Required Report: Required - Public Distribution

Date: April 20, 2026

Report Number: CO2026-0005

Report Name: Sugar Annual

Country: Colombia

Post: Bogota

Report Category: Sugar

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Report Highlights:

Colombia's sugar production in marketing year (MY) 2026/2027 is forecast at 2.4 million metric tons raw value, supported by improved weather and expected gains in sucrose accumulation due to anticipated drier conditions from El Niño in the second half of 2026. Domestic consumption is projected to increase marginally as health-related taxes and policies continue to constrain growth. Sugar exports are forecast to rise in line with production increases, with the United States remaining the primary destination. However, regional trade conditions remain uncertain following Ecuador's progressive tariff increases on Colombian imports, from 30 percent in February to 50 percent in March and 100 percent effective May 2026. Colombian industry representatives continue to express concern about rising duty-free sugar imports from Bolivia under Andean Community provisions.

Commodities:
Sugarcane

Table 1. Colombia: Sugarcane, Centrifugal, Area in Thousand Hectares and Others, TMT

Sugar Cane for Centrifugal	**2024/2025**		**2025/2026**		**2026/2027**	
Market Year Begins	**Sep 2024**		**Sep 2025**		**Sep 2026**	
Colombia	**USDA Official**	**New Post**	**USDA Official**	**New Post**	**USDA Official**	**New Post**
Area Planted (1000 HA)	245	0	0	240	0	240
Area Harvested (1000 HA)	193	0	0	190	0	190
Production (1000 MT)	22200	0	0	23300	0	24000
Total Supply (1000 MT)	22200	0	0	23300	0	24000
Utilization for Sugar (1000 MT)	18000	0	0	18700	0	19500
Utilization for Alcohol (1000 MT)	4200	0	0	4600	0	4500
Total Utilization (1000 MT)	22200	0	0	23300	0	24000

Note: Forecast for MY 2026/2027; MYs 2024/2025 and 2025/2026 are estimates.
Data source: Post historical data series.

Production (Sugarcane)

Colombia's sugarcane production in marketing year (MY) 2026/2027 is expected to recover modestly as weather conditions improve following the weakening of La Niña and the possible development of El Niño conditions during the second half of 2026. According to the Instituto de Hidrología, Meteorología y Estudios Ambientales (IDEAM), El Niño conditions are likely to bring drier weather and increased solar radiation to the Cauca River Valley[1], which generally supports higher sucrose accumulation. Irrigation systems in the main producing areas are expected to help reduce potential negative effects from reduced rainfall and support improved cane quality compared to the previous year.

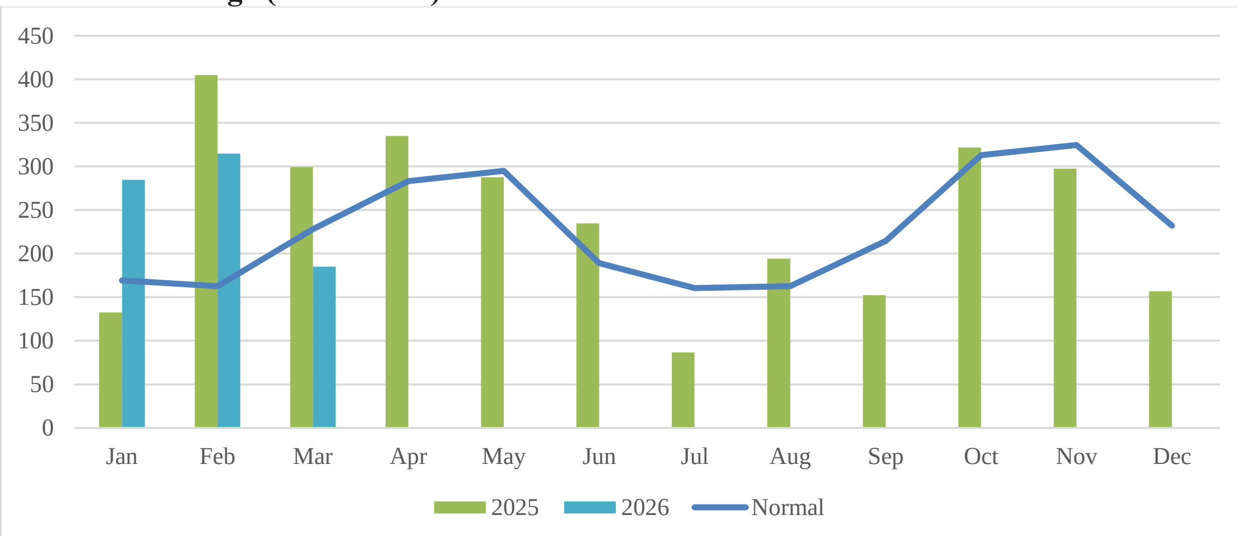
Sugarcane planted area is expected to remain stable at approximately 240,000 hectares, reflecting limited land availability for expansion in the Cauca River Valley and continued weak incentives for area growth under relatively moderate international sugar prices. Under standard rotation practices, approximately 80 percent of cultivated areas are harvested annually, with the remainder temporarily fallow as part of crop management cycles. As a result, production gains are expected to depend primarily on improved climatic conditions, adoption of advanced varieties developed by the Sugar Cane Research Center (Cenicaña), and continued mechanization, which accounted for about 85 percent of harvesting operations in 2025.

