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Report Highlights:

Post forecasts Mexico's sugar production for marketing year (MY) 2026/27 (October 1 – September 30) at 5.45 million metric tons raw value (MMT-RV), 1 percent higher than the estimate for MY 2025/26. The increased production forecast is based on seasonal rains during the previous MY and a continued recovery of the planted area in MY 2026/27. The National Committee for the Sustainable Development of Sugar Cane (CONADESUCA) has not yet published an official MY 2026/27 forecast. Sugar consumption for MY 2026/27 is forecasted to decrease 1 percent due to the expected initial impact of the 2026 Special Tax on Production and Services (IEPS). Sugar imports are forecasted to decrease 33 percent due to increased tariffs and higher forecasted production. Exports are forecasted to increase by 2 percent as industry is expected to continue sales to the international market. CONADESUCA's third production estimate for MY 2025/26 is expected during the second half of April.

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

Sugar, Centrifugal	2024/2025		2025/2026		2026/2027	
Market Year Begins	Oct 2024		Oct 2025		Oct 2026	
Mexico	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Beginning Stocks	1,503	1,505	1,190	1,193	0	1,038
Beet Sugar Production	0	0	0	0	0	0
Cane Sugar Production	5,057	5,057	5,400	5,400	0	5,450
Total Sugar Production	5,057	5,057	5,400	5,400	0	5,450
Raw Imports	0	0	0	0	0	0
Refined Imp.(Raw Val)	177	177	151	45	0	30
Total Imports	177	177	151	45	0	30
Total Supply	6,737	6,739	6,741	6,638	0	6,518
Raw Exports	1,003	980	785	780	0	800
Refined Exp.(Raw Val)	81	89	63	320	0	320
Total Exports	1,084	1,069	848	1,100	0	1,120
Human Dom. Consumption	4,121	4,148	4,427	4,200	0	4,150
Other Disappearance	342	329	314	300	0	300
Total Use	4,463	4,477	4,741	5,600	0	5,570
Ending Stocks	1,190	1,193	1,152	1,038	0	948
Total Distribution	6,737	6,739	6,741	6,638	0	6,518

Table 2: Mexico – Sugar Cane for Centrifugal PS&D (1000 MT), (1000 HA)

Sugar Cane for Centrifugal	2024/2025		2025/2026		2026/2027	
Market Year Begins	Nov 2024		Nov 2025		Nov 2026	
Mexico	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted	800	0	0	735	0	750
Area Harvested	780	0	0	727	0	740
Production	48,400	0	0	47,620	0	48,250
Total Supply	48,400	0	0	47,620	0	48,250
Utilization for Sugar	48,400	0	0	47,620	0	48,250
Utilization for Alcohol	0	0	0	0	0	0
Total Utilization	48,400	0	0	47,620	0	48,250

PRODUCTION

MY 2026/27

Post forecasts sugar production for MY 2026/27 at 5.45 MMT-RV[1], a 1 percent increase from the prior MY. While seasonal rains during mid-2025 alleviated the drought conditions experienced during the

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

prior two marketing years, recovery is likely to face constraints from recent pressures placed on the agricultural inputs market. The recent rises in global fertilizer prices, total input costs, and availability are forecast to lead to adjustments in fertilization frequency and application rates, which could impact field yields. Post forecasts harvested area for MY 2026/27 at 738,000 hectares (HA), an increase of 2 percent. Cane harvest is forecasted at 47.9 MMT with a field yield of 65.0 mt/ha. CONADESUCA has not yet published an official MY 2026/27 forecast.

MY 2025/26

Post estimates sugar production for MY 2025/26 at 5.40 MMT-RV, a 7 percent increase from the prior MY due to the return of seasonal rains in several sugarcane-producing states during mid-2025. This follows several years of drought in the Northeast region (San Luis Potosi and northern Veracruz) that caused widespread crop failure. Increased rains have boosted yields in the current harvest season. However, during the beginning of marketing year MY 2025/26 (October-December), increased rain hit the states of Veracruz, Tabasco, Campeche, Oaxaca, and Quintana Roo, which delayed the harvest and decreased the recovery rate at the beginning of the harvest.

