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Report Highlights:

Guatemala's sugar industry is expected to continue expanding in marketing year 2026/27, with production forecast at 2.821 million metric tons, driven by an increase in harvested area to approximately 262,000 hectares. The sector remains one of the three most efficient sugar producers globally and continues to advance sustainability initiatives, while refined sugar now accounts for approximately 70 percent of total exports. Domestic consumption is projected to remain stable at about 40 percent of total production, with exports reaching an estimated 1.685 million metric tons and serving a wide range of international markets.

PRODUCTION

Overview

Guatemala's sugar industry operates through 13 mills located along the southern coast, collectively supporting a growing production base. In marketing year (MY) 2026/27, the sector is expected to continue expanding, driven by the addition of new processing capacity and favorable weather conditions that are anticipated to improve yields.

Area and Output

Sugarcane harvested area in Guatemala is forecast to reach 262,000 hectares in MY 2026/27, representing a 5.7 percent increase from the revised MY 2025/26 estimate of 248,000 hectares. This expansion includes approximately 14,000 additional hectares associated with Magdalena Sugar Mill in Retalhuleu that will come into production. The MY 2025/26 estimate was revised upward following the recovery of 4,000 hectares that had previously been out of production.

Table 1 presents 10 years of historical data on planted and harvested sugarcane area in Guatemala. Typically, about one-fifth of the planted area is under renovation and therefore not harvested in a given year, as the full renovation cycle lasts approximately five years. After experiencing a decline over the past eight years, largely due to lower international prices, including the impact of India's sugar subsidies, Guatemala's sugarcane area is now recovering.

Table 1

Historical Sugar Cane Planted and Harvested Area in Guatemala

MY (Nov-Oct)	Planted Area (Ha)	Harvested Area (Ha)
2026/27	288,000	262,000
2025/26	274,000	248,000
2024/25	270,000	244,000
2023/24	270,000	250,000
2022/23	275,000	240,000
2021/22	275,000	249,000
2020/21	275,000	258,000
2019/20	288,000	258,000
2018/19	295,000	263,000
2017/18	296,000	256,000

Source: FAS Guatemala Office with CENGICAÑA data base, 2026

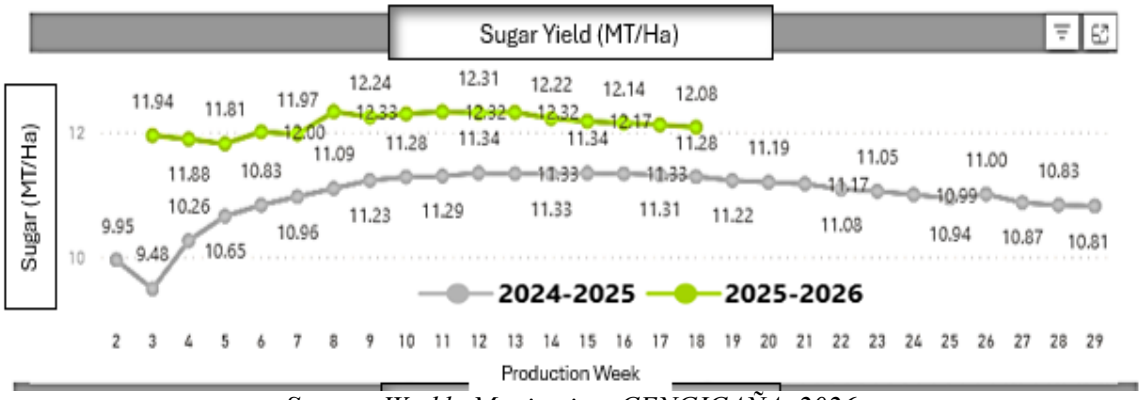
Sugar production in MY 2026/27 is projected at 2.81 million metric tons (MT), a 4.8 percent increase from the MY 2025/26 estimate of 2.68 million MT, driven primarily by the expansion in harvested area. This forecast also represents a 7.2 percent increase compared to MY 2024/25 production of 2.62 million MT.

Weather Impact and Yield Performance

According to the Sugar Cane Improvement Center (CENGICAÑA), weather conditions can impact production output by ±2.5 percent, assuming area remains constant. Fortunately, weather conditions in MY 2025/26 have been positive, with a favorable combination of rainfall and sunlight increasing both sugarcane and sugar yields throughout the first 18 weeks of the production cycle, as shown in Figure 1 and 2.

