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Post: Lima

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Report Highlights:

Sugarcane production in MY 2027 is forecast at 10.5 million metric tons (MMT) while cane sugar production is projected at 1.35 MMT. Sugar exports in MY 2027 are forecast at 180,000 MT, the United States remains as a principal destination under the U.S. sugar tariff-rate quota program.

Summary

Sugarcane production in MY 2027 (January–December 2026) is forecast at 10.5 million metric tons (MMT), a slight increase from the MY 2026 estimate. Cane sugar production in MY 2027 (May 2026–April 2027) is projected at 1.35 MMT.

Cane sugar consumption in MY 2027 is forecast at 1.48 MMT, a two percent increase from the previous year. Sugar exports in MY 2026/2027 are forecast at 180,000 MT while imports are forecast at 280,000 MT.

Table 1: Sugar cane: supply, demand and distribution

Market Year Begins Peru	2024/2025		2025/2026		2026/2027	
	Jan 2024		Jan 2025		Jan 2026	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted (1000 HA)	109	95	0	96	0	97
Area Harvested (1000 HA)	100	85	0	88	0	90
Production (1000 MT)	10200	10154	0	10452	0	10500
Total Supply (1000 MT)	10200	10154	0	10452	0	10500
Utilization for Sugar (1000 MT)	9100	9054	0	9250	0	9300
Utilization for Alcohol (1000 MT)	1100	1100	0	1202	0	1200
Total Utilization (1000 MT)	10200	10154	0	10452	0	10500
(1000 HA) ,(1000 MT)						
OFFICIAL DATA CAN BE ACCESSED AT: PSD Online Advanced Query						

Table 2: Centrifugal sugar: supply, demand and distribution

Sugar, Centrifugal Market Year Begins Peru	2024/2025		2025/2026		2026/2027	
	May 2024		May 2025		May 2026	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Beginning Stocks (1000 MT)	10	10	50	53	0	53
Beet Sugar Production (1000 MT)	0	0	0	0	0	0
Cane Sugar Production (1000 MT)	1290	1290	1300	1300	0	1350
Total Sugar Production (1000 MT)	1290	1290	1300	1300	0	1350
Raw Imports (1000 MT)	90	90	100	100	0	100
Refined Imp.(Raw Val) (1000 MT)	233	233	180	180	0	180
Total Imports (1000 MT)	323	323	280	280	0	280
Total Supply (1000 MT)	1623	1623	1630	1633	0	1683
Raw Exports (1000 MT)	72	70	50	80	0	100
Refined Exp.(Raw Val) (1000 MT)	40	39	100	50	0	80
Total Exports (1000 MT)	112	109	150	130	0	180
Human Dom. Consumption (1000 MT)	1461	1461	1430	1450	0	1480
Other Disappearance (1000 MT)	0	0	0	0	0	0
Total Use (1000 MT)	1461	1461	1430	1450	0	1480
Ending Stocks (1000 MT)	50	53	50	53	0	23
Total Distribution (1000 MT)	1623	1623	1630	1633	0	1683
(1000 MT)						
OFFICIAL DATA CAN BE ACCESSED AT: PSD Online Advanced Query						

Production:

Sugarcane production in MY 2027 (January–December 2026) is forecast at 10.5 million metric tons (MMT), a slight increase from the MY 2026 estimate. Cane sugar production in MY 2027 (May 2026–April 2027) is projected at 1.35 MMT, nearly four percent higher year-on-year. Favorable weather conditions and expansion of planted area are expected to drive this growth.

Sugar production in Peru is concentrated in the northern coastal valleys. The La Libertad region accounts for approximately 50 percent of total production, followed by Lambayeque (23 percent) and Lima (15 percent). Peru's total milling capacity is estimated at 37,000 metric tons (MT) of cane per day. Due to favorable climatic conditions, sugarcane is produced and milled year-round, reducing the need for large-scale mills.

Productivity varies widely among producers. Yields range from 65 to 200 MT per hectare, while cane cycles range from 13 to 18 months between harvests. Average yields in MY 2027 are forecast at 117 MT per hectare, with harvested area estimated at 90,000 hectares.

Figure 1: Seaside Sugar Cane Field in La Libertad Region.

Source: Gaspar Nolte, FAS Lima

Production costs vary significantly, with fuel representing a major input. Fuel consumption ranges from five to 90 gallons per MT of sugar produced. The northern coastal region offers optimal growing conditions, including high temperatures and limited rainfall. All sugarcane is surface-irrigated, allowing producers to control water application and maximize sucrose content.

