

Required Report: Required - Public Distribution

Date: October 05, 2026

Report Number: MX2026-0049

Report Name: Sugar Semi-annual

Country: Mexico

Post: Mexico City

Report Category: Sugar

Prepared By: Claudia Hernández

Approved By: Nigel Hunter

Report Highlights:

Mexico's marketing year (MY) 2026/27 sugar production is forecasted at 5.70 million metric tons raw value (MMT-RV), up 1 percent from MY 2025/26 due to seasonal rains and recovering planted area. Domestic consumption is expected to remain flat year-over-year as the 2026 Special Tax on Production and Services (IEPS) continues to limit demand recovery. Imports are forecast to decline 32 percent following increased tariffs and higher domestic output. Exports are forecast to rise 42 percent as the industry diverts surplus supply to stabilize local prices, alongside an increased U.S. export quota allocation under the Sugar Suspension Agreements. Mexico's National Committee for the Sustainable Development of Sugar Cane (CONADESUCA) has not yet published an official forecast for MY 2026/27.

Table 1: Sugar Supply and Distribution October/September MY (1000 MT-RV)

Sugar, Centrifugal Market Year Begins	2024/2025		2025/2026		2026/2027	
	Oct 2024		Oct 2025		Oct 2026	
Mexico	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Beginning Stocks (1000 MT)	1,503	1,505	1,190	1,193	1,132	1,302
Beet Sugar Production (1000 MT)	0	0	0	0	0	0
Cane Sugar Production (1000 MT)	5,057	5,057	5,490	5,645	5,451	5,700
Total Sugar Production (1000 MT)	5,057	5,057	5,490	5,645	5,451	5,700
Raw Imports (1000 MT)	0	0	0	0	0	0
Refined Imp.(Raw Val) (1000 MT)	177	177	55	44	30	30
Total Imports (1000 MT)	177	177	55	44	30	30
Total Supply (1000 MT)	6,737	6,739	6,735	6,882	6,613	7,032
Raw Exports (1000 MT)	1,003	760	985	139	892	528
Refined Exp.(Raw Val) (1000 MT)	81	309	63	921	57	972
Total Exports (1000 MT)	1,084	1,069	1,048	1,060	949	1,500
Human Dom. Consumption (1000 MT)	4,121	4,148	4,241	4,180	4,165	4,180
Other Disappearance (1000 MT)	342	329	314	340	315	320
Total Use (1000 MT)	4,463	4,477	4,555	4,520	4,480	4,500
Ending Stocks (1000 MT)	1,190	1,193	1,132	1,302	1,184	1,032
Total Distribution (1000 MT)	6,737	6,739	6,735	6,882	6,613	7,032

Table 2: Mexico – Sugar Cane for Centrifugal PS&D

Sugar Cane for Centrifugal Market Year Begins	2024/2025		2025/2026		2026/2027	
	Nov 2024		Nov 2025		Nov 2026	
Mexico	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted (1000 HA)	800	750	0	770	0	770
Area Harvested (1000 HA)	780	736	0	735	0	748
Production (1000 MT)	48,400	45,750	0	49,605	0	50,200
Total Supply (1000 MT)	48,400	45,750	0	49,605	0	50,200
Utilization for Sugar (1000 MT)	48,400	45,750	0	49,605	0	50,200
Utilizatn for Alcohol (1000 MT)	0	0	0	0	0	0
Total Utilization (1000 MT)	48,400	45,750	0	49,605	0	50,200

PRODUCTION

MY 2026/27

Post forecasts sugar production for MY 2026/27 at 5.7 MMT-RV¹, a 1 percent increase from the prior MY. While seasonal rains during mid-2025 and through mid-2026 have helped alleviate the drought conditions experienced in prior marketing years, the ongoing recovery remains constrained by recent

¹ One Metric Ton Raw Value (MT-RV) = 0.943396226 Metric Tons (MT)