On February 4, CONADESUCA published the second official production estimate for MY 2025/26 at 5.58 MMT-RV. This increase was largely attributed to improved weather conditions and increased planted area (see Table 3). This represents an increase in sugar production of 522,699 metric tons raw value (MT-RV) from MY 2024/25, a 10 percent increase. CONADESUCA estimates the harvested area for MY 2025/26 at 766,735 HA, 4 percent higher than the previous MY. The third production estimate is expected to be published during the second half of April.

Table 3: MY 2024/25 CONADESUCA Second Official National Balance Estimate
Metric Tons Raw Value (MT-RV)

Total Supply	**6,833,572**
Beginning Stocks	1,190,517
Production	5,579,455
Imports	63,600
Total Use	**5,725,594**
Exports	1,106,901
The U.S. and Puerto Rico	199,251
World Markets	907,649
Deliveries to Domestic Users	4,618,693
IMMEX	424,000
Food	4,194,693
Ending Stocks	**1,107,978**

CONADESUCA's First National Balance Estimate as of February 9, 2026

According to CONADESUCA's latest weekly report, as of April 4, harvested area is behind the estimate by almost 57,055 HA. However, field yield and recovery rate are above last marketing year and above the second estimate. Currently, the sugarcane crop is in its harvest stage and during this stage, it requires low atmospheric and soil humidity, scarce rainfall, high sunshine, and cool but frost-free days.

According to the last National Balance report, as of February 2026, production reached 2.6 MMT-RV, 3 percent above the same period in MY 2024/25.

All 47 sugar mills are operating and have produced an estimated 3.9 MMT-RV of sugar as of April 4, which is 3 percent higher than the same period in MY 2024/25 due to higher field yield and higher recovery rate. However, actual production remains moderately below CONADESUCA's second estimate. The weekly report indicates that 2 mills will finish milling in March, 12 in April, 26 in May, and 7 in June.

Table 4: CONADESUCA Second Production Estimate Vs. Current Production for MY 2025/26

	MY 2025/26 Estimate*	MY 2025/26 Current*	Change
Industrialized area **(ha)**	529,032	471,977	**-10.78%**
Harvested cane **(mt)**	35,522,400	34,686,066	**-2.35%**
Field yield **(t/ha)**	67.15	73.49	**9.44%**
Sugar production **(mt)**	3,770,193	3,718,944	**-1.36%**
Factory yield **(%)**	10.61	10.72	**1.04%**

*Source: CONADESUCA. **Report 21** October 1, 2025 – April 4, 2026*

Veracruz remains the dominant producer, accounting for over 35 percent of the national sugar production and 40 percent of the national harvested area. Jalisco ranks top in the field yield followed closely by Chiapas. Additionally, San Luis Potosi has the highest factory yield (recovery rate), which is above the national average (see Table 5).

Table 5: 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	188,040	13,346,637	70.98	1,314,717	9.85	1,393,600
Jalisco	51,892	4,877,065	93.98	548,012	11.24	580,893
San Luis Potosi	51,784	3,318,820	64.09	385,196	11.61	408,308
Oaxaca	30,809	1,904,990	61.83	200,691	10.54	212,732
Chiapas	25,539	2,370,120	92.80	269,446	11.37	285,613
Others	123,913	8,868,434	71.57	1,000,882	11.29	1,060,935
Total	**471,977**	**34,686,066**	**73.49**	**3,718,944**	**10.72**	**3,942,081**

*Source: CONADESUCA. **Report 21** October 1, 2025 – April 4, 2026*

Production of almost all sugar qualities is above the same period of last marketing year's production. However, production of raw sugar (pol. <99.2) is 22 percent lower than the same period of MY 2024/25. This is due to low pol. sugar that remained as stocks at the end of MY 2024/25.

