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Report Highlights:

FAS/Canberra has revised its estimate for Australia's sugar cane production in marketing year (MY) 2026/27 downward to 27.9 million metric tons (MMT), 1.8 percent below the 28.4 MMT produced in MY 2025/26. The reduction reflects very dry conditions across much of the cane-growing region from April 2026, after broadly favorable conditions earlier in the growing season. Despite the smaller cane crop, high sugar content in cane harvested to date is expected to lift sugar production by 4.4 percent to 4.0 MMT from 3.83 MMT in the prior year. Raw sugar exports are estimated at 3.5 MMT, up 34 percent from 2.62 MMT in MY 2025/26, supported by higher sugar production, elevated carry-in stocks, and improved world sugar prices.

EXECUTIVE SUMMARY

FAS/Canberra has revised Australia's sugar cane production estimate for marketing year (MY) 2026/27 downward to 27.9 million metric tons (MMT), 1.8 percent below the 28.4 MMT produced in MY 2025/26 and 9.1 percent below the previous forecast of 30.7 MMT. The downgrade primarily reflects very dry conditions across much of the cane-growing region during the latter half of the growing season, which constrained crop growth after favorable early-season conditions. Harvest progress is strong and rainfall for the remainder of the harvest period is forecast to be around average to slightly below average. This is expected to support a second successive timely completion of the crush around early December and provide a favorable start for the MY 2027/28 crop.

Sugar production in MY 2026/27 is estimated at 4.0 MMT, up 4.4 percent from 3.83 MMT in the prior year and broadly in line with the previous five-year average, despite a 1.8 percent decline in sugar cane production. The increase reflects substantially higher sugar content in the approximately 60 percent of the crop harvested by mid-September. Sugar content has benefited from the timely completion of the previous harvest, which also avoided low-quality standover cane entering the current crush, and from the absence of significant rainfall or mill disruptions during the current harvest. These conditions contrast with several recent seasons when wet weather and mill breakdowns delayed harvesting and contributed to lowering the average sugar content.

Raw sugar exports for MY 2026/27 are estimated at 3.50 MMT, up 34 percent from 2.62 MMT in MY 2025/26. The increase reflects greater exportable supplies from higher sugar production and elevated beginning stocks, together with improved international raw sugar prices that are supporting shipments. As exports increase, ending stocks are forecast to fall by 32 percent to 913,000 MT, returning to levels more typical of Australia's export-oriented sugar market.

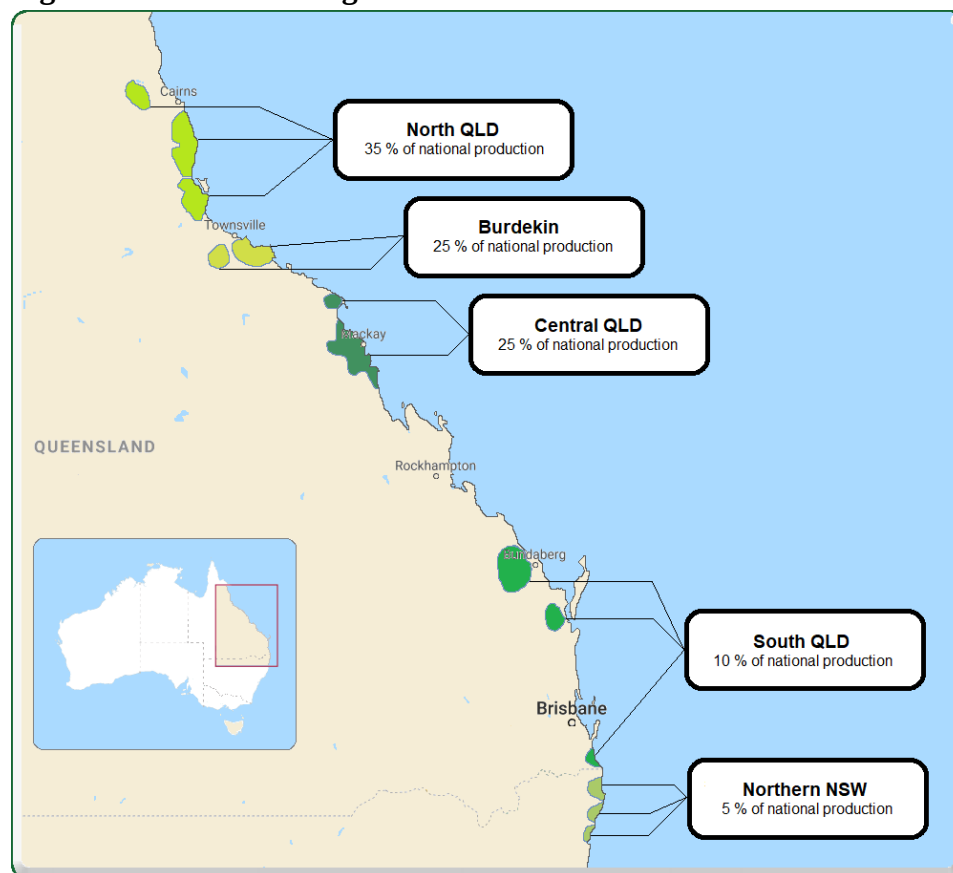
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Production