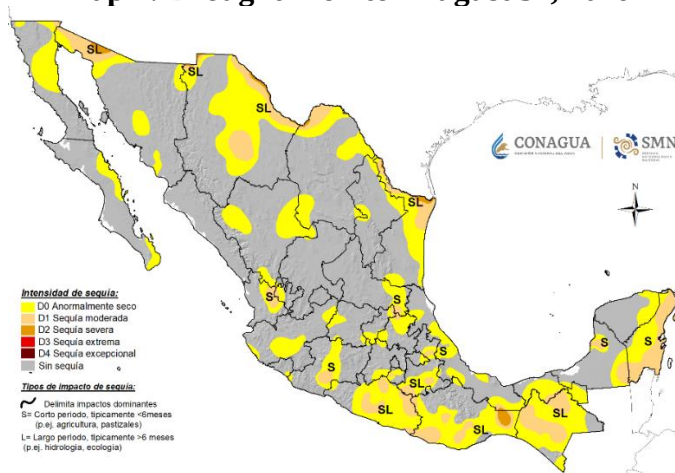
pressures on the agricultural inputs market. The recent rises in global fertilizer prices, total input costs, and availability of inputs are forecast to lead to adjustments in fertilization frequency and application rates, which could reduce field yields. Additionally, Mexico's National Water Commission (CONAGUA) meteorological monitoring reports that El Niño conditions became established in June 2026. While industry contacts have not reported early moisture stress affecting current sugarcane development, regional weather patterns historically associated with El Niño during the vegetative phase (May–October) remain a factor to monitor for subsequent yield evaluations.

Post forecasts harvested area for MY 2026/27 at 748,000 hectares (HA), an increase of 2 percent. Cane harvest is forecasted at 50.2 MMT with a field yield of 67.11 mt/ha. CONADESUCA has not yet published an official MY 2026/27 forecast. According to industry sources, production at the beginning of MY 2026/27 will focus on raw sugar to facilitate Mexico's first U.S. quota allocation of 366,344 MT-RV for the first three months of the MY (October–December).

Currently, the sugarcane crop is in its growth stage and during this stage sugarcane grows at its fastest rate thanks to warm temperatures (around 86°F), sunny days, and plenty of rain. These ideal conditions help the sugarcane stretch tall quickly, develop thick leaves, and build up solid weight before harvest, which starts around November.

Favorable weather across major sugarcane-producing municipalities supports forecasted yield recoveries for MY 2026/27. According to data from CONAGUA, as of August 2026, 17 out of 267 sugarcane-producing municipalities (6 percent) are experiencing moderate drought (see Map 1). Of the remaining municipalities, 122 have abnormally dry conditions and 128 have no presence of drought.

Map 1: Drought Monitor August 31, 2026

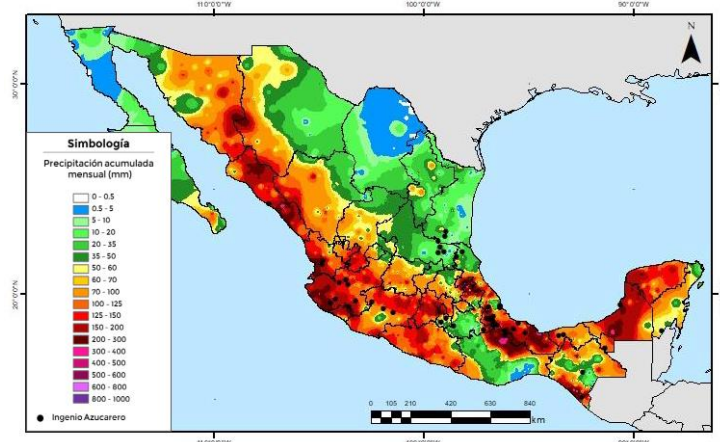


Source: CONAGUA

Legend: Map shows intensity of drought. Grey shows no drought, yellow shows moderate drought, orange severe drought, and red shows extreme drought.

Map 2 shows that several sugar states have benefited from some rains in July 2026. All sugarcane regions show accumulated precipitation below last MY. In July, the accumulated precipitation across all sugarcane areas was an average of 170 mm, 74 mm below historical average levels, and below the July 2025 level of accumulated precipitation for all sugarcane areas (see Figure 1).