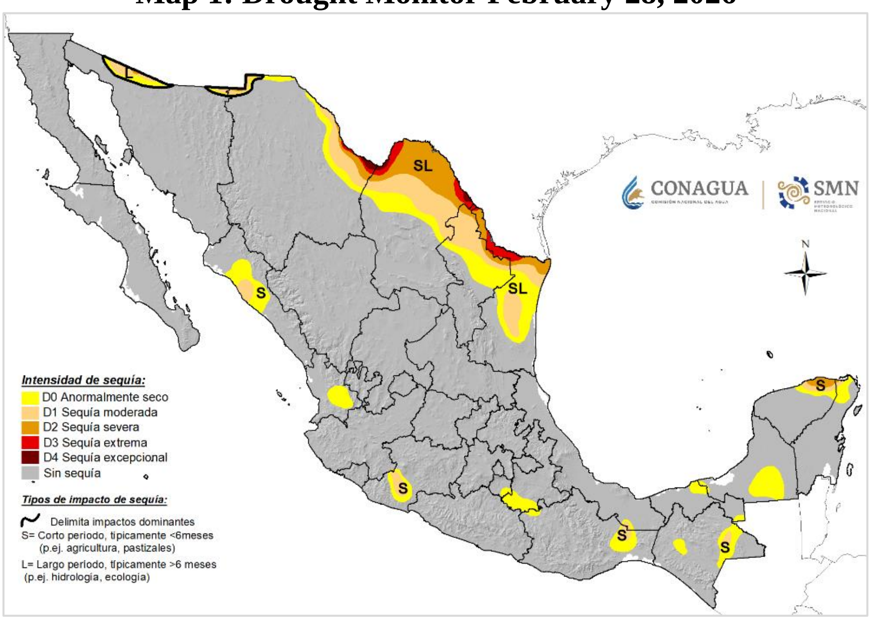
Table 6: Current Production MY 2024/25 vs MY 2023/24 (by type) (MT-RV)

Type of Sugar	MY 2024/25*	MY 2025/26 Current**	Change
Refined	770,473	790,831	**2.64%**
Standard	2,753,513	2,867,269	**4.13%**
Special White	49,587	53,319	**7.53%**
Mascabado	0	21,248	**NA**
Raw pol < 99.2	269,179	209,414	**-22.20%**
Total	**3,842,751**	**3,942,081**	**2.58%**

Source: CONADESUCA. ***Report 21*** *October 1, 2025 – April 4, 2026*

According to data from Mexico’s National Water Commission (CONAGUA), as of February 2026, 7 out of 267 sugar-producing municipalities (3 percent) are experiencing moderate to severe drought (see Map 1). Of those 7 municipalities, 4 have moderate drought, 2 have severe drought, and 1 has extreme drought. Of the remaining municipalities, 15 have abnormally dry conditions and 245 have no presence of drought. These weather conditions could help increase production yields for MY 2025/26.