In MY 2025/2026, Colombia's sugarcane-producing region experienced above-average rainfall and temperature variability due to persistent rainy conditions (Figure 1). Despite these circumstances, average sugarcane yields increased to approximately 124.6 metric tons per hectare, about 10 t/ha (9.35 percent) higher than the previous year, contributing to total cane milled reaching 23.3 million metric

[1] The Cauca River Valley is in Colombia's southwest territory and consists of five departments: Caldas, Cauca, Risaralda, Quindío, and Valle del Cauca.

tons.[2] However, excessive rainfall and reduced thermal oscillation negatively affected sucrose accumulation and harvest timing. As a result, higher cane volumes did not translate proportionally into increased sugar production, underscoring the sector's continued sensitivity to climate variability and its impact on cane quality and industrial efficiency.

Figure 1. Colombia: 2025-2026 Monthly Precipitation in Sugarcane Producing Departments[3] with Historical Average (millimeters)



Data Source: USDA Global Agricultural and Disaster Assessment System (GADAS) Climate Hazards Center InfraRed Precipitation with Station (CHIRPS) Monthly Precipitation dataset. Precipitation data is provided as the average value across a one-month period against historical averages (see *Normal* trend line).

The Cauca River Valley benefits favorable agroclimatic conditions that support year-round harvesting and continues to rank among the most productive sugarcane-growing regions in South America, with average yields typically ranging between 120 and 130 metric tons per hectare.

[2] Source: Cenicaña's Annual Report 2025, Cenicaña, February 2026.
[3] Sugarcane producing departments are located in the Cauca River Valley which is in Colombia's southwest territory and consists of five departments: Caldas, Cauca, Risaralda, Quindío, and Valle del Cauca.

Sugar Centrifugal

Table 2. Colombia: Centrifugal Sugar (Raw Value Basis) (Thousand Metric Tons [TMT])

Sugar, Centrifugal	**2024/2025**		**2025/2026**		**2026/2027**	
Market Year Begins	**Oct 2024**		**Oct 2025**		**Oct 2026**	
Colombia	**USDA Official**	**New Post**	**USDA Official**	**New Post**	**USDA Official**	**New Post**
Beginning Stocks (1000 MT)	129	129	126	126	0	143
Beet Sugar Production (1000 MT)	0	0	0	0	0	0
Cane Sugar Production (1000 MT)	2250	2250	2300	2300	0	2400
Total Sugar Production (1000 MT)	2250	2250	2300	2300	0	2400
Raw Imports (1000 MT)	1	1	4	2	0	3
Refined Imp. (Raw Val) (1000 MT)	180	180	200	200	0	180
Total Imports (1000 MT)	181	181	204	202	0	183
Total Supply (1000 MT)	2560	2560	2630	2628	0	2726
Raw Exports (1000 MT)	172	172	175	180	0	180
Refined Exp. (Raw Val) (1000 MT)	505	505	480	520	0	550
Total Exports (1000 MT)	677	677	655	700	0	730
Human Dom. Consumption (1000 MT)	1752	1752	1804	1780	0	1820
Other Disappearance (1000 MT)	5	5	5	5	0	5
Total Use (1000 MT)	1757	1757	1809	1785	0	1825
Ending Stocks (1000 MT)	126	126	166	143	0	171
Total Distribution (1000 MT)	2560	2560	2630	2628	0	2726

