilian Central Bank; Chart by Post Brasília. *As of September 29, 2026.*

Attachments:

No Attachments