Figure 1

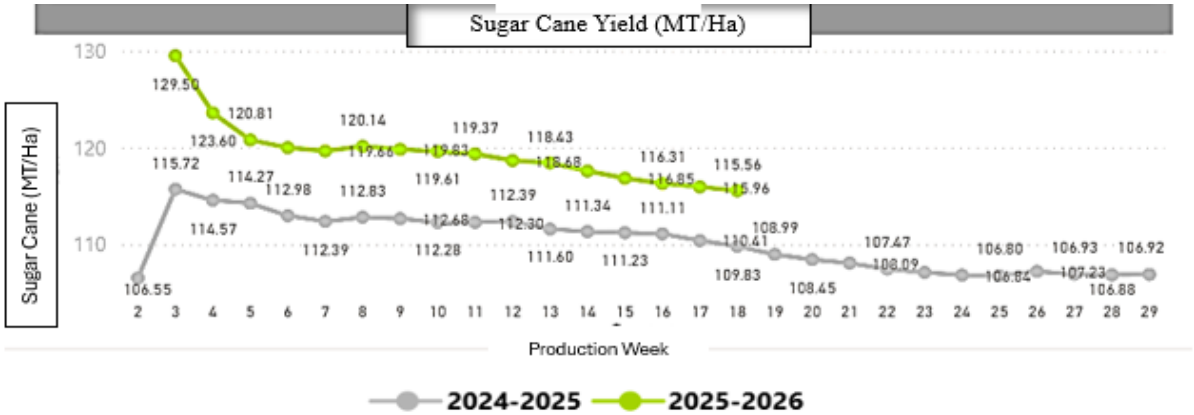
MY 2025/26 Sugar Yield Estimates up to March 8,2026



Source: Weekly Monitoring, CENGICAÑA, 2026

Figure 2

MY 2025/26 Sugar Cane Yield Estimates up to March 8,2026



Source: Weekly Monitoring, CENGICAÑA, 2026

Research and Innovation

The continued growth of Guatemala's sugar industry is supported by ongoing research and development efforts led by CENGICAÑA. These initiatives focus on enhancing productivity through genetic innovation and improving sustainability by reducing the industry's carbon footprint.

Genetic Advancement

The high-performing variety CG02-163 has been widely adopted across the sector and now accounts for more than 45 percent of total planted area. Its rapid uptake reflects the effectiveness of local breeding programs and underscores the industry's need to continuously innovate in response to external challenges, particularly weather variability, to sustain production growth. New varieties are developed with the objective of increasing yields by at least one metric ton per hectare.

Environmental Innovation

To reduce its carbon footprint, Guatemala's sugar industry has focused on four key areas. First, producers have expanded the use of natural pest and disease control methods, including biological controls such as parasitoids and fungi, complemented by organic treatments applied through drone technology.

Second, the industry has strengthened water management through the integrated use of surface, groundwater, and residual water resources, while coordinating with surrounding communities to monitor river levels and support conservation efforts. Since 2011, these efforts have included the reforestation of approximately 8,000 hectares. Sugarcane production relies on rainfall for 73 percent of its water needs and uses 51 percent less water per metric ton of sugarcane than the global average.

Third, the adoption of climate-smart agricultural practices has reduced greenhouse gas emissions by an estimated 4 million metric tons of carbon dioxide per production cycle.

Finally, fertilizer use has been optimized through "dry extraction" processes that minimize or eliminate water use during sugar processing while returning nutrients from sugarcane back to the fields.

Economic and Social Impact

Beyond sugar production, the industry generates substantial economic value and employment opportunities. The sector directly employs 52,000 people and generates 258,000 indirect jobs, with an overall economic footprint of $1.55 billion.

Co-Products and Diversification

In MY 2024/25, Guatemala's sugar industry produced 2.6 million metric tons of sugar and generated significant byproducts, including 995,334 MT of cane molasses and approximately 65 million gallons of alcohol derived from molasses, produced by five distilleries. The sector continues to rank among the three most efficient producers globally in terms of sugarcane and sugar yields per hectare.

Ethanol Development

Guatemala's alcohol law dates to 1985 (Decree 17-85), which established the legal framework for blending alcohol with gasoline. However, implementing regulations were only recently issued on December 22, 2025 (Presidential Decree 257-2025). The regulation mandates a 10 percent ethanol blend (E10) in gasoline, with nationwide implementation required by June 30, 2026. This policy is expected to increase domestic demand for alcohol derived from sugarcane molasses.

