United States Department of Agriculture
Foreign Agricultural Service

GAIN
Global Agricultural Information Network

Required Report: Required - Public Distribution **Date:** April 20, 2026

Report Number: EC2026-0002

Report Name: Sugar Annual

Country: Ecuador

Post: Quito

Report Category: Sugar

Prepared By: Esteban Espinosa

Approved By: Robert Tuebner

Report Highlights:

Ecuador's sugar production in marketing year (MY) 2026/27 is forecast at 506,000 metric tons (MT), down from the MY 2024/25 estimate. Domestic consumption is expected to remain stable, with only gradual growth over the next several years. Ethanol production is not projected to expand in the near to medium-term, as the industry lacks sufficient capacity to meet the volume required to comply with the 10 percent blending mandate for ECOPAIS gasoline. As a result, Ecuador is expected to rely on imported ethanol to help satisfy domestic demand.

Sugar Cane for Centrifugal

Sugar Cane for Centrifugal	2024/2025		2025/2026		2026/2027	
Market Year Begins	Jun 2024		Jun 2025		Jun 2026	
Ecuador	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted (1000 HA)	100	100	0	110	0	110
Area Harvested (1000 HA)	99	99	0	108	0	108
Production (1000 MT)	6930	6930	0	7730	0	7668
Total Supply (1000 MT)	6930	6930	0	7730	0	7668
Utilization for Sugar (1000 MT)	5891	5891	0	6730	0	6668
Utilization for Alcohol (1000 MT)	1039	1039	0	1000	0	1000
Total Utilization (1000 MT)	6930	6930	0	7730	0	7668
(1000 HA), (1000 MT)						

Production:

The planted area for sugarcane in MY 2026/27 is projected at 110,000 hectares, unchanged from the previous MY. According to industry sources, Ecuadorian sugar mills and associated producers collectively manage between 90,000 to 92,000 hectares, of which more than 77,000 hectares (ha) are allocated to sugar production and between 12,000 to 15,000 ha are designated for ethanol production.

Eighty-two percent of the planted area is concentrated in farms owned by sugar mills in Guayas, Imbabura and Loja provinces, as well as by farmers who supply those mills. The remaining 18 percent consists of land owned by small-scale producers of panela, alcohol, molasses and artisan candies located throughout the country. According to the National Federation of Ecuadorian Sugar Mills (FENAZUCAR), the area planted for sugar production is expected to remain between 78,000 and 80,000 hectares in the coming years, with fluctuations driven largely by weather conditions. The recent trend among small farmers in the coastal region to shift from sugarcane to alternative crops has slowed, supported by the decline and stabilization of international cacao prices and improved prices paid by mills for sugarcane, including additional quality-based incentives.

For MY 2026/27, 98 percent of the total sugarcane planted area is expected to be harvested, with production projected at approximately 7.66 million metric tons, down slightly from MY 2025/2026. Of this total, an estimated 6.66 million MT will be used for sugar, panela and molasses production, while 1.0 million MT will be allocated to alcohol production. Average sugarcane yields are forecast at approximately 71 MT per hectare, a marginal increase from MY 2025/26. On land owned by sugar mills and their associated producers, yields could exceed 80 MT per hectare, although results continue to depend on weather conditions. According to FENAZUCAR, the areas surrounding the three main mills in Guayas province, which account for 98 percent of the planted area, continue to use higher-yielding local varieties such as CC85-92, ECU-03 and ECU-04 as well as varieties from the Sugarcane Research Center (CINCAE): EC-07, EC-08 and EC-09.

Ecuador’s sugar production in MY 2025/26 is estimated at 513,000 MT, down 17,000 MT, or 3.2 percent from MY 2024/25. In MY 2026/27 sugar production is forecast at 506,000 MT, with sucrose content expected to remain in line with the previous year.