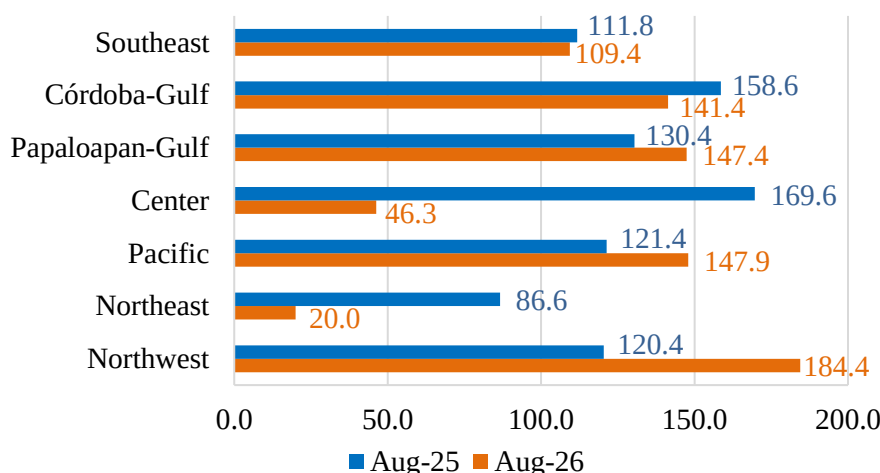
Map 2: Precipitation August Accumulation (mm)



Source: CONAGUA.

Legend: Map shows precipitation in sugarcane areas. The scale from blue to purple shows lower to higher precipitation, respectively.

Figure 1: Monthly Accumulated Rainfall (mm), August 2025 vs. August 2026



Data Source: CONADESUCA

MY 2025/26

Post estimates sugar production for MY 2025/26 at 5.65 MMT-RV, a 12 percent increase from the prior MY due to the return of seasonal rains boosting yields in several sugarcane-producing states during mid-2025.

CONADESUCA released its final weekly production report for MY 2025/26 on August 17, wrapping up total production at 5.65 MMT-RV, a 12 percent year-over-year surge driven largely by favorable seasonal rainfall. Top producing states continued to be led by Veracruz (2.08 MMT-RV), followed by Jalisco (794,852 MT-RV) and San Luis Potosí (578,071 MT-RV) (see Table 3). Puebla led field yield performance at 108.11 ton/ha, followed by Morelos (98.61 ton/ha) and Chiapas (89.85 ton/ha). Recovery rate was led by Morelos with 13.41 percent, well above the national benchmark of 10.74 percent, followed closely by Puebla at 12.93 percent.

Table 3: Production by State MY 2025/26

State	Area Harvested (ha)	Cane Harvested (mt)	Field Yield (mt/ha)	Sugar Production (mt)	Factory Yield (%)	Sugar Production (MT-RV)
Veracruz	300,870	19,830,053	65.91	1,960,967	9.89	2,078,625
Jalisco	72,748	6,474,393	89.00	749,860	11.58	794,852
San Luis Potosi	79,387	4,655,486	58.64	545,350	11.71	578,071
Chiapas	34,402	3,091,068	89.85	349,968	11.32	370,966
Oaxaca	49,505	2,819,881	56.96	300,579	10.66	318,614
Others	197,635	12,734,460	64.43	1,418,457	11.14	1,503,564
Total	734,547	49,605,341	67.53	5,325,181	10.74	5,644,692

Source: CONADESUCA; *Final Report* October 1, 2025 – August 17, 2026

On August 4, CONADESUCA published the fourth official National Balance estimate for MY 2025/26 at 5.65 MMT-RV (Table 4). This represents an increase in sugar production of 587,933 metric tons raw value (MT-RV) from MY 2024/25, a 12 percent increase.

**Table 4: MY 2024/25 CONADESUCA Fourth Official National Balance Estimate
Metric Tons Raw Value (MT-RV)**

Total Supply	6,888,206
Beginning Stocks	1,190,517
Production	5,644,690
Imports	53,000
Total Use	5,808,300
Exports	1,334,949
The U.S. and Puerto Rico	199,251
World Markets	1,135,698
Deliveries to Domestic Users	4,473,351
IMMEX	386,900
Food	4,086,451
Ending Stocks	1,079,907
Optimal Stocks Domestic	920,907
Stocks Pol < 99.2	159,000

CONADESUCA's Fourth National Balance Estimate as of August 17, 2026

CONADESUCA reported the final harvested area for MY 2025/26 at 734,547 HA, a decrease of almost 2,000 HA from previous MY due to the delays at the beginning of the MY (see Table 5). However, final field yield and recovery rate are above last marketing year. According to the weekly report, as of August 15, all 47 mills have concluded milling (6 in April, 22 in May, 15 in June, and 4 in July).