FAS/Canberra has revised its sugar cane production estimate for MY 2026/27 downward to 27.9 MMT, 1.8 percent below the 28.4 MMT produced in MY 2025/26 and 9.1 percent below the previous forecast of 30.7 MMT. If realized, this would be the fourth consecutive crop below 30.0 MMT, following more than a decade in which annual production consistently exceeded that level. The previous forecast assumed that the timely completion of the MY 2025/26 harvest would restore a more normal growing period and support improved yields. However, well below-average rainfall during the latter part of the MY 2026/27 growing season constrained crop growth and more than offset the favorable start to the season.

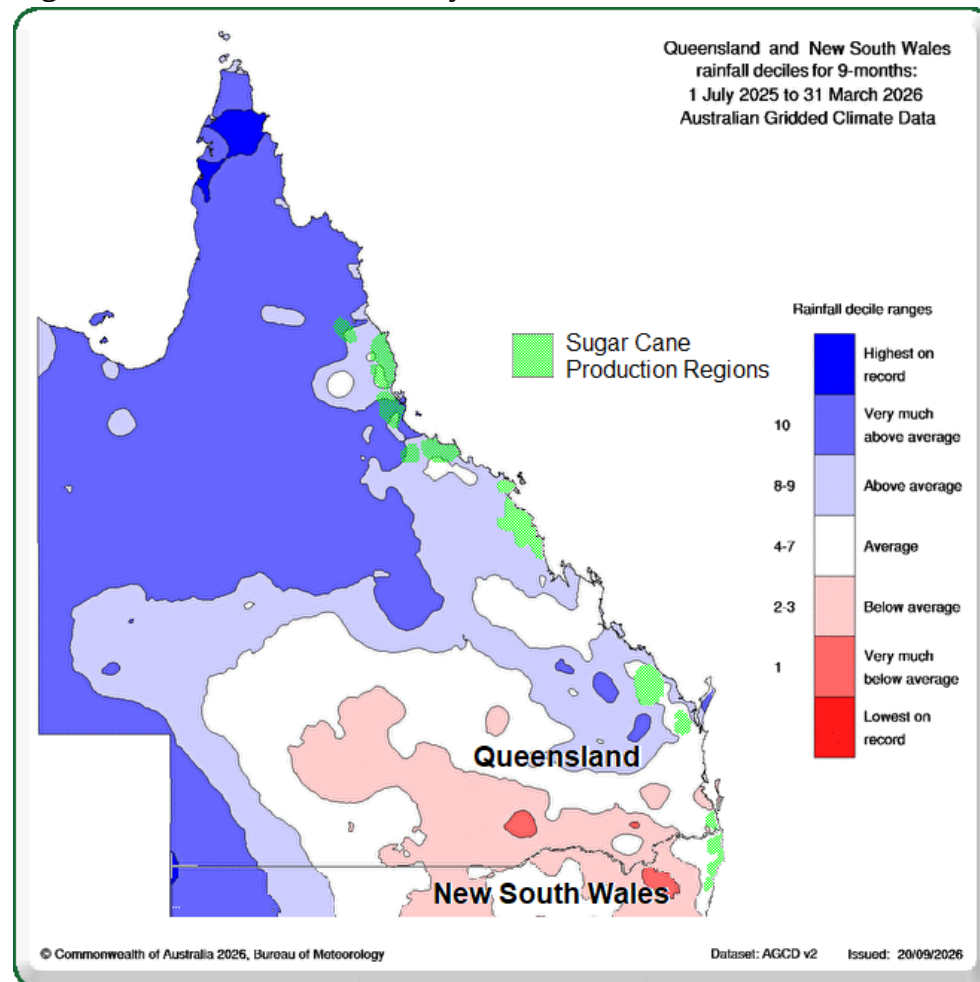
Early in the MY 2026/27 growing season, much of Australia's cane-growing region received average rainfall, while the central and northern regions—which account for about 85 percent of national production (Figure 1)—generally received average to above-average wet-season rainfall (Figure 2). These conditions supported the earlier forecast of 30.7 MMT, compared with 28.4 MMT in MY 2025/26. Conditions subsequently became much drier, particularly from April, leading FAS/Canberra to lower the production estimate to 27.9 MMT.