FAS Quito estimates that up to 20,000 hectares may be allocated for sugarcane dedicated for juice production, which is used to manufacture panela (unrefined cane sugar), molasses, alcohol and artisanal sweets. These products are typically produced by small farmers in Ecuador's highland sugar-producing areas and in transition zones between the highlands and the coast, generally using rudimentary processing methods.

Figure 1: Mechanized Sugarcane Harvest at Ingenio San Carlos

Source: Ingenio San Carlos

The ethanol sector continues to operate under a supply contract with PETROAMAZONAS, the state-owned oil company, for up to 100 million liters of ethanol annually. Mills affiliated with FENAZUCAR allocate around 15 percent of their production to ethanol. In CY 2025, Ingenio Valdez was unable to fulfill its full Ethanol quota under the program, however, the shortfall was covered by production from other FENAZÚCAR-associated mills. Artisanal mills contribute approximately 4 percent of total supply, or about four million liters, which remains insufficient to meet the volume needed to comply with the 10 percent Ethanol blend target for ECOPAIS gasoline. As a result, the actual blend rate currently ranges between 2 and 4 percent. FAS Quito continues to monitor developments in ethanol production and usage.

Sugar cane production for artisanal ethanol, panela, and other products is distributed across Ecuador's 24 provinces, primarily in areas receiving between 600 and 1,200 millimeters of annual rainfall, most of which occurs from January through April. In these regions, sugarcane cultivation is commonly integrated into subsistence farming systems that also include crops such as plantain, cassava, corn, and others.

Ecuador's domestic wholesale sugar prices saw a steady decline from 2011 through 2017 and fell again during CY 2025. In CY 2025, the average mill-gate price for sugar was $0.75/kg, down 15 percent compared with CY 2024. The gap between wholesale and retail prices reflects intermediary markups, speculation, storage, distribution, and advertising costs with retail prices ranging from $ 0.80/kg to $1.20/kg.   Throughout CY 2025, retail stores and supermarkets received adequate supplies from mills to meet consumer demand.

Figures 2-3: Local Alcohol and panela production:

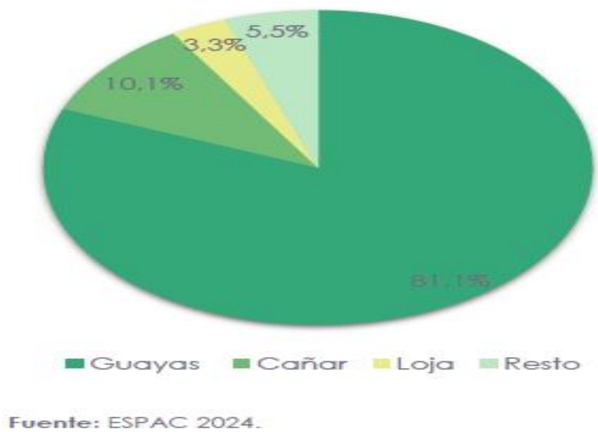
Source: FAS Quito files

In June 2022, the Ministry of Agriculture issued Agreement No. 0447, establishing the official price for cut sugarcane at $35.05 per metric ton. That price remained in effect through MY 2023/24. By CY 2025, however, the official pricing mechanism had been eliminated, and mills began negotiating prices directly with their suppliers. As a result, sugarcane prices commonly range from $31.00 to $35.00 per metric ton, depending on the region and the quality of the cane.

According to Ecuador's Biofuels Association (APALE), approximately 15 percent of the country's sugarcane which is managed by mills, and their associated producers is dedicated to ethanol production. Currently, about 100 million liters of ethanol is produced annually for "ECOPAIS" fuel, which is distributed in specific areas of Ecuador, mainly in the coastal region, following the technical myth, currently eliminated, that car engines do not work properly when gasolines with ethanol mix is used in zone of high altitude (Ecuadorian Highland area), and the lacks of country's infrastructure needed to transport and blend the product to the interior of the country.

