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# Report Name: Sugar Annual

**Country:** Venezuela

**Post:** Caracas

**Report Category:** Sugar

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**Report Highlights:**

For marketing year (MY) 2026/2027, Venezuelan centrifugal sugar production is projected to increase 3 percent year-over-year to 406,000 metric tons (MT). This growth stems from stable agricultural yields and positive profit margins in the agribusiness sector. However, production will still fall short of meeting domestic consumption, which remains steady at 688,000 metric tons in the outyear. The sector faces ongoing structural challenges. Producers lack sufficient credit, and the government's refined sugar import program during harvest periods undermines domestic production and sales.

## Commodities:

Sugar, Centrifugal

**Table 1. 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 | |
| Venezuela | USDA Official | New Post | USDA Official | New Post | USDA Official | New Post |
| **Beginning Stocks** (1000 MT) | 0 | 0 | 0 | 0 | 0 | 0 |
| **Beet Sugar Production** (1000 MT) | 0 | 0 | 0 | 0 | 0 | 0 |
| **Cane Sugar Production** (1000 MT) | 373 | 373 | 415 | 390 | 0 | 406 |
| **Total Sugar Production** (1000 MT) | 373 | 373 | 415 | 390 | 0 | 406 |
| **Raw Imports** (1000 MT) | 250 | 250 | 250 | 250 | 0 | 240 |
| **Refined Imp.(Raw Val)** (1000 MT) | 30 | 30 | 0 | 45 | 0 | 42 |
| **Total Imports** (1000 MT) | 280 | 280 | 250 | 295 | 0 | 282 |
| **Total Supply** (1000 MT) | 653 | 653 | 665 | 685 | 0 | 688 |
| **Raw Exports** (1000 MT) | 0 | 0 | 0 | 0 | 0 | 0 |
| **Refined Exp.(Raw Val)** (1000 MT) | 0 | 0 | 0 | 0 | 0 | 0 |
| **Total Exports** (1000 MT) | 0 | 0 | 0 | 0 | 0 | 0 |
| **Human Dom. Consumption** (1000 MT) | 653 | 653 | 665 | 690 | 0 | 688 |
| **Other Disappearance** (1000 MT) | 0 | 0 | 0 | 0 | 0 | 0 |
| **Total Use** (1000 MT) | 653 | 653 | 665 | 690 | 0 | 688 |
| **Ending Stocks** (1000 MT) | 0 | 0 | 0 | 0 | 0 | 0 |
| **Total Distribution** (1000 MT) | 653 | 653 | 665 | 690 | 0 | 688 |
| OFFICIAL DATA CAN BE ACCESSED AT: PSD Online Advanced Query | | | | | | |

**Note:** No centrifugal sugar is utilized for alcohol, feed, or other non-human consumption. All figures are 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; MY 2024/2025 and MY 2025/2026 are estimates.

## Production

Sugar production for MY (October-September) 2026/2027 is forecast at 406,000 metric tons, representing a 3 percent increase over MY 2025/2026. This modest growth accounts for favorable weather conditions, and untimely rains during MY 2025/2026 that had negatively affected yields and extraction rates.

Several economic factors may support continued recovery in the sector. These include modest credit access growth for producers, improved inflation control, and increased foreign exchange availability. Full dollarization of the economy remains a possibility, though timeline constraints make this uncertain in the current marketing year. Domestic sugar prices remain favorable relative to production costs, partially offsetting persistent structural challenges in the sector.[1]

[1] The sugar industry has experienced fewer labor shortages compared to other agricultural sectors in Venezuela.

FAS Caracas (Post) lowers Venezuelan sugar production lower for MY 2024/2025 to 390,000 metric tons. Untimely rainfall in the early part of the MY constrained production growth by hampering yields and reducing extraction rates. The sector also confronted severe economic pressures, including restricted credit availability, accelerating inflation, and insufficient U.S. dollar liquidity. A further obstacle emerged from the Venezuelan government's decision to permit substantial refined sugar imports during *zafra*,[2] the primary harvest period. Industry sources indicate that inventory surpluses led to deferred domestic sugar sales in this period. However, robust domestic pricing provided some compensation for producers.

The sugar industry responded to years of fuel shortages by investing in boiler system conversions from gasoil (diesel) to fuel oil beginning in 2025, securing continuous milling capacity. Like in previous years, private sector mills conduct the majority of domestic operations, as a significant portion of Venezuela's state-owned sugar processing infrastructure remains inoperative (Figure 1). Six private-sector mills continue to supply most of the sugar production (Table 2). Currently, there are 10 state-owned mills (Table 3). For MY 2025/2026, the Santa Elena and Batalla de Araure mills in Portuguesa states (managed by private-sector entities) are operational.