Renewable Energy Production

Beyond alcohol production, Guatemala's sugar industry is a significant contributor to the country's renewable energy sector. The industry has an installed capacity of 992.4 megawatts (MW) generated through sugar mills, accounting for approximately 30 percent of national renewable energy production. Magdalena Sugar Mill has further diversified its energy portfolio by incorporating a solar park, while other mills have developed energy forests to support and expand renewable generation capacity.

CONSUMPTION

Domestic Market Structure

Consumption in MY 2026/27 is forecast at 1.128 million MT, representing a 1.3 percent increase from the MY 2025/26 estimate of 1.11 million MT. Of this total, direct human consumption accounts for approximately 73 percent (823,000 MT), while industrial use represents the remaining 27 percent (305,000 MT).

Industrial demand is driven primarily by soft drink manufacturers, followed by confectionery producers, bakeries, juice processors, dairy companies, and pharmaceutical manufacturers. Per capita consumption in MY 2026/27 is projected at 61 kilograms, in line with recent years.

Sugar consumption in Guatemala accounts for approximately 40 percent of total production, a ratio that has remained historically stable and serves as a key benchmark for industry planning across planting, harvesting, processing, sales, and trade logistics.

Price Stability

According to the Ministry of Agriculture of Guatemala (MAGA) weekly monitoring for food prices, sugar prices have remained stable at $1.00/Kg for white sugar over the past 14 months (50 Kg bag presentation at wholesale), scaling to $1.09/Kg at retail. These prices remain well below the global average of $1.55/Kg (reference up to January 2026, according to GlobalProductPrices.com).

Sugar substitutes available in the country's 700 supermarkets command significantly higher prices: $24.99/Kg for Splenda and $20.98/Kg for Monk Fruit, reflecting the competitive pricing advantage of domestic sugar production.

TRADE

Export Outlook

Guatemalan sugar exports are forecast at 1.685 million MT in MY 2026/27, representing a 4.8 percent increase from the MY 2025/26 estimate of 1.608 million MT. This projected growth is consistent with the expansion in planted area and increased production outlined in the production section.

Refined vs. Raw Sugar Shift

Guatemala continues its strategic shift toward higher-value refined sugar exports. In MY 2026/27, refined sugar exports are projected at 1.185 million MT, accounting for approximately 70 percent of total exports, while raw sugar exports are forecast at 500,000 MT, or 30 percent of the total. This trend reflects a continued evolution from MY 2025/26, when refined sugar represented 68 percent of exports (1.093 million MT refined compared to 515,000 MT raw). Although raw sugar export volumes are expected to decline slightly, by approximately 3 percent, the overall increase in exports is driven by strong global demand for refined sugar.

Recent Export Performance

Exports in MY 2024/25 closed at 1.803 million MT, with a 60:40 split between refined and raw sugar. This higher-than-forecast volume resulted from utilizing accumulated raw sugar stocks as international prices rose due to supply shortages. These shortages stemmed primarily from adverse weather conditions and logistical bottlenecks in other major producing countries.

Market Diversification

Guatemala's main raw and refined sugar exports are destined for the United States, followed by Taiwan and Canada. Recent market development has been particularly successful in Africa, with new refined sugar importers including Côte d'Ivoire, Ghana, and Mauritania. Additional markets

include Chile and Sudan. Malaysia and South Korea continue as consistent importers of Guatemalan raw sugar (see Table 2).

Table 2
MY2024/25 Sugar Exports from Guatemala to the World

	MY2023/24		
Metric Tons Raw Value (MTRV)	**Raw**	**Refined**	**TOTAL**
United States	127,116	124,023	251,139
Taiwan	147,039	40,884	187,923
Canada	176,784	172	176,956
Cote d'Ivoire	-	130,260	130,260
Ghana	-	123,485	123,485
Mauritania	-	107,524	107,524
Chile	663	92,729	93,392
Malaysia	71,930	-	71,930
Sudan	-	41,654	41,654
South Korea	69,802	-	69,802
Others	199,312	209,315	408,627
TOTAL	**720,139**	**1,083,158**	**1,803,297**

Source: FAS Guatemala with TDM data, 2026

Logistical Challenges

Despite strong export performance, Guatemala faces significant infrastructure constraints that impact trade efficiency. Port inefficiency, particularly at Port Quetzal on the Pacific coast—which handles most bulk cargo—has created substantial challenges for the sugar industry.