Table 5: CONADESUCA First Production Estimate Vs. Final Production for MY 2025/26

	MY 2025/26 Final	MY 2025/26 Final	Change
Industrialized area (ha)	736,516	734,547	-0.27%
Harvested cane (mt)	45,750,074	49,605,341	8.43%
Field yield (t/ha)	62.12	67.53	8.71%
Sugar production (mt)	4,770,525	5,325,181	11.63%
Factory yield (%)	10.43	10.74	2.97%

Source: CONADESUCA; **Final Report** October 1, 2025 – August 17, 2026

Production of nearly all sugar qualities is above the same period of last marketing year's production. However, production of special white is 11 percent lower and production of raw sugar (pol. <99.2) is 30 percent lower than the same period of MY 2024/25 (see Table 6). Raw sugar production is lower due to the low pol. sugar that remained as stock at the end of MY 2024/25.

Table 6: Current Production MY 2025/26 vs MY 2024/23 (by type) (MT-RV)

Type of Sugar	MY 2024/25 Final	MY 2025/26 Final	Change
Refined	990,873	1,118,074	12.84%
Standard	3,507,625	4,103,441	16.99%
Special White	68,373	61,158	-10.55%
Mascabado	5,201	21,275	309.03%
Raw pol < 99.2	484,685	340,743	-29.70%
Total	5,056,758	5,644,692	11.63%

Source: CONADESUCA; **Final Report** October 1, 2025 – August 17, 2026

TRADE

Imports MY 2026/27

Post forecasts sugar imports at 30,000 MT-RV, 32 percent lower than the previous MY, based on higher forecasted production, lower domestic sugar prices, and recent trade policy adjustments. Driven by persistent low domestic prices, industry representatives requested government intervention to stabilize market supply. In response, Mexican authorities implemented several trade policy measures, including restrictions on non-Free Trade Agreement (FTA) sugar entry, actions against technical smuggling, and a prior import permit requirement for specific sugar products (see Policy section). All these measures are designed to enforce stricter classification standards at customs and increase the cost of imported sugar. Consequently, the combination of high domestic availability and additional barriers for foreign sugar could restrict import volumes, as the market prioritizes domestic supply over higher-cost imports.

Imports MY 2025/26

Post estimates MY 2025/26 imports at 44,000 MT-RV, 75 percent lower than the prior MY due to higher estimated production, which continues to push domestic prices down and disincentivize sugar imports. According to CONADESUCA, as of August 2026, Mexico imported 41,132 MT-RV, 76 percent lower than the same period of MY 2024/25 (170,443 MT-RV) due to updated trade policy measures which included an increase in tariffs (see Policy section). Of the total imports, as of September 20, 49 percent come from the United States (19,811 MT-RV), mainly purchased by manufacturing and confectionery companies. Furthermore, industry sources report that around 49 percent of total imports originate in Mexico (20,112 MT-RV). The Government of Mexico's upcoming import permit requirement (see Policy section) aims to enhance product traceability and oversee trade flows, including sugar exported under the U.S. quota that re-enters the domestic market.

Exports MY 2026/27

Post forecasts MY 2026/27 exports at 1.5 MMT RV, a 42 percent increase year-over-year, driven by the need to divert surplus domestic supply and stabilize local prices. This higher export forecast is tied to an expanded U.S. export ceiling under the U.S.–Mexico Sugar Suspension Agreements. The September export limit for Mexico is 754,469 MT-RV, 279 percent higher than the prior MY. The allocation as of September is 592,797 MT-RV. Considering the quota allocation of July, the differential of the quota allocated as of September is 226,453 MT-RV.

Exports MY 2025/26

Post estimates exports at 1.06 MMT-RV, a 1 percent decrease from the previous MY, driven by sugar mills limiting low-margin sales to the world market. To avoid selling into the world market at a loss, mills are holding inventory under CEDES² to prioritize domestic distribution and await higher-priced U.S. export opportunities in MY 2026/27. Under the U.S. - Mexico Sugar Suspension Agreements and the WASDE, for MY 2025/26, the March export quota for Mexico remains at 199,252 MT-RV, 56 percent lower than the prior MY.

As of August 2026, CONADESUCA reports exports to the world market of 785,723 MT-RV, representing 69 percent of the total forecasted exports to the world market. As of August 2026, CONADESUCA is reporting total exports for MY 2025/26 at 979,051 MT-RV, which is 3 percent higher compared to the same period of MY 2024/25. Of the October-August amount exported, 20 percent were to the United States under quota at 191,594 MT-RV, which is 55 percent lower than the same period of the previous MY.

² Deposit Certificates, CEDES by its acronym in Spanish.