During the harvest season, which runs from June through December, Ecuador's sugar industry generates approximately 40,000 direct jobs and an additional 150,000 indirect jobs. The sector includes 3,146 producers, of whom 32 percent cultivate less than 5 hectares, 52 percent manage between 5 and 20 hectares, and 16 percent operate more than 20 hectares.

Figure 4: Ecuador’s Main Sugarcane Producing provinces (in percentage):



Source: ESPAC 2024

Centrifugal Sugar

Sugar, Centrifugal	2024/2025		2025/2026		2026/2027	
Market Year Begins	May 2024		May 2025		May 2026	
Ecuador	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Beginning Stocks (1000 MT)	392	392	372	372	0	368
Beet Sugar Production (1000 MT)	0	0	0	0	0	0
Cane Sugar Production (1000 MT)	530	530	513	513	0	506
Total Sugar Production (1000 MT)	530	530	513	513	0	506
Raw Imports (1000 MT)	2	0	2	0	0	0
Refined Imp. (Raw Val) (1000 MT)	75	40	82	82	0	76
Total Imports (1000 MT)	77	40	84	82	0	76
Total Supply (1000 MT)	999	962	969	967	0	950
Raw Exports (1000 MT)	27	26	20	26	0	26
Refined Exp. (Raw Val) (1000 MT)	6	6	6	6	0	6
Total Exports (1000 MT)	33	32	26	32	0	32
Human Dom. Consumption (1000 MT)	594	558	644	567	0	577
Other Disappearance (1000 MT)	0	0	0	0	0	0
Total Use (1000 MT)	594	558	644	567	0	577
Ending Stocks (1000 MT)	372	372	299	368	0	341
Total Distribution (1000 MT)	999	962	969	967	0	950
(1000 MT)						
OFFICIAL DATA CAN BE ACCESSED AT: PSD Online Advanced Query						

Consumption:

Total domestic sugar consumption in MY 2025/26 is estimated at 567,000 MT, lower than forecast MY 2026/2027 of 577,000 MT. This estimate is based on the Ecuadorian Institute for Statistics and Census (INEC) population forecast of 18.4 million for CY 2026 and an assumed annual per capita sugar consumption rate of 31 kilograms(kg) per person.

Sugar mills do not actively promote consumption. However, producers of panela and brown sugar regularly engage in promotional activities to highlight the benefits of these artisanal products.

Domestic nutritional labeling requirements and fiscal measures, including sugar taxes, continue to weigh on sugar consumption in Ecuador. In response to these policies, and to diversify end uses, sugar mills have increasingly directed sugarcane and its byproducts toward alcohol and energy production in recent years. During CY 2025, sugar destined for direct sales accounted for 75 percent of total utilization. Of this volume, 45 percent (or 34 percent of total human consumption) was sold in 50 kg bags by wholesalers and distributed nationwide. Supermarket chains, traditional wet markets, and small retailers, such as neighborhood family-owned stores, accounted for the remaining 55 percent of direct sales to consumers, representing approximately 41 percent of total consumption. Sugar is available in various packaging sizes, including 0.5 kg, 1 kg, and 2 kg bags.

The remaining 25 percent of sugar consumption is allocated for industrial use. Sugar is used in the production of sweetened beverages, bread, cookies, frozen snacks, confectionery, and jarred goods.

In recent years, however, the share of sugar used by industry has declined by more than 40 percent to less than 30 percent of total consumption. This reduction is largely attributable to the food and beverage industry's shift toward artificial sweeteners, particularly in the soft drink sector, in response to domestic nutrition policies and sugar-related taxes.

Approximately 76,000 tons of sugar are imported annually by industry, airlines and other sectors. Imports during CY 2025 represent nearly 15 percent of the local production. Of total imports, an estimated, 70 percent were made by traders that do not purchase domestically produced sugarcane or sugar, while the remaining 30 percent were imported by the candy and chocolate industries, which require ultra-refined sugar not produced in Ecuador. Sugar imports from Andean Community countries, primarily Colombia, account for 92 percent of total imports. According to industry sources, these imports continue to distort the domestic market, as Colombian sugar is sold at higher prices in its home market but enters Ecuador at lower export prices.