**Figure 1. Private Sugar Mill *El Palmar* Operations, Aragua State**

**Data source**: Post visit with El Palmar sugar mill, April 2026.

**Table 2. Venezuela: Private and Public Sugar Mill Production, MY 2025/2026 (MT)**

| Private Sector Mill | Production Received | Yield % (Recovery) | Refined Sugar Production | Harvest Months |
|---|---|---|---|---|
| **Central Azucarero Portuguesa*** | 1,742,310 | 9.14 | 159,247 | Dec-April |
| **Molipasa** | 891,000 | 7.90 | 70,389 | Dec-April |
| **La Pastora** | 680,000 | 8.50 | 57,800 | Dec-April |
| **Santa Elena** | 670,282 | 7.60 | 50,941 | Jan-Aug |
| **El Palmar** | 440,000 | 8.05 | 35,420 | Dec-April |
| **Batalla de Araure** | 170,000 | 7.00 | 11,900 | Dec-April |
| **Rio Turbio** | 40,000 | 7.00 | 2,800 | Dec-April |
| **Venezuela** | 10,000 | 7.00 | 700 | Dec-April |
| **Total** | 4,721,282 | 8.4 | 390,197 | - |

**Data source:** Venezuelan industry data with Post analysis. Milling operations have concluded for most sugar mills

[2] The *zafra* (harvest) period for Venezuela typically lasts from January to May each year.

**Table 3. Venezuela: Current State of Public Sugar Mill Operations**

| Public Sector Mill | Operating Status as of April 2025 |
|---|---|
| **Batalla Araure (CABA)** | *Operational this harvest* |
| **Sucre Power Plant** | Closed this harvest |
| **Venezuela** | *Operational this harvest* |
| **Industrial Santa Elena** | *Operational this harvest* |
| **Central Cariaco** | Closed this harvest |
| **Santa Clara** | Closed this harvest |
| **CAAEZ (Central Ezequiel Zamora)** | Closed this harvest |
| **CAZTA (Central Táchira in Urueña)** | Closed this harvest |
| **Central Turbio** | *Operational this harvest* |
| **Central Trujillo** | Closed this harvest |

**Data Source**: Venezuelan industry.

Venezuela's sugar sector consists of approximately 4,000 producers in the primary supply chain, including 3,500 smallholder farmers operating on 10–12-hectare plantation sizes. The sector operates on annual cycles with two harvest periods occurring from October to April and June to October. Portuguesa state dominates national production with an 85 percent share of total output, while Aragua and Lara States in the Central-Western Region constitute the secondary production zones.

**Consumption**

For MY 2026/2027, Post forecasts domestic consumption to remain mostly unchanged at 688,000 metric tons. This figure represents a per capita consumption of approximately 25 kilograms (kg). Current sugar utilization in Venezuela breaks down into direct human consumption (70 percent) and food manufacturing applications (30 percent).

Sugar consumption has grown to 685,000 MT in MY 2025/2026, reflecting expanded food and beverage industry production since MY 2024/2025. Marginal improvements in consumer purchasing power also supported this increase through multiple channels: heightened demand for sweets and baked goods, increased household purchases of quality sugar for storage, and elevated sugar utilization across the domestic food and beverage manufacturing sector. Facing intensified competition from new market entrants, major soft drink brands phased out artificial sweeteners and returned to refined sugar formulations. Nevertheless, the market for artificial sweeteners remains stable, as it serves a well-defined consumer target.

The Venezuelan government's Local Supply and Production Committees (CLAP) program, a decades-long initiative providing subsidized food packages to households, eliminated sugar from general household distributions in 2025. As a result, CLAP sugar allocations now target exclusively specific public sector positions and retirees from select government institutions. This policy change decreased subsidized sugar consumption while expanding demand through conventional retail markets.