Table 7: Mexican Sugar Exports to the U.S. Under Quota (MT-RV)

Month	MY 2024/25	MY 2025/26	Variation % 2024/2025 vs 2025/2026
October	0	40,118	NA
November	0	10,103	NA
December	18,339	21,215	15.7%
January	38,532	2,820	-92.7%
February	75,776	1,928	-97.5%
March	40,510	5,567	-86.3%
April	60,492	40,322	-33.3%
May	119,195	31,831	-73.3%
June	17,726	6,164	-65.2%
July	39,687	20,457	-48.5%
August	15,703	11,070	-29.5%
September	15,451		
Oct-Aug	425,961	191,594	-55.0%

Data Source: CONADESUCA, Last update: September 21, 2026

HIGH FRUCTOSE CORN SYRUP (HFCS)

MY 2026/27

Post forecasts HFCS imports at 990,000 MT dry basis, 3 percent lower than the prior MY. This forecast is largely attributed to the initial impact of the 2026 IEPS tax on sweetened beverages (see Policy section). Despite this forecasted decrease, potential adjustments or increases to Mexico's U.S. sugar export quota could reduce domestic sugar availability and drive-up domestic sugar prices, which could ultimately boost HFCS demand.

MY 2025/26

Post estimates MY 2025/26 HFCS imports at 1.02 MMT dry basis, a 9 percent decrease. Large domestic sugar supplies leading to low prices are expected to decrease imports of HFCS and favor domestic sugar consumption. As of August 2026, Mexico imported 939,845 MT of dry weight of HFCS, 9 percent lower than the same period of MY 2024/25. According to industry contacts, this is due to the initial effects of the IEPS tax and domestic industry efforts aimed at prioritizing domestic sugar over imported sweeteners. MY 2025/26 average sugar prices are expected to remain around the same level as in MY 2024/25 due to higher estimated production (see Prices section).

Table 8: HFCS Supply and Distribution October/September (1000 MT dry basis)

	2025/26		2026/27	
	September	October	September	October
Production	520	520	520	520
Imports	1,010	1,025	970	990
Total Supplies	1,530	1,545	1,490	1,510
Exports	3.0	3.0	3.0	3.0
Consumption	1,527	1,542	1,487	1,507
Total Use	1,530	1,545	1,490	1,510
Ending Stocks	0	0	0	0
Total Distribution	1,530	1,545	1,490	1,510

Table 9: HFCS Imports (1000 MT-dry weight)

Month	MY 2024/25	MY 2025/26	Variation % 2025/2026 vs 2024/2025
Oct	86.3	92.0	6.7%
Nov	77.2	70.2	-9.0%
Dec	106.0	90.5	-14.7%
Jan	67.4	74.6	10.7%
Feb	88.1	72.4	-17.8%
Mar	109.5	85.0	-22.4%
Apr	137.8	95.5	-30.7%
May	89.1	83.3	-6.5%
Jun	96.4	103.3	7.2%
Jul	86.4	97.1	12.4%
Aug	88.2	76.0	-13.9%
Sep	91.2		
Oct-Aug	1,032.2	939.8	-8.95%

Source: CONADESUCA (National Balance of Sweeteners), Last update: September 21, 2026

CONSUMPTION

MY 2026/27

Post forecasts overall sugar consumption for MY 2026/27 at 4.5 MMT-RV, with human consumption accounting for 4.18 MMT-RV and IMMEX³ at 320,000 MT-RV. This estimate remains around the same

³ Industria Manufacturera, Maquiladora y de Servicio de Exportación (Manufacturing, Maquiladora and Export Service Industry)

level as the previous marketing year's estimated consumption, as a recovery in demand is not anticipated due to the ongoing impact of the 2026 IEPS tax on sweetened beverages. Nevertheless, despite remaining almost flat year-over-year, this consumption level is 7 percent lower than the previous 10-year average.

Mexico's sugar consumption faces several challenges, including high food price inflation, healthier consumer trends, sugar substitution with other sweeteners, and the second Phase of the Front of Pack Labeling Law. Despite these challenges, sugar remains an integral part of the diet in Mexico, with an average per capita consumption of 36 kg per year, according to SADER⁴.

MY 2025/26

Post estimates sugar consumption for MY 2025/26 at 4.52 MMT-RV, with human consumption at 4.18 MMT-RV and IMMEX at 340,000 MT-RV. This represents almost the same amount as previous MY due largely to the expected initial impact of the 2026 IEPS tax on sweetened beverages. As of August 2026, CONADESUCA reports human consumption at 3.9 MMT-RV, 1 percent higher than the same period in MY 2024/25 (see Table 10).

