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Report Highlights:

Costa Rica's marketing year 2026/2027 sugar cane and sugar production are expected to grow marginally to 3.8 million metric tons (MT) and 385,000 MT, respectively, as several factors are expected to prevent production from rebounding strongly. The possibility of very dry weather conditions, low prices, a strong local currency, and increasing land competition present challenges to expand production. MY 2025/2026 production was lower than expected at 3.7 million MT and 375,000 MT, respectively, as a result of unfavorable weather conditions and a higher incidence of pests and diseases.

Executive Summary
FAS/San José projects that sugarcane and sugar production will remain very similar to marketing year (MY) 2025/26, as most of the factors that have affected production negatively in recent years remain in place. High debt, inadequate replanting rates, competition for land in urbanizing areas, and low prices are not expected to improve in 2026. Higher fertilizer and fuel prices could exacerbate the difficult situation faced by producers. The Costa Rican colón has appreciated 33 percent against the U.S. dollar since mid-2022, reducing revenue for agricultural exporters whose contracts are typically dollar dominated.

FAS/San José projects total sugar production will rise slightly to 385,000 metric tons (MT) in MY 2026/27 as the factors mentioned above prevent production from increasing substantially. Projected MY 2026/27 production levels should still allow Costa Rica to continue to supply domestic demand, to satisfy quota allocations for exports to the United States, and to export on commercial terms to the European Union, Canada, and other markets.

FAS/San José expects Costa Rican sugar production to increase 1.6 percent during MY 2025/26 to 375,000 MT, after the expectation for much higher production in MY 2024/25 did not materialize.

Background
According to LAICA (Costa Rican Sugarcane League), there were 3,678 sugarcane producers in MY 2024/25, down from 4,006 producers in MY 2023/24. For comparison purposes, there were 7,830 producers in MY 2013/14. The number of producers has continued to fall as smaller sugarcane farmers have aged out of the industry and successive generations have sold or leased sugarcane area to remaining growers. The sector is comprised of primarily small producers, with 90 percent of farms delivering less than 500 MT of sugarcane annually to the mills. Most small producers are in the southern region of San Isidro del General and the north-central region of San Carlos. There are 9 sugar mills in the country. According to estimates from LAICA, the sugar sector generates 58,000 direct and indirect jobs.

Sugarcane is grown in six regions with different climates, altitudes, and topography: Guanacaste and Puntarenas on the Pacific side of the country; the northern region, near the border with Nicaragua; the Central Valley; Turrialba; and the southern region, near the border with Panama. Sixty-nine percent of the sugar production is concentrated in the provinces of Guanacaste (34,687 hectares) and Puntarenas (5,170 hectares) along the Central and Southern Pacific regions. Production in the other five regions is distributed more evenly, ranging from 4 to 13 percent of the total. According to data from LAICA, roughly 79 percent of sugarcane is expected to have been harvested mechanically during MY 2025/26. The percentage of mechanically harvested sugar has been trending upwards as farmers and mills look for ways to reduce labor costs. With roughly 90 percent of the sugarcane already harvested in MY2025/26, 74 percent was owned or produced by the mills, while the rest was produced by independent producers.

Production

MY 2026/27
FAS/San José projects Costa Rican MY 2026/27 sugarcane production at 3.8 million MT and sugar production at 385,000 MT, as continuing challenges faced by producers (low prices, high indebtedness,

declining area planted, strong currency headwinds) keep production from increasing substantially. International weather models are signaling a higher possibility of the occurrence of “El Niño”, which on previous occasions resulted in drought in the main production regions of Guanacaste and Puntarenas. The impact of this phenomenon in Costa Rica will depend on the time of its consolidation, which is still uncertain. In the past (1982, 1997, 2015 and 2023), El Niño resulted in dryer than normal conditions in the Pacific side of the country and higher rainfall in the Atlantic. Considering the above, FAS/San José anticipates that sugarcane production will only increase moderately in the next marketing year.

FAS/San José projects MY 2026/27 sugarcane area planted to remain at around 57,000 hectares (ha). Area planted declined in 2024/2025 to 57,442 ha from 58,301 ha the previous marketing year. Continual planted area reductions in some parts of the country such as the Central Valley are expected to be compensated by incremental growth in area planted in Guanacaste. Sugarcane area planted is also facing strong competition from pineapple production in the northern region of the country.

Within the Central Valley, advancing urbanization will remain a factor over the medium-term, as higher production costs, historical debt loads, increasing land values, and a generation of older farmers retiring or selling their land will extend the trend of production area losses. The Central Valley region lost 289 ha of sugarcane area in MY 2024/25, and 275 ha in MY 2023/2024 according to data from LAICA.