Note: All figures are in raw value. To convert raw value to refined/crystal white sugar, divide by a factor of 1.07.
Data Source: Post historical data series. Forecast for MY 2026/2027; MYs 2024/2025 and 2025/2026 are estimates.

Production (Sugar, raw value basis)

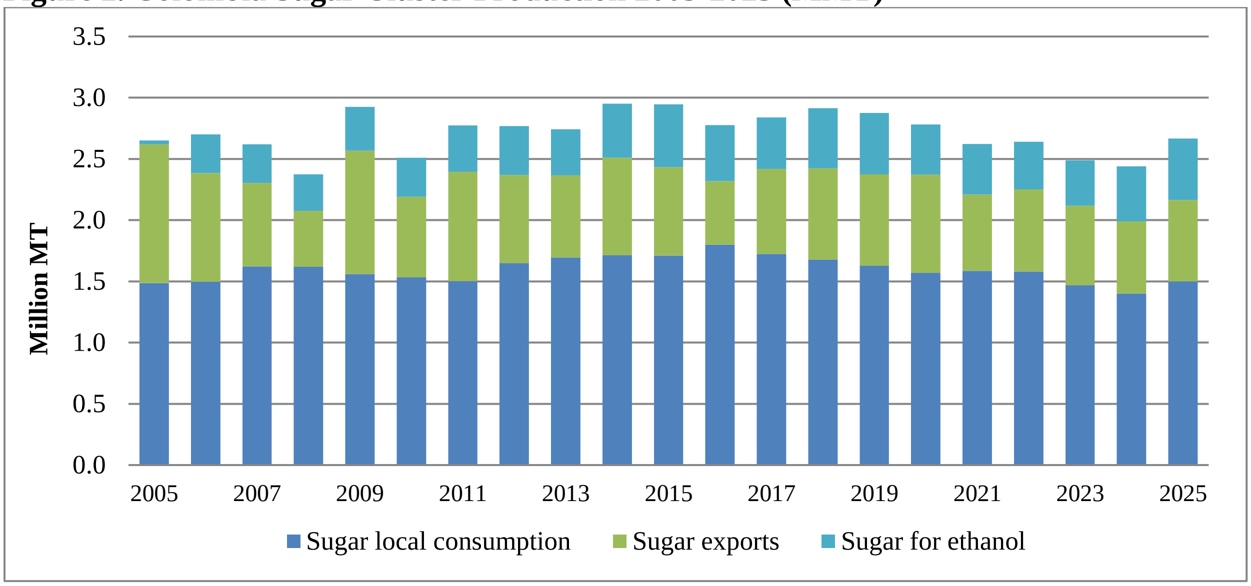
Colombia's sugar production in MY 2026/2027 (October – September) is expected to recover modestly to 2.4 million metric tons raw value (MMT RV), supported by improved agroclimatic conditions following the weakening of La Niña and the increasing probability of El Niño conditions during the second half of 2026. Drier conditions and higher solar radiation in the Cauca River Valley are expected to improve sucrose accumulation and industrial recovery relative to the previous cycle.

Production in MY 2025/2026 is estimated at 2.3 MMT RV, reflecting the start of normalization after two years of weather-related variability that affected sucrose content and recovery rates. Although cane volumes increased during calendar year 2025, excessive rainfall associated with La Niña conditions reduced sucrose concentration and commercial recovery efficiency, limiting gains in sugar output.