Trade:

Post estimates sugar exports in MY 2025/26 at 32,000 MT, unchanged from MY 2024/25. In MY 2026/27, exports are forecast to remain in 32,000 MT, supported by expected favorable weather conditions in the coastal region during CY 2025. This outlook forecast follows a pattern of significant fluctuations in Ecuador's sugar exports in recent years, which peaked at 107,000 MT in MY 2016/17, before falling to 60,000 MT the following year.

Figure 5: Refined and Other Sugar Presentations

Source: FENAZUCAR

Ecuador consistently meets its U.S. tariff rate quota (TRQ) for sugar. FAS Quito does not anticipate any changes in Ecuador’s capacity to fulfill the TRQ in the coming years, as the U.S. TRQ represents a small percentage of Ecuador’s total sugar production (roughly three percent). Additionally, Ecuador has successfully fulfilled reallocated amounts without any issues.

Ecuador is largely self-sufficient in raw sugar production, with imports historically ranging from 25,000 MT to 40,000 MT per year, as reported by Ecuador’s National Federation of Sugar Producers (FENAZUCAR). For MY 2025/26, imports are estimated to reach 82,000 MT. For MY 2026/27 imports are forecast to decline to 76,000 MT, down 6,000 MT from MY 2025/26.

Ecuador’s surplus sugar production is partially directed to export markets, with the United States remaining the primary destination. During CY 2025 the United States accounted for 89 percent of Ecuador’s sugar exports. Germany and Spain followed, each representing 3 percent of exports, while additional destinations, primarily in Europe and Latin America, made up the remaining 5 percent of total exports. All sugar exported to the U.S. is shipped under the U.S. Quota Eligibility System.

Local and international sugar prices significantly influence the decision to export sugar to Colombia and other countries. It is important to note that the export figures reported by the Ecuadorian Central Bank do not include informal cross-border trade with neighboring countries like Colombia and Peru, which is negligible.

Figure 6: Ecuador Sugar Exports (MT/ FOB price) 2025

WEIGHT	USD FOB	USD CIF
15,878.5	12,279.9	0.0
METRIC TONS	THOUSANDS	THOUSANDS

Total - **Exports per final destination**

	MT	FOB (USD miles)	CIF (USD miles)
Estados Unidos	11,302.2	7,335.2	
España	1,049.3	1,225.7	
Colombia	1,574.5	1,152.1	
Alemania	602.5	906.2	
Bélgica	651.4	542.3	
Italia	249.7	417.2	
Francia	150.6	264.4	
Países Bajos	126.0	192.2	
Canadá	120.0	177.6	
Finlandia	26.3	39.9	
Chile	24.0	22.1	
Rusia	2.0	5.1	
Perú	0.1	0.1	

Source: SIPA MAG

Stocks:

The Government of Ecuador does not maintain a strategic sugar reserve; however, private sector sugar mills, as well as the candy and chocolate industries, have invested in sugar storage facilities. These warehouses are located primarily in Guayaquil and elsewhere in Guayas province. Existing storage capacity is considered sufficient to handle current production levels and maintain a four-month reserve during the inter-harvest period. For MY 2026/27, ending stocks are forecast at approximately 341,000 metric tons (MT).

Policy:

Domestic sugar prices remain artificially high due to the government's protection of the sugar value-added chain from international trade. A notable example is COMEX Resolution 030-2017, issued in December 2017, which ended the preferential zero-tariff treatment previously granted to sugar imports from Andean Community members Colombia, Peru, and Bolivia. Under that resolution, Colombia received a tariff-free quota of up to 30,000 metric tons (MT), while imports from other Andean Community countries became subject to the Andean Price Band System.