Labor availability remains an important challenge, affecting smaller-sized sugarcane growers who are typically too small to take advantage of mechanized harvesting equipment. With the support of the Ministry of Agriculture, LAICA has coordinated with the Federation of Chambers of Cane Producers for the purchase of Chinese harvesting equipment, selected for its smaller size and better adaptation to the local terrain. The equipment has been used successfully in hilly areas of Turrialba and Juan Viñas, unlike Guanacaste or the northern regions. The Juan Viñas mill has been progressively adapting its farms to the equipment. The use of these machines is expected to compensate for the lack of manual labor during the harvest. This model is expected to be replicated in other production areas to alleviate labor scarcity.

Figure 1: Small harvesting equipment used in Juan Viñas, Costa Rica

Source: *Actualidad Cañera (LAICA/DIECA)*

MY 2025/26

As of April 8, 2026, the MY 2025/26 sugarcane harvest and sugar processing are almost over in Guanacaste, the southern region, and the Central Valley of the country, and still underway in the Juan Viñas and San Carlos regions. LAICA preliminary data projects sugarcane and sugar production at 3.7 million MT and 375,000 MT, respectively, during MY 2025/26, a 1.6 percent increase in terms of sugar production. Cane production fell 5.7 percent short of LAICA's initial production estimate, while sugar production was 4.9 percent lower than estimated.

Several factors contributed to the lower-than-expected sugar cane production, which had initially been forecast to rebound from the low production of MY 2024/25. Weather conditions negatively affected production in the Guanacaste and Northern Region at different times during the production cycle. In Guanacaste, rainfall was lower than normal during the months of July to September, affecting the development of biomass and resulting in lower cane yields in the area surrounding the three largest mills in the country (Taboga, CATSA, and El Viejo). In the northern areas, excessive rain during the harvest in February caused damage to the fields, affected the harvest process, and reduced yields. A much higher incidence of cane rodents (*Sigmodon hirsutus)* affected farms in the Pacific, and orange rust (*Puccinia kuehnii)*, a fungal disease, affected an estimated 40 percent of the area planted in the southern region. The disease causes leaf loss, reducing the photosynthetic area of the plant, which slows its development and lowers the cane volume. The Ministry of Agriculture declared a state of emergency which will allow assistance to replace the varieties used in the region with varieties that are more resistant to the rust.

The following picture, provided by DIECA (LAICA's Sugarcane Research and Extension Department), shows some of the affected plantations in the Northern Region.

Figure 2: Flooded and Damaged Sugarcane Fields in Los Chiles, Costa Rica

The MY 2025/26 average sugar processing yield is expected to increase to 101.35 kilograms (kg)/MT from 98.01 kg/MT during the previous marketing year. The higher industrial yield compensated for the lower volume of cane produced during the marketing year

Table 1. Costa Rica: Sugarcane and Sugar Production

Marketing Year	Sugarcane (MT)	Sugar (MT)	Cane/sugar ratio [1]
2017/18	4,054,141	431,109	9.40
2018/19	4,025,447	442,187	9.10
2019/20	4,092,123	440,393	9.29
2020/21	3,995,020	425,178	9.40
2021/22	3,987,888	415,897	9.37
2022/23	3,422,767	350,242	9.46
2023/24	4,139,275	423,967	9.76
2024/25	3,765,161	369,016	10.20
2025/26*	3,700,000	375,000	9.87

* Preliminary data.

1. Interpreted as the number of tons of sugarcane needed to produce a ton of sugar.
Source: Costa Rican Sugar League (LAICA)

Consumption
FAS/San José projects total Costa Rican domestic sugar consumption to remain stable at 240,000 MT in MY 2025/26, as population growth in Costa Rica is very low (about 1 percent per year) and sugar consumption is already high in relative terms. However, sectors such as food, beverage, and alcohol manufacturing continue to grow at relatively steady rates, pushing industrial sugar consumption up. The Costa Rican population growth rate has been trending downward since at least 2001 and is expected to remain just above 1 percent over the medium term. On an estimated 2026 population of 5.3 million people (extrapolated from recent growth rate trends), FAS/San José projects annual per capita consumption at approximately 45 kg. While Costa Rica's per capita consumption remains relatively high, it has fallen by nearly a third since MY 1997/98, as public health campaigns and changing cultural norms have driven down sugar consumption while supporting consumption of sugar alternatives.

Costa Rican mills produce different types of sugar for the domestic market, including raw sugar, white sugar, refined sugar, white special, and organic sugar. LAICA estimates that 60 percent of sugar consumption in the country is for industrial use, and 40 percent is for direct consumption.