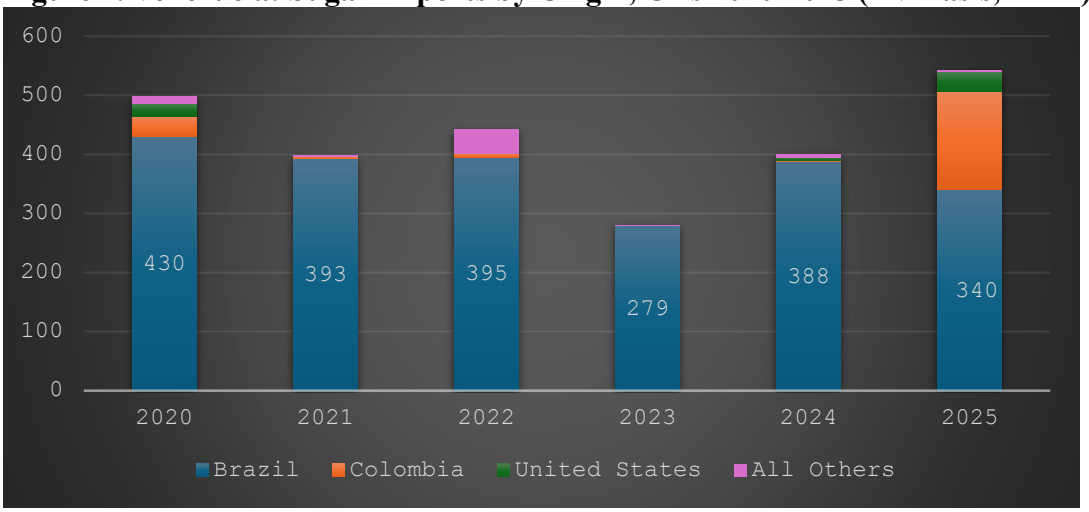
**Raw Sugar Trade**

Venezuela's raw sugar imports for MY 2026/2027 are forecast to decrease slightly to 240,000 metric tons. This reduction is due to a marginal increase in domestic production and an uptick in stocks resulting from unanticipated refined sugar imports in 2025. Refined sugar imports totaled

45,000 metric tons. Last year, the government issued import licenses to select companies during the *zafra* harvest season, creating inventory surpluses and delaying sales of locally produced sugar. In MY 2025/2026, raw sugar imports remained steady at 250,000 MT, compared to a 50 percent year-on-year increase of refined sugar imports.

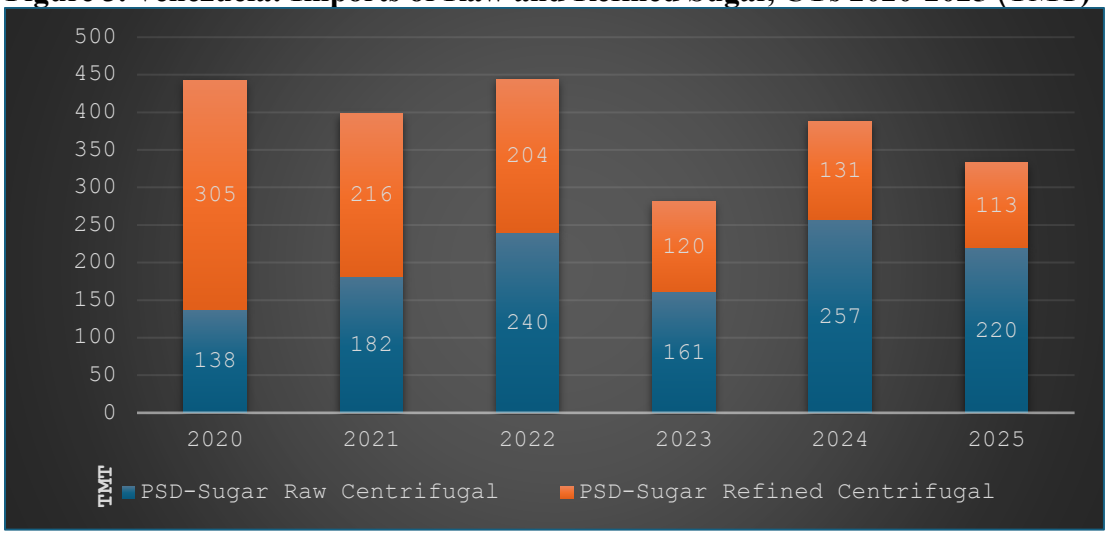
For years, domestic production has failed to meet demand, forcing Venezuela to continue relying on sugar imports. Since 2020, the government has depended on the private sector to manage sugar imports and prevent national shortages. In 2025, Brazil remained the primary exporter of raw sugar to Venezuela, holding a 95 percent market share, followed by Colombia (Figure 2). In the first half of MY 2025/2026 (October 2025 to March 2026), Venezuela imported 108,774 MT of raw sugar, exclusively from Brazil due to its price competitiveness. In calendar year (CY) 2025, Venezuela's total sugar imports totaled approximately 333,000 MT Raw Value (RV), representing a 14 percent decrease compared to CY 2024 (388,000) (Figure 3).