The Government of Peru maintains ownership stakes in two sugar mills, Pomalca and Tumán; however, both facilities continue to lack investment partners needed to improve operational efficiency.

Consumption:

Cane sugar consumption in MY 2027 is forecast at 1.48 MMT, a two percent increase from the previous year. Approximately 70 percent of sugar consumption is for direct human use, while 30 percent is utilized by the food processing industry.

Economic growth is expected to support rising demand, particularly for sugar-sweetened beverages and confectionery products. Peru's economy is projected to grow by at least three percent in CY 2026, following growth of 3.4 percent in CY 2025.

Average wholesale prices in CY 2025 were $1.14 per kilogram (kg) for refined sugar and $0.90 per kg for brown sugar.

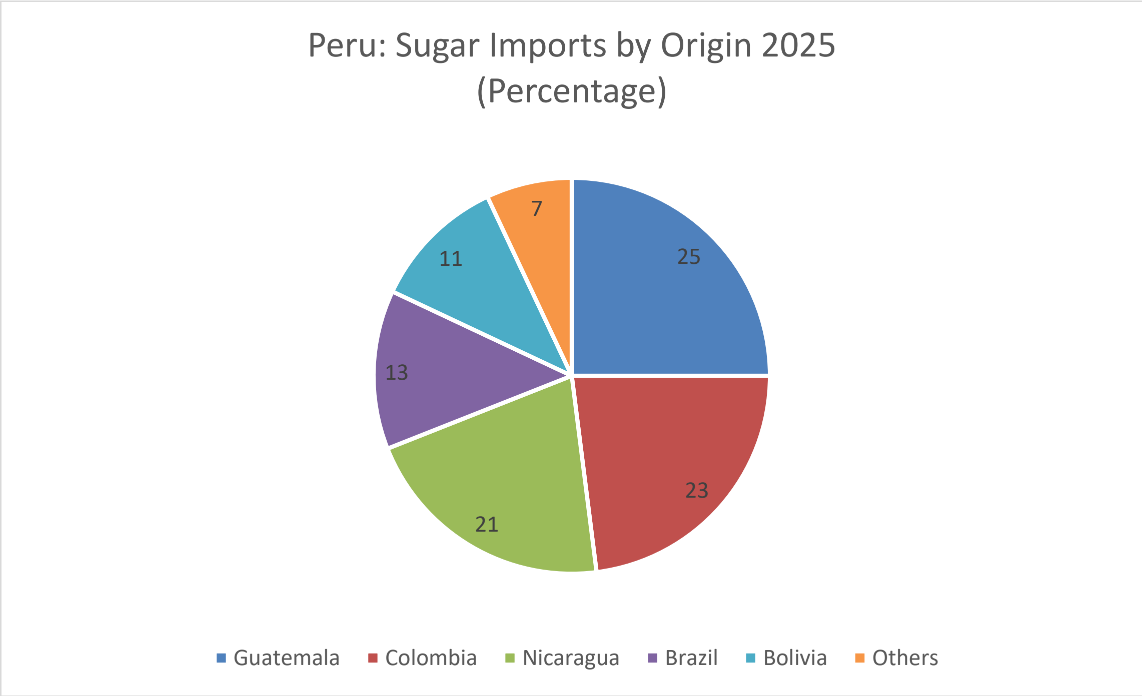
Trade:

Sugar exports in MY 2026/2027 are forecast at 180,000 MT. The United States and Colombia were the leading export markets in CY 2025, each accounting for approximately 42 percent of total exports, followed by Ecuador with 11 percent.

Exports to the United States benefit from the U.S. tariff-rate quota (TRQ), which provides a price premium and remains a key incentive for exporters. In CY 2025, the average export price to the United States reached $680 per MT, compared to $639 per MT for other markets. The Ministry of Agrarian Development and Irrigation (MIDAGRI), in coordination with industry stakeholders, administers the U.S. TRQ allocation.

Sugar imports in MY 2026/2027 are forecast at 280,000 MT. In CY 2025, Colombia, Guatemala, and Nicaragua were the primary suppliers, jointly accounting for 69 percent of total imports. The average import price in CY 2025 was $533 per MT, down 17 percent from the previous year.

Graph 1: Sugar imports by origin



Policy:

Sugar remains subject to the Peruvian Price Band System (PPBS), with a current floor price of $518 per MT and a ceiling price of $644 per MT. When international prices fall below the floor, imports are subject to a surcharge; when prices exceed the ceiling, import duties are reduced. Imports priced within the band are subject to the standard tariff.

Under the U.S.-Peru Trade Promotion Agreement (PTPA), glucose and fructose enter Peru duty-free.

Attachments:

No Attachments