During MY 2025/26, the industry incurred $1.3 million in demurrage costs as exports initiating in November coincided with peak import season, causing 12-day delays. Container shortages forced industry to develop improved refined sugar loading systems for bulk shipments in sacks (Picture 1).

While these improvements have enhanced efficiency, capacity remains constrained. Current loading capacity is 6,000 MT/day, requiring 5 days to fill a 30,000 MT ship. By comparison, the same ship can be fully loaded in 18 hours at efficient ports operating at 2,000 MT/hour. This disparity highlights the need for continued infrastructure investment to support Guatemala's growing export volumes.

Picture 1

Refined Sugar Improved Loading Capacity at Port Quetzal in Guatemala

Source: GUATECAÑA, 2026

STOCKS

Stock Drawdown

As mentioned in the trade section, accumulated stocks were strategically utilized during MY 2024/25 when favorable international prices created export opportunities. Beginning stocks of 434,000 MT in MY 2024/25 were drawn down to ending stocks of 152,000 MT, representing a 65 percent reduction.

This significant stock drawdown explains the lower stock levels projected for subsequent marketing years. Stocks in MY 2025/26 are estimated at 111,000 MT, with MY 2026/27 forecast at 108,000 MT, a modest 3 percent decline. These lower stock levels reflect the industry's efficient inventory management and strong export demand, while maintaining adequate reserves to ensure domestic supply security and fulfill quota commitments.

TRADE POLICY

Free Trade Agreement Network

Guatemala has developed an extensive network of free trade agreements (FTAs) that support sugar exports to key global markets. These agreements include the Dominican Republic–Central America–United States Free Trade Agreement (CAFTA-DR), as well as bilateral or regional agreements with the European Union, the United Kingdom, Mexico, Taiwan, Colombia, Chile, Panama, Israel, and Peru. In addition to these FTAs, Guatemala has signed partial scope

agreements with Ecuador, Cuba, Belize, and Venezuela, which provide more limited market access for select products.

Recent Developments and Pending Agreements

On November 18, 2025, Guatemala's Congress ratified the free trade agreement (FTA) with South Korea through Decree 18-2025. South Korea has also completed its ratification, and Guatemala is in the process of finalizing its accession alongside the rest of Central America. Under this agreement, sugar and green coffee were granted immediate market access, representing a significant opportunity for key export sectors.

Guatemala is also actively negotiating trade agreements with the United Arab Emirates, Turkey, and the Caribbean Community (CARICOM). In parallel, Congress is reviewing several pending agreements, including FTAs with the European Free Trade Association (EFTA) countries (Iceland, Liechtenstein, Norway, and Switzerland), as well as Costa Rica, Panama, and Trinidad and Tobago.

Quota Management

Guatemala has consistently fulfilled its sugar quota commitments with key trading partners and is expected to fully utilize its World Trade Organization (WTO) and CAFTA-DR quotas in marketing year (MY) 2025/26. As detailed in Table 3, total sugar export quotas under applicable FTAs amount to 413,512 metric tons raw value (MTRV) for MY 2025/26.

Table 3
Guatemala Sugar Quotas Under Free Trade Agreements (FTA)

FTA	MY2024/25 (MTRV)	MY2025/26 (MTRV)	Quota Structure	
Taiwan	155,000	155,000		37%
United States CAFTA-DR	54,520	55,460	26%	13%
United States WTO	51,639	51,639		12%
EU	97,400	100,100		24%
UK	29,457	30,313		7%
Ecuador	21,000	21,000		5%
TOTAL	409,016	413,512		

Source: Guatecaña, 2026

The quota distribution reflects Guatemala's diversified export strategy, with Taiwan representing the largest single quota (37%), followed by the European Union (24%), and U.S. markets through both CAFTA-DR (13%) and WTO (12%) allocations.

POLICY

Domestic Regulatory Framework

Fortification Requirements
Guatemala's fortification law applies to salt, corn and wheat flours, and sugar. All sugar commercialized in the country must be fortified with Vitamin A, creating a unique niche market for domestic sugar production. This requirement ensures that domestically consumed sugar contributes to public health nutrition goals.

Supply Priority Policy
The sugar industry must supply total national consumption before exporting surplus production. This policy has maintained a historical 40:60 ratio of domestic consumption to exports, which guides all aspects of industry planning including planting, harvesting, processing, sales, and trade logistics. This framework ensures food security while supporting the export-oriented growth of the sector.