Trade
FAS/San José projects Costa Rican raw value basis sugar exports to increase slightly to 140,000 MT in MY 2025/26 and with another slight increase to 145,000 MT in MY 2026/2027. Based on historical export patterns, FAS/San José expects the United States, Europe (primarily Germany, United Kingdom, and Belgium), and the Bahamas to remain the leading destinations for Costa Rican sugar exports. Costa Rica continues to look for new international customers. In that context, New Zealand and Taiwan were new export destinations in 2024/25. Exports to the United States include sugar quota volumes allocated

within the U.S. commitments under World Trade Organization (WTO) Agreement and negotiated in the Dominican Republic-Central America Free Trade Agreement (CAFTA-DR) as well as sugar for re-export.

Table 2: Centrifugal Sugar Export Volume Matrix (Oct/Sep Marketing Year, MT)

Country of destination	2022/2023	2023/2024	2024/2025
United States	110,943	88,134	104,885
Taiwan	0	0	10,946
United Kingdom	6,437	7,244	23
New Zealand	0	0	5,629
Spain	2,234	1,535	333
Bahamas	4,161	4,218	4,709
Germany	8,248	8,656	667
Netherlands	1,893	1,861	198
Others	7,312	10,080	11,261
Total	**141,228**	**121,728**	**138,651**

Source: Costa Rica's Customs Department

As of April 15, 2025, Costa Rica had already exported its full WTO sugar quota – 16,137 MT raw value allocated volume – to the United States for U.S. fiscal year (FY) 2026, which corresponds to sugar MY 2025/26. Costa Rica also plans to export its full CAFTA-DR sugar allocation of 15,400 MT for calendar year 2026.

FAS/San José projects MY 2025/26 sugar imports at 5,000 MT based on available trade data and recent trade patterns. Though imports are generally negligible, white sugar for direct consumption from Brazil was relatively high during the 2015-2020 period. The Government of Costa Rica imposed a safeguard measure on Brazilian refined sugar to limit import growth in August 2020, pushing the import duty on imported refined sugar from 45 percent to 72.68 percent. The safeguard has already been lifted by Costa Rica, following WTO agreements. After peaking at 12,771 MT in 2020, and declining thereafter, imports from Brazil were 871 MT in 2025 according to Costa Rica's Customs Department. Total sugar imports were 2,697 MT in 2025 and during January - February 2026, they reached 1,043 MT, signaling a potentially higher import volume in 2026.

Stocks

FAS/San José projects MY 2025/26 sugar ending stocks at 381,000 MT. Costa Rican sugar ending stock volumes reflect a residual of export and consumption projections and estimates.

Table 3: Sugarcane for Centrifugal Sugar: Supply and Utilization

Sugar Cane for Centrifugal	2024/2025		2025/2026		2026/2027	
Market Year Begins	Oct 2024		Oct 2025		Oct 2026	
Costa Rica	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted (1000 HA)	61	58	0	57	0	57
Area Harvested (1000 HA)	55	53	0	54	0	54
Production (1000 MT)	4100	3765	0	3700	0	3800
Total Supply (1000 MT)	4100	3765	0	3700	0	3800
Utilization for Sugar (1000 MT)	4100	3765	0	3700	0	3800
Utilizatn for Alcohol (1000 MT)	0	0	0	0	0	0
Total Utilization (1000 MT)	4100	3765	0	3700	0	3800
(1000 HA) ,(1000 MT)						

Table 4: Centrifugal Sugar: Production, Supply, and Distribution

Sugar, Centrifugal	2024/2025		2025/2026		2026/2027	
Market Year Begins	Oct 2024		Oct 2025		Oct 2026	
Costa Rica	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Beginning Stocks (1000 MT)	387	387	400	381	0	381
Beet Sugar Production (1000 MT)	0	0	0	0	0	0
Cane Sugar Production (1000 MT)	394	369	410	375	0	385
Total Sugar Production (1000 MT)	394	369	410	375	0	385
Raw Imports (1000 MT)	0	0	0	0	0	0
Refined Imp.(Raw Val) (1000 MT)	2	2	2	5	0	2
Total Imports (1000 MT)	2	2	2	5	0	2
Total Supply (1000 MT)	783	758	812	761	0	768
Raw Exports (1000 MT)	133	104	100	110	0	115
Refined Exp.(Raw Val) (1000 MT)	24	35	30	30	0	30
Total Exports (1000 MT)	157	139	130	140	0	145
Human Dom. Consumption (1000 MT)	226	238	271	240	0	240
Other Disappearance (1000 MT)	0	0	0	0	0	0
Total Use (1000 MT)	226	238	271	240	0	240
Ending Stocks (1000 MT)	400	381	411	381	0	383
Total Distribution (1000 MT)	783	758	812	761	0	768
(1000 MT)						

Attachments:

No Attachments