Colombia's sugar production remains concentrated in the Cauca River Valley, where 13 sugar mills operate in close integration with ethanol distilleries. Since the expansion of the fuel ethanol program that started in 2005, domestic ethanol production has diverted an estimated 30–40 percent of sugarcane supply annually, influencing the balance between sugar production and export availability. Ethanol output reached approximately 444 million liters in 2025, a 9.4 increase year-on-year. Stable domestic blending requirements (ten percent ethanol into gasoline) will sustain competition for sugarcane between the sugar and fuel sectors in MY 2026/2027. With insufficient ethanol production to meet the government's ten percent ethanol blending mandate (E10), Colombia will continue its reliance on imported ethanol.[4]

Since January 2001, domestic sugar prices have been regulated through the Sugar Price Stabilization Fund (FEPA) (see Policy section). The Colombian government established FEPA to insulate domestic producers from international price volatility, thereby supporting stable sugar production.

Figure 2. Colombia Sugar Cluster Production 2005-2025 (MMT)



Data source: Post historical data series, Asocaña.

Non-centrifugal sugar (panela)

Colombia is the world's second-largest non-centrifugal sugar (or *panela*) producer and leading per-capita consumer. Production in calendar year 2025 is estimated at approximately 1.07 million metric tons, reflecting stable output despite continued pressures from rising labor costs, weather variability, and structural constraints. Production in 2026 is forecast to remain near historical averages, supported by stable planted area and sustained domestic consumption.

Panela production is distributed across Colombia's highland regions in 29 departments, with 80 percent concentrated in eight[5] departments. The sector relies on smallholder producers and approximately 18,500 crushing facilities, most of which are small-scale and informal, according to the Panela Producers Association (Fedepanela).

[4] This projection comes despite the 2020 countervailing duty against U.S. ethanol See: USDA GAIN CO2023-0008: "Colombia continues to impose duty on U.S. ethanol after CVD Expiry Review." Published April 10, 2023. In 2025, the United States continued to be the largest ethanol supplier to Colombia.

[5] Includes Antioquía, Cundinamarca, Santander, Boyacá, Cauca, Nariño, Tolima, and Huila.

Consumption

In MY 2026/2027, sugar consumption is expected to marginally increase to 1.83 MMT RV as health-related taxation, product reformulation, and changing consumer preferences continue to limit demand, particularly in the beverage sector. While moderate economic growth is expected [6] to support baseline demand from the food processing industry, these gains are unlikely to offset declining per-capita sugar consumption.

In MY 2025/2026, sugar consumption is estimated at approximately 1.79 million metric tons, reflecting only marginal growth compared to the previous year. Progressive "healthy taxes" on sugar-sweetened beverages and processed foods, fully implemented by 2025[7], continue to reduce industrial sugar use and encourage substitution toward alternative sweeteners. Front-of-package labeling requirements and shifting consumer preferences toward lower-sugar products are expected to continue constraining domestic sugar demand in the near term.

Trade

In MY 2026/2027, Colombia's sugar exports are expected to increase to 730,000 MT RV, a 4.3 percent increase from the previous year revised estimate. This growth is supported by improved sugar production but there are still constraints due to uncertainty in regional market access.

In MY 2025/2026, exports estimate is revised up to 700,000 MT RV, owing to market realities driven by a slight recovery in domestic cane production. Export performance continues to rely on regional refined sugar markets and preferential access to the United States through tariff-rate quota programs.

Colombia exports sugar to the United States under quotas established by the World Trade Organization (WTO) and the U.S.-Colombia Trade Promotion Agreement (CTPA). In fiscal year 2026 (October-September), the WTO quota is set at 25,819 MT RV and the CTPA quota at 60,500 MT RV. Colombian exporters typically utilize both quotas fully and prioritize the CTPA quota, which permits refined sugar exports and provides higher value compared to raw sugar. According to domestic industry sources, Colombia is expanding exports of organic and specialty sugars to capture premium pricing.