Table 10: Human Domestic Consumption (1000 MT - RV)

Month	MY 2024/25	MY 2025/26	Variation % 2024/25 vs 2025/26
Oct	391	320	-18.12%
Nov	319	344	7.77%
Dec	379	317	-16.36%
Jan	318	375	18.03%
Feb	275	295	7.40%
Mar	347	380	9.66%
Apr	439	448	2.08%
May	286	202	-29.42%
Jun	416	454	8.95%
Jul	350	359	2.65%
Aug	292	374	27.92%
Sep	337		
Oct-Aug	3,812	3,866	1.42%

Data Source: CONADESUCA, Monthly National Sugar Balance. Last update: September 21, 2026

STOCKS

MY 2026/27

Post forecasts MY 2026/27 ending stocks at 1.03 MMT-RV, 21 percent lower than the previous MY due to higher expected exports and lower forecasted imports. However, this forecast is 10 percent higher

⁴ Secretaria de Agricultura y Desarrollo Rural (Secretariat of Agriculture and Rural Development)

than Mexico's optimal final stock level of two and half months of domestic consumption. The industry is incentivized to keep the MY 2025/26 stock levels as close as possible to the optimal level, as high stocks could contribute depressing domestic sugar prices. Final stock figures will also depend on the import figures and domestic sugar prices during MY 2026/27.

MY 2025/26

For MY 2025/26 Post estimates ending stocks at 1.3 MMT-RV, 9 percent higher than previous marketing year due to industry holding inventory and classifying it under CEDES. Furthermore, the stocks forecast is 38 percent higher than Mexico's optimal final stock level of two and half months of domestic consumption. As of August 2026, CONADESUCA reports ending stocks at 1.7 MT-RV, 4 percent higher than previous MY. Furthermore, CONADESUCA reports CEDES at 181,327 MT-RV, which is 180 percent higher than previous MY (64,648 MT-RV). For MY 2025/26, CONADESUCA's fourth official stock estimate is 1.08 MMT-RV (see Table 4).

According to CONADESUCA's fourth estimate, Mexico is planning to stock 159,000 MT-RV of raw sugar (pol<99.2) to be ready to export to the U.S. market at the beginning of next marketing year (MY 2026/27). Furthermore, given the increased U.S. export quota for MY 2026/27, industry sources indicate that millers will allocate supply under CEDES to guarantee future exports and prevent domestic prices from decreasing.

PRICES

MY 2025/26 domestic prices are at similar levels as the prior MY, as higher production and lower export quota to the United States increase available sugar in the domestic market, depressing domestic prices.

For the first 11 months of MY 2025/26, the average price of standard sugar was 871 pesos per 50 kilograms – bulk (around USD⁵ 51), 4 percent higher than the same period of MY 2024/25, which was 838 pesos per 50 kilograms – bulk (around USD 49). As for the average price of refined sugar is 1,026 pesos per 50 kilograms – bulk (around USD 60), 7 percent lower than the same period of MY 2024/25, which was 1,099 pesos per 50 kilograms – bulk (around USD 64).

After reaching peak levels in December 2025, domestic sugar prices experienced an overall downward trend through August 2026. Prices declined continuously from January to April, briefly rose in May, and resumed their downward path through June, July, and August. By August 2026, prices declined by 18 percent for standard sugar and 17 percent for refined sugar.

Prices are expected to recover by the end of the marketing year in September 2026, depending on the export pace and the volume of sugar committed under CEDES. Since Mexico's U.S. export quota can change further in MY 2026/27, millers aim to avoid over-exporting to the world market at a loss during MY 2025/26. Assigning sugar to CEDES removes these volumes from immediate domestic supply, securing that sugar for future export commitments while preventing further downward pressure on domestic sugar prices.