Figure 1 - Australian Sugarcane Production Areas



Source: FAS/Canberra

Figure 2 – Rainfall Deciles – July 2025 to March 2026

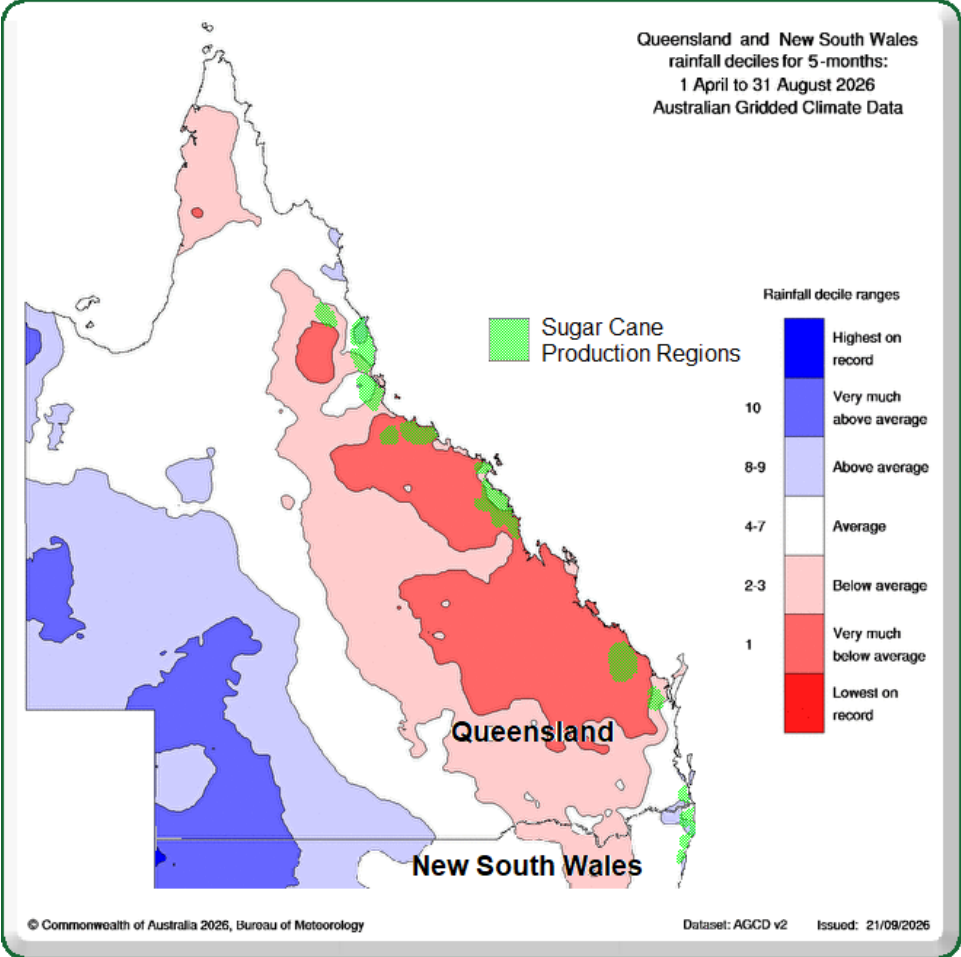


Source: Bureau of Meteorology, FAS/Canberra

From April through August 2026, much of the cane-growing region received well below-average rainfall (Figure 3). The drier conditions reduced crop growth during the important period leading into the June start of harvest and are the principal reason the MY 2026/27 cane production estimate has been revised downward.

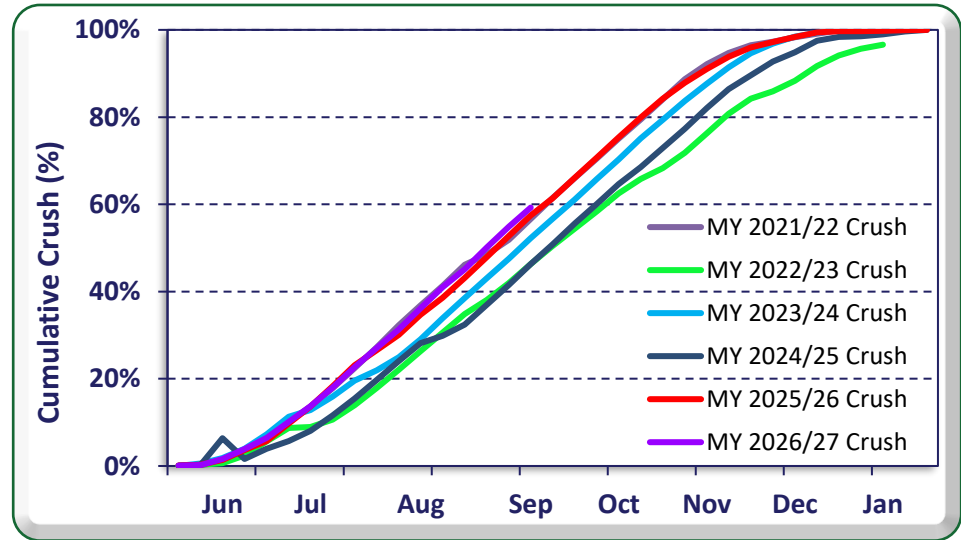
The MY 2026/27 cane crush estimate of 27.9 MMT is broadly in line with the Australian Sugar Manufacturers' (ASM) outlook. By mid-September 2026, around 60 percent of the crop had been harvested (Figure 4), ahead of the pace in most of the previous five seasons, several of which were delayed by excessive rainfall. With no major weather or mill disruptions to date, the harvest remains on schedule to finish around early December, in line with historical norms. Unlike some recent seasons, no cane is expected to be left unharvested and carried into the following season. A timely finish also gives the next crop a longer, more normal growing period and generally supports yield and sugar content.