Trade relations between Colombia and Ecuador deteriorated significantly in early 2026 following Ecuador's progressive tariff increases on Colombian imports, including sugar, from 30 percent in February to 50 percent in March and 100 percent effective May 1, 2026. Ecuador cited national security concerns related to cross-border criminal activity and bilateral trade imbalances. Colombia imposed reciprocal tariffs and raised concerns within the Andean Community framework regarding compatibility with regional trade commitments. As Ecuador has historically been an important destination for Colombian refined sugar, the escalation is expected to reduce bilateral trade and redirect exports toward Central America and the Caribbean.

In MY 2024/2025, the United States was the leading destination for Colombian sugar exports with a 22 percent market share. Peru, Chile, and the European Union each represented 13 percent, while Ecuador

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[6] According to Colombia's Central Bank January 2026 report, inflation is projected to rise to 6.3% in 2026 before declining to 3.7% in 2027, while economic growth is expected to moderate to 2.6% in 2026 and further slow to 1.6% in 2027.
[7] The Colombian government's November 2023 "healthy taxes" has incorporated a progressive tax rate on processed products starting at 10 percent in 2023, increasing to 15 percent in 2024, and 20 percent by 2025.

accounted for 10 percent (Table 3). Refined sugar comprised 75 percent of total exports, with raw sugar accounting for the remaining 25 percent.

Table 3. Colombia Sugar Exports – MYs 2022/2023, 2023/2024, 2024/2025 (RV, MT)

Partner Country	Total Exports (Raw Value)			% Share		
	MY 2022/2023	MY 2023/2024	MY 2024/2025	MY 2022/2023	MY 2023/2024	MY 2024/2025
United States	149,293	127,700	146,902	22%	23%	22%
Peru	50,598	37,389	88,850	7%	7%	13%
Chile	147,393	114,729	87,134	22%	20%	13%
EU 28	101,640	80,766	87,861	15%	14%	13%
Ecuador	77,836	65,876	64,338	12%	12%	10%
Haiti	58,100	44,501	50,573	9%	8%	8%
RoW	91,461	93,698	135,484	14%	17%	20%
World Total	***676,321***	***564,659***	***661,142***			

Data Source: Colombia Customs National Office (DIAN), Trade Data Monitor (TDM).
Note: Data includes all sugar (refined and raw, RV converted).

Sugar imports in MY 2026/2027 are forecast at 183,000 MT RV, a 9.4 percent decrease from the previous year revised estimate, driven by anticipated recovery in domestic production. Imports will remain moderate and primarily seasonal, supplementing domestic supply during temporary shortfalls.

In MY 2025/2026, imports are estimated at 202,000 MT RV as exports and consumption remained stable. Brazil is the leading supplier, followed by Bolivia, whose imports remain significant in southern border markets due to geographic proximity and price competitiveness. Colombian sugar industry has raised concerns regarding sharp increase in duty-free sugar imports from Bolivia under the Andean Community framework. They argue that these inflows are affecting domestic price stability despite sufficient local production capacity and the lack of reciprocal market access for Colombian sugar exports to Bolivia. Refined sugar accounts for more than 98 percent of imports, reflecting domestic market preferences and industrial demand.[8]

Table 4. Colombia Sugar Imports – MY 2022/2023, 2023/2024, 2024/2025 (RV, MT)

Partner Country	Total Imports (Raw Value)			% Share		
	MY 2022/2023	MY 2023/2024	MY 2024/2025	MY 2022/2023	MY 2023/2024	MY 2024/2025
Brazil	134,388	243,465	68,944	52%	72%	40%
Bolivia	11,270	25,654	62,370	4%	8%	36%
Peru	37,212	7,089	32,135	15%	2%	19%
Guatemala	29,801	44,980	3,584	12%	13%	2%
Mexico	1,647	-	2,504	1%	0%	1%
Others	41,818	15,081	4,152	16%	4%	2%
World Total	***256,136***	***336,269***	***173,689***	-	-	-

Data Source: DIAN, TDM.
Note: Data includes all sugar (refined and raw, RV converted).

[8] Colombia does not typically import raw sugar due to profit margins and domestic industry usage patterns.