⁵ 1 USD = \$17.24 pesos as of September 18, 2026

Table 11: Mexico Average Wholesale Sugar Prices in Mexico City (CIF Basis) in Pesos per 50 Kilograms – Bulk

Month	Standard		Refined	
	MY 2024/25	MY 2025/26	MY 2024/25	MY 2025/26
October	906.25	780.00	1,188.84	981.25
November	819.17	796.33	1,186.25	980.42
December	916.00	974.80	1,157.00	1,040.17
January	872.50	960.00	1,125.17	1,065.94
February	887.50	916.75	1,116.67	1,044.17
March	886.25	908.00	1,102.50	1,042.00
April	867.53	869.00	1,082.33	1,035.00
May	787.88	898.33	1,109.59	1,040.55
June	767.50	874.80	1,050.83	1,026.67
July	743.47	805.75	1,004.17	1,020.83
August	764.67	799.75	962.29	1,010.42
September	787.50		979.00	
Avg. Oct-Aug	838.07	871.23	1,098.69	1,026.13

[Source: SNIIM \(National Service of Market Information\)](#)

* As of August 31, 2026

POLICY

Sustainable Development

The Mexican government's sugarcane industry programs and policies are governed by the Sustainable Rural Development Law, the Law on Sustainable Development of Sugar Cane, and the National Development Plan 2025-2030 ([PND](#)).

- The Sustainable Rural Development Law places rural development policy under the federal government's purview.
- The Law on Sustainable Development of Sugar Cane establishes CONADESUCA as the agency responsible for coordinating and executing all activities related to the sugarcane agroindustry.
- The PND is a document that outlines the Government of Mexico's (GOM) priority objectives for achieving the country's development and the well-being of Mexicans.

All programs and policies related to the sugarcane industry must comply with these two laws and the PND, which ensures that their overall impact contributes to the industry's sustainable development.

Plan Mexico

In January 2025, President Claudia Sheinbaum launched [Plan Mexico](#), which outlines a six-year national development plan with 13 goals to reduce poverty and inequality and significantly boost Mexico's position in global value chains. The plan focuses on increasing national content in strategic industries, attracting substantial foreign direct investment, reducing imports from Asia, boosting domestic production, and creating numerous high-value jobs. It aims to achieve this by promoting innovation,

improving infrastructure, and strengthening small and medium-sized enterprises, aiming to solidify Mexico as a competitive and reliable partner in global trade.

Production for Wellbeing Program

Under the Secretariat of Agriculture and Rural Development (SADER) “Production for Wellbeing [Program](#),” the GOM provides an annual support of \$7,300 pesos (around USD⁶ \$423) per sugar producer (up to 20 hectares rainfed or up to 5 hectares irrigated) to improve crop yields and contribute to food self-sufficiency. Furthermore, SADER provides training and technical support aimed at increasing yields. The level of support has not increased since MY 2019/20.

Institutional Program 2025-2030 for the National Committee for the Sustainable Development of Sugarcane

The Institutional [Program](#) 2025-2030 for CONADESUCA defines the strategic path to facilitate better coordination between industrial and agricultural stakeholders to enhance the production and industrial utilization of sugarcane in a sustainable manner while ensuring the sector’s stability. The program addresses major industry challenges, such as declining yields due to climate factors, aging plantations, low investment, and rising production costs. To tackle these issues, it establishes two priority objectives:

1. Improve sustainable sugarcane production and industrial utilization by optimizing agricultural practices, renewing aging plantations, and reducing production costs to enhance profitability for growers and mills.
2. Improve the integration of strategic information that supports stable market planning by publishing timely data, processing georeferenced information of the sugarcane, and verifying the information of sugar and sweeteners markets.

National Sugarcane Agroindustry Program (PRONAC) 2026–2030

The Government of Mexico published the updated [PRONAC](#) 2026–2030 in the Official Gazette of the Federation (DOF) on May 18, 2026. The program establishes public policy guidelines for the sugarcane agroindustry, focusing on economic viability, sustainable development, and social well-being across primary production and industrial processing. It also seeks to diversify sugarcane use through domestic Sustainable Aviation Fuel (SAF) production, leveraging surplus cane to offset declining export opportunities, support grower prices, and strengthen the long-term viability of Mexico’s sugar industry.

Reference Price of Standard Sugar

On a yearly basis, generally in late October, CONADESUCA announces the sugar reference price at which mills purchase sugar cane from growers for that harvest season. On October 31 2025, CONADESUCA announced the standard sugar⁷ [reference price](#) for MY 2025/26 at 16,012.80 pesos (around USD 929⁸) per ton, 26 percent lower than previous MY. The reference price is negotiated annually – with the participation of government, millers, and growers – based on production, export volumes, and domestic and international prices. The aim of the reference price is to provide stability and profitability for the sector. The reference price for MY 2026/27 has not been officially released.