**Figure 2. Venezuela: Sugar Imports by Origin, CYs 2020-2025 (RV Basis, TMT)**




**Data source**: Trade Data Monitor (TDM).

**Figure 3. Venezuela: Imports of Raw and Refined Sugar, CYs 2020-2025 (TMT)**




**Data source**: TDM.

**Refined Sugar Trade**
Post forecasts zero refined sugar imports in the outyear on account of the predicted recovery in domestic sugarcane production, and the focus on raw sugar imports. Market year 2025/2026 refined sugar imports are estimated at 45,000 MT after authorities unexpectedly granted import licenses to multiple companies during the harvest period. These imports no longer supply the CLAP social food program, which ended general household distributions. Refined sugar imports now reach fewer than 10 percent of former CLAP beneficiaries.[3] In the first half of MY 2025/2026 (October 2025 to March 2026), Venezuela imported 27,000 MT of refined sugar, all from Brazil.

**Price**
Venezuelan sugarcane producers receive payment equivalent to 60 percent of the average refined sugar sale price at the mill, calculated after distribution costs, plus 50 percent of molasses sale revenues. In 2025, sugar processing facilities paid an average of $702/MT for imported raw sugar. However, bolivar exchange rate volatility caused raw sugar prices to decline to $502 per MT by March 2025. Refined sugar prices have exhibited steady growth since MY 2019/2020, a trend generally mirrored by increases in domestic sugarcane prices paid to growers (Table 4).

**Table 4. Venezuela: Mill Average Market Sales Price for Refined Sugar to Consumers (MY, USD/Kg, MT)**

| *Market Year* | *$/Kg* | *Total Domestic Production (MT)* |
|---|---|---|
| ***2019/2020*** | 0.85 | 160,000 |
| ***2020/2021*** | 1.00 | 194,000 |
| ***2021/2022*** | 1.00 | 229,000 |
| ***2022/2023*** | 1.05 | 303,000 |
| ***2023/2024*** | 1.10 | 339,000 |
| ***2024/2025*** | 1.62 | 373,000 |
| ***2025/2026*** | 1.89 | 395,000 |

**Data source:** Post contacts.

**Stocks**
Post forecasts show a small growth in sugar mill inventories for MY 2026/2027. This inventory expansion traces to MY 2025/2026 market conditions, when authorities issued import licenses to select sugar mills. These licenses, granted on the condition that recipients would reactivate idle processing facilities, permitted substantial refined sugar imports that entered the market during the first half of the marketing year.[4]

**Alcohol Production**
Declining domestic beverage demand in 2025 created surplus inventories of both molasses and finished alcohol (denatured and undenatured). The sugar industry is pursuing a two-part recovery strategy, including the selling of discounted molasses to the livestock sector for use in animal

[3] Only retirees of select public institutions and certain ministry employees.
[4] A lower price point for imported white sugar, relative to domestically produced product created competitive pressure that delayed domestic sales. Post sources indicate that over time, this price differential caused inventories to accumulate at the mills as sales velocity declined in 2025, during a period of growing inflation.

feed formulations, and seeking international buyers to absorb excess alcohol inventories through exports.

As of March 2026, the market-driven price for ethyl alcohol is USD $0.70 per liter (benchmarked against imports). This allows producers to maintain a healthy 25 percent profit margin, though high inventory levels remain a concern. Sources state that the primary obstacle to regional expansion includes dilapidated port infrastructure. Direct exports to the Caribbean and South America are currently unattainable due to a lack of appropriate loading terminals. The restriction to land-based export routes effectively leaves Colombia as the industry's only viable trade partner.

**Policy**

Raw sugar imports remain exempt from tariffs. In 2025, the government removed raw sugar from its value-added tax (VAT) structure. Since December 2020, refined sugar has maintained an 8 percent basic customs duty with a VAT of 16 percent. The Venezuelan government sporadically grants import licenses and exempts VAT and import duties depending on economic conditions. Recently, Venezuela removed the raw sugar VAT to support domestic sugar mills in covering arrears on worker payments and to boost the domestic sugar supply in a market flooded with refined sugar.

Brazilian raw sugar imports face an 8 percent tariff. Historically, Venezuela has suspended and permitted Brazilian sugar imports based on political considerations. Prior to 2006, Colombian sugar entered Venezuela under preferential tariff treatment pursuant to Andean Community of Nations (CAN) membership. Venezuela's subsequent departure from CAN resulted in a 20 percent customs duty imposed on Colombian sugar. Raw sugar originating from Guatemala, El Salvador, Nicaragua, and Honduras is similarly assessed a 20 percent import tariff.

**Attachments:**

No Attachments