Sustainability Framework
Beyond national regulations, the sugar industry has voluntarily adopted comprehensive policies to comply with production, environmental, and social frameworks required to compete in international markets. The Guatemalan sugar sustainability strategy has established ambitious targets for the 2023-2033 decade.

Environmental Commitments
The industry has achieved significant environmental milestones:

Carbon Footprint Reduction: The sector has reduced emissions by more than 4 million tons of carbon dioxide per production cycle, positioning Guatemala as a leader in sustainable sugar production.

International Certifications: Guatemala's sugar industry holds multiple prestigious certifications:
• ISO 14001 (effective environmental management)
• Bonsucro (global sugarcane sustainable production)
• ISCC (sustainable biomass and renewable energy)
• Neutral Carbon (monitoring and greenhouse gas emissions compensation)
• Fair Trade and Rainforest Alliance (social and biodiversity targets)

Implementation Framework
To achieve these sustainability objectives, the sector has developed comprehensive implementation guides monitored by dedicated committees (Figure 2). These guides cover all aspects of production, from field operations to processing and distribution.

Figure 3
Productivity and Sustainability Policies, Guides, and Apps of the Guatemalan Sugar Sector

Source: Guatecaña, 2026 (Spanish)

As a result of these sustainability efforts, Guatemalan sugar and its products are recognized as "advanced" in international markets, commanding premium prices.

Social Responsibility
The industry's social commitments are centered on five key areas. First, it promotes equal employment opportunities by advancing diversity and inclusion across all levels of operation. Second, it supports general wellness and health through comprehensive programs for employees, their families, and surrounding communities. Third, the industry maintains a zero-tolerance policy toward child labor, supported by strict enforcement and monitoring mechanisms. Additionally, the sector invests in local and community development, including infrastructure, education, and economic opportunities in sugar-producing regions. Finally, it implements preventive health initiatives, particularly along Guatemala's South Coast, where sugar production is concentrated.

Women in Sugar Production
The incorporation of women into the sugar industry initially emerged as a response to migration-related labor shortages, particularly for drivers and field machine operators. The program has evolved into one of the sector's most celebrated achievements. Today, female mechanical harvest crews represent a source of pride for the industry, demonstrating that women excel in all aspects of sugar production, from field operations to technical and management positions (Picture 2).

Picture 2
Guatemalan Sugar Sector Equal Labor Opportunities for Women

Source: GUATECAÑA, 2026

This comprehensive policy framework, combining mandatory domestic regulations with voluntary international sustainability standards, positions Guatemala's sugar industry as both a responsible domestic supplier and a competitive, premium exporter in global markets.

Production, Supply, and Demand

The following table provides detailed production, supply, and distribution data for Guatemala's sugar sector across three marketing years. Data includes both USDA official figures and New Post estimates, reflecting the most current market intelligence.

Sugar, Centrifugal	2024/2025		2025/2026		2026/2027	
Market Year Begins	Oct 2024		Oct 2025		Oct 2026	
Guatemala	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Beginning Stocks (1000 MT)	434	434	414	152	0	111
Beet Sugar Production (1000 MT)	0	0	0	0	0	0
Cane Sugar Production (1000 MT)	2621	2621	2621	2681	0	2810
Total Sugar Production (1000 MT)	2621	2621	2621	2681	0	2810
Raw Imports (1000 MT)	0	0	0	0	0	0
Refined Imp.(Raw Val) (1000 MT)	0	0	0	0	0	0
Total Imports (1000 MT)	0	0	0	0	0	0
Total Supply (1000 MT)	3055	3055	3035	2833	0	2921
Raw Exports (1000 MT)	682	720	600	515	0	500
Refined Exp.(Raw Val) (1000 MT)	882	1083	925	1093	0	1185
Total Exports (1000 MT)	1564	1803	1525	1608	0	1685
Human Dom. Consumption (1000 MT)	1077	1100	1170	1114	0	1128
Other Disappearance (1000 MT)	0	0	0	0	0	0
Total Use (1000 MT)	1077	1100	1170	1114	0	1128
Ending Stocks (1000 MT)	414	152	340	111	0	108
Total Distribution (1000 MT)	3055	3055	3035	2833	0	2921
(1000 MT)						
OFFICIAL DATA CAN BE ACCESSED AT: PSD Online Advanced Query						

Attachments:

No Attachments