Front of Pack Labeling Law – Second Phase

⁶ 1 USD = \$17.24 pesos as of September 18, 2026

⁷ 99.4 percent polarization

⁸ 1 USD = \$17.24 pesos as of September 18, 2026

The second phase of Mexico's *Norma Oficial Mexicana* (NOM) 051, a front-of-pack labeling regulation, began on October 1, 2023, and was extended to end until December 31, 2027, when the third phase will begin. An [agreement](#) published in the Official Gazette of the Federation (DOF) on July 31, 2025, extended the deadline for the second phase.

Under phase two, products with 8 kcal or more of free sugars per 100 ml of product must include an “excess calories” label (compared to 10 kcal per 100 ml under phase one). Also, under phase two, products with 10 kcal or more free sugars per 100 ml of product must include an “excess sugars” label (compared to greater than or equal to 10% of total energy from free sugars under phase one). Phase three includes front-of-pack labeling even on foods that inherently contain sugar or fat, like milk, or sodium and fat, like cheese, not allowing the consumer to distinguish among products.

Prior Import Permit for Sugar and Food Preparations

On May 28, 2026, Mexico's Secretariat of Economy published an [agreement](#) to establish a prior import permit requirement for products classified under seven Harmonized System (HS) codes, aiming to boost supply chain traceability and safeguard the domestic sugar sector. The measure directly addresses a surge in import volumes, particularly those classified as food preparations leveraging preferential trade treatments to secure lower duties and bypass standard tariffs. The permit framework enables the government to closely monitor incoming goods by volume, origin, and technical specifications, requiring importers to submit a Compliance Report issued by the Mexico's National Metrology Center (CENAM) or an accredited laboratory that certifies the HS code, polarization, saccharose content, and intended end-use (direct consumption versus industrial processing). To guide implementation, the Secretariat of Economy released an official [timeline](#) on August 21, 2026.

1. CENAM compliance testing applications opened on August 21,
2. Permit application submission through the Single Window for Foreign Trade (VUTCE) became operational on August 31, and
3. Mandatory compliance for customs clearance officially takes effect on September 28, 2026.

Ad Valorem Tariffs

On November 10, 2025, the President of Mexico published on the Official Gazette of the Federation (DOF), a [decree](#) imposing new ad valorem (value-based) tariffs of 156 percent and up to 210 percent on sugar imports, replacing the previous specific quotas. The measure came into effect on November 11 for countries with which Mexico has no trade agreement. This measure will impact, mainly, imports coming from Brazil and Guatemala. According to the federal government, this measure is in response to an oversupply in the domestic market, which has decreased by around 25 percent the domestic sugar prices, jeopardizing the profitability and viability of the entire production chain.

Modifications to the 2025 General Trade Rules

In accordance with the [Modifications](#) to the General Rules of Foreign Trade for 2025 published in the DOF on October 21, 2025, the Mexican government has implemented measures against the importation of sugar mixed with activated carbon or analogous substances. The regulation identifies the entry of these mixtures as a form of technical smuggling, specifically when used to misclassify the product to bypass sugar tariffs and obtain preferential treatment. By criminalizing these practices, the industry anticipates a reduction in this type of imports, which is expected to strengthen domestic sugar consumption by classifying these blends correctly.

Special Tax on Production and Services (IEPS)

According to GOM's 2026 [IEPS update](#), the IEPS for beverages with added sugars underwent an 87 percent increase, a hike that far exceeds standard inflationary adjustments. This measure raises the rate from 1.6451 pesos to 3.0818 pesos per liter for drinks with added sugar and, for the first time, introduces a 1.5 pesos per liter tax on non-sugary/zero-calorie beverages.

Furthermore, the IEPS also considers 25 percent for energy drinks and concentrates, powders, and syrups for preparing energy drinks. The IEPS tax on junk food also began in 2014, and by 2026, it will be 8 percent for products with a high caloric density (275 kilocalories or more per 100 grams). Food products subject to the IEPS tax include peanut and hazelnut butter, ice cream, chocolates, and pudding.

According to the 2027 Economic Package proposal, the IEPS tax rates for 2027 for soft drinks, flavored beverages, and junk food are proposed to increase to account for inflation. The proposal was submitted to the Chamber of Deputies on September 8 for approval. The Chamber has until October 20 to approve the Revenue Law, after which it will move to the Senate, which has until October 30. Once the 2027 Economic Package has been fully approved, it will come into effect by January 1, 2027.

Attachments:

No Attachments