Map 1: Drought Monitor February 28, 2026

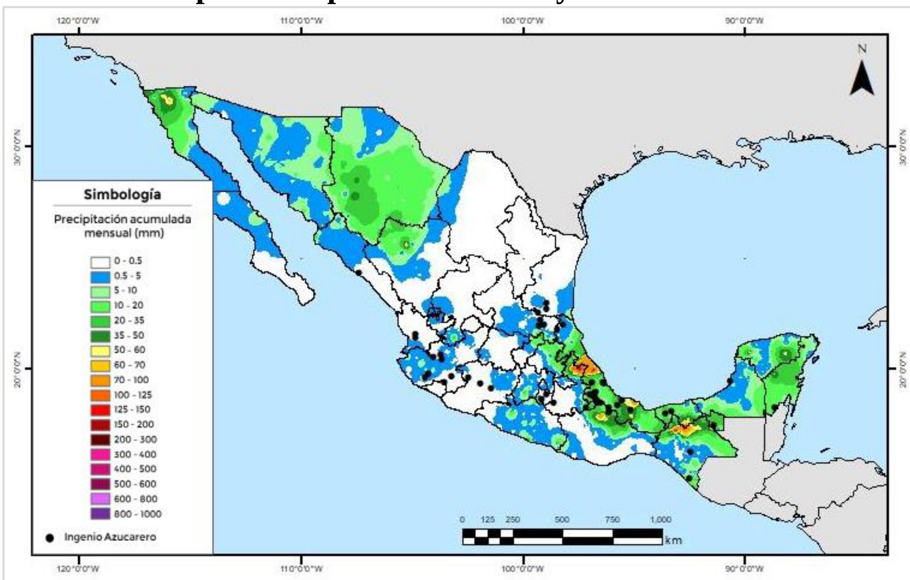


Source: CONAGUA

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

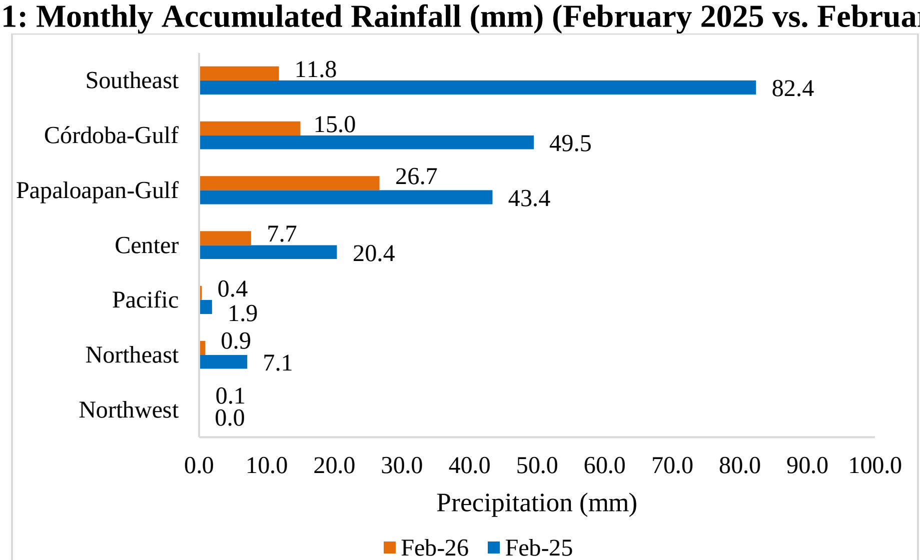
The Papaloapan, Cordoba, and Gulf regions have accumulated precipitation above last year’s average levels and the historical average levels. In February, the accumulated precipitation across all sugarcane areas was an average of 10 mm, 15 mm below historical average levels and below the February 2026 level of accumulated precipitation for all sugarcane areas (see Figure 1).

Map 2: Precipitation February Accumulation



Source: CONAGUA. Last update: February 18, 2026
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) (February 2025 vs. February 2026)



Data Source: CONADESUCA

TRADE

Imports MY 2026/27
Post forecast sugar imports at 30,000 MT-RV, 33 percent lower than the previous MY, based on higher forecasted production, low domestic sugar prices, and recent trade policy measures. In the prior marketing year, domestic sugar prices recorded a 25 percent decrease due to market supply levels, which led to industry requests for government intervention to maintain sector profitability. This led to the

implementation of trade policy measures designed to limit the entry of sugar from non- Free Trade Agreement (FTA) partners and to address technical smuggling (See Policy Section). These measures are designed to enforce stricter classification standards at customs and increase the cost of imported sugar. Consequently, the combination of increased domestic availability and higher 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 45,000 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 February 2026, Mexico imported 17,171 MT-RV, 84 percent lower than the same period of MY 2024/25 (110,536 MT-RV) due to updated trade policy measures which included an increase in tariffs. Of the total imports, around 53 percent come from the United States (around 9,100 MT-RV), mainly purchased by manufacturing and confectionery companies. Other countries that export sugar to Mexico are Guatemala and El Salvador.

Exports MY 2026/27
Post forecasts exports at 1.12 MMT RV, 2 percent higher than previous MY. This forecast is based on the continued need to divert surplus supply away from the domestic market and prevent further downward pressure on local prices.

Exports MY 2025/26
Post estimates exports at 1.10 MMT-RV, 3 percent higher than previous MY due to efforts to channel volume toward international markets to stabilize domestic prices, which are already facing significant downward trends.

Under the U.S. - Mexico Sugar Suspension Agreements and the World Agricultural Supply and Demand Estimates (WASDE), for MY 2025/26, the March export quota for Mexico remains at 199,252 MT-RV, 56 percent lower than the prior MY. This imposes a challenge for exports, as millers will have to export sugar to the world market to avoid further decreasing domestic sugar prices. Industry sources report an initial agreement to export 50 percent of CONADESUCA's export estimate to the rest of the world by January 31, 2026. However, due to a delay in production, this amount is expected to be exported until the end of March. The remaining amount will be classified under CEDES[2] to guarantee exports. As of February 2026, CONADESUCA reports exports to the world market of 350,208 MT-RV, representing 77 percent of the agreed exports to the world market. The other 50 percent of the estimated exports to the rest of the world should be exported according to production rhythm to avoid a further drop in domestic prices.