In November 2018, Resolution 030-2017 was replaced by COMEX Resolution 020-2018, which further limited access to the Ecuadorian market by reducing the tariff-free quota for Colombian sugar exports to 17,229 MT. Prior to the implementation of these COMEX resolutions, sugar imports from Andean Community countries entered Ecuador duty-free, although government authorization was still required.

All-origin imports of raw and refined sugar are subject to a 15 percent ad valorem base tariff. In addition, sugar imports are assessed a variable levy under the Andean Price Band System. For the first half of April 2021, the variable levy for both raw and refined sugar was set at 15 percent. Ecuador's World Trade Organization (WTO)-bound tariff rate for sugar imports is 45 percent, inclusive of duties applied under the price band system. Three policy changes have significantly influenced domestic sugar consumption in Ecuador over the last few years. A 2014 food labeling law mandated that all processed food products and beverages sold in Ecuador be labeled with a traffic light-style system indicating levels of sugar, salt, and fat. This system provides consumers with clear information on the nutritional content of products and is intended to encourage healthier dietary choices.

Following the 2014 food labeling law, additional policy changes have further impacted domestic sugar consumption in Ecuador. Issued by Ecuador's Ministry of Industries, Resolution 17-156, mandates that food products packaged for retail sale must include a warning label for sugar content. The label states: "For your health, reduce the consumption of this product." This initiative aims to inform consumers about the health risks associated with excessive sugar intake. The Organic Law to Balance Public Finances (April 29, 2016, published in the Official Record 744) established a tax scheme specifically for sugary drinks. It categorizes non-alcoholic beverages based on their sugar content:

- Soft drinks with a sugar content ≤ 25 grams per liter and energy drinks are subjected to a 10 percent ad-valorem tax.
- Non-alcoholic drinks and soft drinks with a sugar content > 25 grams per liter (excluding energy drinks) incur a charge of $0.18 for each 100 grams of sugar.

These measures are designed to discourage excessive sugar consumption by increasing product visibility and costs associated with high sugar content, thereby promoting healthier dietary choices among the population.

The use of low-calorie substitutes not only helps manufacturers avoid the higher taxes associated with sugary products but also aligns with public health initiatives aimed at reducing sugar consumption.
Consequently, this trend reflects a broader market adjustment in response to regulatory pressures and evolving consumer demands for healthier food and beverage choices. Sugar is a crucial component of the basic family basket of goods utilized by the Ecuadorian government to monitor inflation. Neither farmers nor mills receive domestic or export subsidies. However, sugar cane farmers, like other farmers, are eligible for agricultural loans at preferential rates from institutions such as BanEcuador and the National Finance Corporation.

Figure 5: Image of Ecuador's Dietary Warning Labels:

Source: Ecuador Ministry of Public Health

Ecuador enjoys associate status with the Southern Common Market (MERCOSUR), although it has yet initiated negotiations regarding sugar tariffs within this framework. This status allows Ecuador to engage in certain collaborative efforts with MERCOSUR member countries, but no concrete agreements concerning sugar have been established. Additionally, under the Ecuador-European Union Free Trade Agreement which came into effect on January 1, 2017, Ecuador benefits from a tariff-rate quota (TRQ) for sugar and related products, allowing for the export of up to 25,000 metric tons of sugar to the EU.

This provision enhances Ecuador's export opportunities and facilitates access to the European market while promoting the country's sugar industry. The TRQ is composed of 15,000 MT of raw sugar and an additional 10,000 MT for a mix of products such as high-content sugar and cocoa powder. However, in 2021, Ecuadorian sugar producers did not utilize this quota benefit. The decision not to claim the TRQ was primarily due to considerations related to domestic supply levels and the significant freight costs associated with exporting sugar. These factors have likely made it less economically viable for producers to engage in exports under the TRQ, leading them to prioritize domestic market needs over international trade opportunities.

Attachments:

No Attachments