Stocks

Ending stocks for MY 2026/2027 are forecast at 171,000 MT, reflecting anticipated production increases. The Colombian government does not maintain programs or incentives for inventory management by sugar mills.

Policy

Sugar Price Stabilization Fund (FEPA)
Colombia's Sugar Price Stabilization Fund (FEPA)[9], established under Law 101 of 1993 and regulated through Decree 569 of 2000, remains the principal domestic policy instrument supporting price stability in the sugar sector. Administered by the Colombian Sugar Producers Association (Asocaña) and chaired by the Minister of Agriculture with participation from government and industry representatives, FEPA continues to compensate mills for differences between domestic and export market prices through a market-weighted average price (MWAP) mechanism. Under this system, mills selling above the MWAP contribute to the fund, while those exporting at lower prices receive compensation. The mechanism continues to play an important role in smoothing revenue volatility for exporters and supporting the sector's participation in international markets despite fluctuations in global sugar prices.

Andean Price Band System
Colombia continues to apply the Andean Price Band System (APBS) as a member of the Andean Community to stabilize import prices for raw and refined sugar. Imports from CAN member countries, including Peru, Ecuador, and Bolivia, normally enter duty-free, while imports from non-CAN countries remain subject to a base tariff of 15 percent plus a variable levy depending on reference price movements relative to established floor and ceiling bands. The CAN revises the price band, both ceiling and floor, in April of every year (Table 5). The adjustment is made based on whether a reference price is above, below, or within the ceiling and floor prices. The reference price is adjusted every two weeks.

Table 5: CAN Sugar Floor and Ceiling Prices April 2026-March 2027 (USD/MT)[10]

	Floor Price CIF	Ceiling Price CIF
Refined Sugar	$621	$700
Raw Sugar	$500	$567

Data Source: CAN Resolution 2546/2025.

The reference prices for the second half of April 2026 for raw sugar ($365/MT) and refined sugar ($474/MT) are below the floor prices, resulting in effective import duties of 44 percent for raw and 37 percent for refined sugar.

However, trade conditions within the CAN framework were disrupted in early 2026 after Ecuador imposed successive tariff increases on Colombian imports, including sugar, from 30 percent to 50 percent and ultimately to 100 percent effective May 2026. Colombia responded with reciprocal

[9] In Spanish: Fondo de Estabilización de Precios del Azúcar.
[10] The CAN reference prices for sugar are calculated based on the biweekly average of daily quotations observed in the referential markets: London No. 5 for refined sugar, and New York No. 11 for raw sugar.

measures and raised concerns regarding compatibility with CAN commitments. If maintained, these actions may reduce predictability of regional duty-free access for Colombian sugar exports in the Ecuadorian market.

U.S.–Colombia Trade Promotion Agreement

The U.S.-Colombia Trade Promotion Agreement continues to provide preferential access for Colombian sugar exports to the United States through tariff-rate quotas. For 2026, Colombia's refined sugar export quota under the agreement is set at 60,500 MT (raw value), which exporters typically fully utilize due to higher value opportunities relative to raw sugar shipments under WTO quota allocations. The agreement also removed the price-band duty on U.S. sugar imports and established an expanding quota for glucose and high-fructose corn syrup, which became unlimited beginning in 2021 and continues to influence sweetener substitution dynamics in Colombia's beverage industry.

Andean Community of Nations and Southern Common Market (MERCOSUR)

Under CAN provisions, member countries maintain duty-free access to Colombia's sugar market; however, the escalation of tariff measures between Colombia and Ecuador in 2026 has introduced uncertainty into regional trade conditions. Outside the CAN framework, Colombia continues to grant trade preferences under bilateral agreements, where MERCOSUR members pay a percentage (88 percent) of the effective duty rate. Colombia's effective duties on Brazilian raw and refined sugar are updated every 15 days, whose variation depends on the behavior of international prices. From April 1-15, 2026, effective duties for Brazilian origin raw and refined sugar to Colombia are 61.6 percent and 54.56 percent, respectively.

Attachments:

No Attachments