As of February 2026, CONADESUCA is reporting total exports for MY 2025/26 at 427,419 MT-RV, which is 1 percent higher compared to the same period of MY 2024/25. Of the October-February amount exported, 18 percent were to the United States under quota at 76,183 MT-RV, which is 43 percent lower than the same period of the previous MY. The remaining exports were to the world market (58 percent) (for instance, South Africa and Dominican Republic, among other destinations), and exports under the U.S. re-export program, with final destination to the rest of the world.

[2] Deposit Certificates, CEDES by its acronym in Spanish.

Over the last few years, most of Mexico's exports have gone to the United States due to relatively higher prices than the international market. However, MY 2025/26 Mexico's exports are estimated to mainly go to the global market due to forecasted higher production, a lower U.S. export quota, and the pressure of the low domestic sugar prices.

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		
April	60,492		
May	119,195		
June	17,726		
July	39,687		
August	15,703		
September	15,451		
Oct-Feb	**132,647**	**76,183**	**-42.6%**

Data Source: CONADESUCA, Last update: March 19, 2026

HIGH FRUCTOSE CORN SYRUP (HFCS)

MY 2026/27

Post forecasts HFCS imports at 1.03 MMT dry basis, 6 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). Large domestic sugar supplies leading to low sugar prices are expected to decrease HFCS imports and favor domestic sugar consumption. Low-priced domestic sugar is forecast to be favored by consumers, requiring less need for sugar imports and lower HFCS imports. Furthermore, the Mexican sugar industry has publicly advocated for greater reciprocity within the United States–Mexico–Canada Agreement (USMCA) framework, highlighting concerns over HFCS displacing domestic sugar consumption and calling for a more balanced market.

MY 2025/26

Post estimates MY 2025/26 HFCS imports at 1.10 MMT dry basis, a 2 percent decrease. Large domestic sugar supplies leading to low prices are expected to decrease imports of HFCS and favor domestic sugar consumption. As of February 2026, Mexico imported 399,706 MT of dry weight of HFCS, 6 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. 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 Production section). For MY 2025/26, CONADESUCA's second official HFCS import estimate is 1,110,644 tons of dry weight.

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

	2024/25	2025/26	2026/27
	New Post	New Post	New Post
Production	520	520	520
Imports	1,123	1,100	1,030
Total Supplies	**1,643**	**1,620**	**1,600**
Exports	4.0	3.0	3.0
Consumption	1,639	1,617	1,547
Total Use	**1,643**	**1,620**	**1,600**
Ending Stocks	**0**	**0**	**0**
Total Distribution	**1,643**	**1,620**	**1,600**

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		
Apr	137.8		
May	89.1		
Jun	96.4		
Jul	86.4		
Aug	88.2		
Sep	91.2		
Oct-Feb	**425.0**	**399.7**	**-5.95%**

Source: CONADESUCA (National Balance of Sweeteners), Last update: March 19, 2026

CONSUMPTION

MY 2026/27

Post forecasts sugar consumption for MY 2026/27 at 4.45 MMT-RV, with human consumption at 4.15 MMT-RV and IMMEX[3] at 300,000 MT-RV. This represents a 1 percent decrease in overall consumption compared to previous MY due largely to an expected initial impact of the 2026 IEPS tax on sweetened beverages.

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 SADER[4]. While the full effects of such measures as the second phase of the front-of-pack labeling law and sugar and junk food taxes on consumer consumption are unknown, little evidence suggests that in the long-run they will have significantly reduced sugar consumption (see the Policy section).

MY 2025/26

Post estimates sugar consumption for MY 2025/26 at 4.5 MMT-RV, with human consumption at 4.20 MMT-RV and IMMEX at 300,000 MT-RV. This represents a 1 percent increase from previous MY due to relatively low domestic sugar prices. As of February 2026, CONADESUCA reports human consumption at 1.1 MMT-RV, 1 percent higher than the same period in MY 2024/25.

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

Month	MY 2024/25	MY 2025/26	Variation % 2024/25 vs 2025/26
Oct	391	321	-17.96%
Nov	319	344	7.77%
Dec	379	321	-15.37%
Jan	318	407	28.30%
Feb	275	309	12.41%
Mar	347		
Apr	439		
May	286		
Jun	416		
Jul	350		
Aug	292		
Sep	337		
Oct-Feb	**1,682**	**1,702**	**1.21%**

Data Source: CONADESUCA, Monthly National Sugar Balance. Last update: March 19, 2026

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

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

STOCKS

MY 2026/27
Post forecasts MY 2026/27 ending stocks at 948,000 MT-RV, 9 percent lower than the previous MY due to lower forecasted imports, lower beginning stocks and higher exports (mainly to the world market). However, this forecast is 2 percent higher 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.

Industry indicates that millers have agreed to export 50 percent of CONADESUCA's estimated exports to the world market at the beginning of MY 2025/26 (around 450,000 MT-RV). This is to prevent sugar prices from falling even further. Furthermore, according to industry sources, Mexico is planning to produce again around 160,000 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).

MY 2025/26
For MY 2025/26 Post estimates ending stocks at 1.04 MMT-RV, 13 percent lower than the previous marketing year due to lower forecasted imports and lower beginning stocks. However, this forecast is 11 percent higher than Mexico's optimal final stock level of two and half months of domestic consumption. For MY 2025/26, CONADESUCA's second official stock estimate is 1.11 MMT-RV (see Table 2). As of February 2026, CONADESUCA reports ending stocks at 1.53 MT-RV, 17 percent lower than previous MY.

PRICES

MY 2025/26 domestic prices are at similar levels as the prior MY, as high production and lower export quota to the United States increase available sugar in the domestic market. For the remainder of MY 2025/26, prices will depend on production and the pace of exports.

For the first six months of MY 2025/26, the average price of standard sugar was 889 pesos per 50 Kilograms – Bulk (around USD[5] 51), 1 percent higher than the same period of MY 2024/25, which was 881 pesos per 50 Kilograms – Bulk (around USD 51). As for the average price of refined sugar is 1,026 pesos per 50 Kilograms – Bulk (around USD 59), 11 percent lower than the same period of MY 2024/25, which was 1,146 pesos per 50 Kilograms – Bulk (around USD 66).

Since the last week of November 2025 and during December 2025, sugar prices (both standard and refined) increased, for standard around 22 percent and for refined 6 percent. However, since February 2026, prices of both types of sugar have started decreasing as production continues during the MY. Industry contacts point out that the price will continue to decrease as production continues to rise.

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[5] 1 USD = $17.42 pesos as of April 8, 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		1,082.33	
May	787.88		1,109.59	
June	767.50		1,050.83	
July	743.47		1,004.17	
August	764.67		962.29	
September	787.50		979.00	
Avg. Oct-Mar	**881.28**	**889.31**	**1,146.07**	**1,025.66**

Source: SNIIM (National Service of Market Information)

** As of March 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 USD[6] $419) 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 critical 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) 2021-2024

PRONAC aims to promote the development of the sugarcane agroindustry to generate employment and increase the well-being of rural populations. PRONAC also supports the sufficient and timely supply of sugar to the national and export markets. The program has four priority objectives:

1. Ensure the economic viability of producers and mills to stabilize the sector at the national level.
2. Increase the productivity and competitiveness of sugarcane production and processing.
3. Promote research, development, innovation, and technology transfer in the sugarcane industry.
4. Strengthen sustainability indicators (economic, social, and environmental) for a balanced development of the sugarcane agroindustry.

PRONAC 2021-2024 remains in effect until a new one is approved, which does not yet have an approval date.

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, CONADESUCA announced the standard sugar[7] reference price for MY 2025/26 at 16,012.80 pesos (around USD 919[8])

[6] 1 USD = $17.42 pesos as of April 8, 2026
[7] 99.4 percent polarization

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 to the sector. However, according to industry sources, given that domestic prices have been decreasing, it will be likely that at the end of MY 2025/26, growers may owe money to the millers.

Front of Pack Labeling Law – Second Phase

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. It was originally scheduled to end on September 30, 2025. However, an agreement published in the Official Gazette of the Federation (DOF) on July 31, 2025, extended the deadline for the second phase.

Under phase one of the NOM-051, which started on October 1, 2020, warning signs and cautionary labels were required on products with certain nutrients (for example, added sugars) to indicate a health risk from excessive consumption. The second phase implements "excess" warning signs that must be affixed to processed food and beverage labels if the product exceeds critical thresholds of certain nutrients (e.g., fats, sugars, sodium, etc.). 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.

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

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[8] 1 USD = $17.42 pesos as of April 8, 2026

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. Thus, industry analysts estimate this fiscal expansion will lead to a decrease of approximately 110,000 MT-RV in national sugar consumption for the current cycle.

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.

Attachments:

No Attachments