Figure 3 – Rainfall Deciles - April to August 2026



Source: Bureau of Meteorology, FAS/Canberra

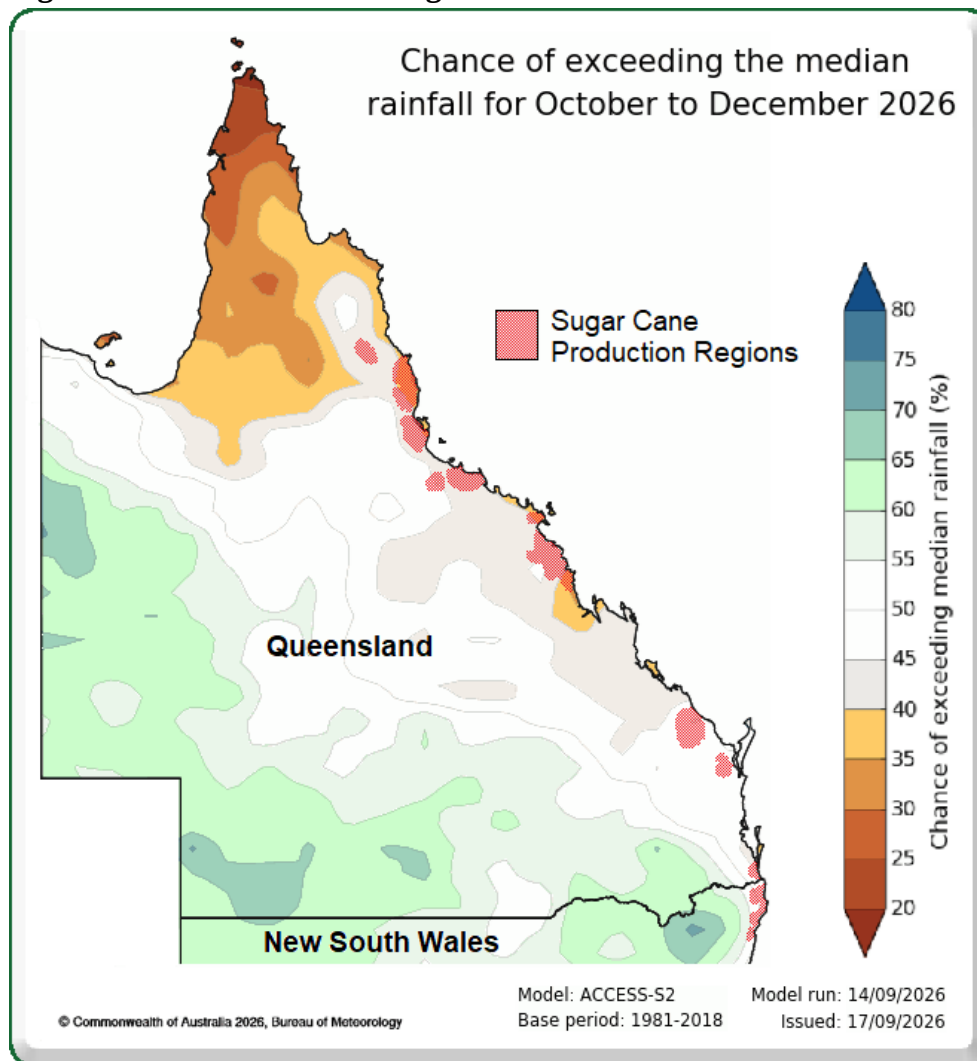
Figure 4 – Cumulative Sugar Cane Crush Progress – 2021 to 2026



Source: Australian Sugar Manufacturers

Looking ahead, the Bureau of Meteorology forecasts around-average to slightly below-average chances of exceeding median rainfall across most cane-growing regions from October through December 2026 (Figure 5). This outlook should generally favor continued harvest progress. Warmer conditions later in the season also improve field drying after rainfall, reducing the risk that moderate rain events cause prolonged harvest delays.

Figure 5 – Chance of Exceeding Median Rainfall for October to December 2026



Source: Australian Bureau of Meteorology, FAS/Canberra

A timely completion of the MY 2026/27 harvest, with little or no cane left unharvested, would provide a favorable foundation for the MY 2027/28 crop. Cane cut on schedule has close to a full twelve-month growing period before the next harvest, while later-harvested cane has more time to establish before the tropical wet season. Avoiding standover cane for a second consecutive year should also support average sugar content, as standover cane typically has lower sugar content. Assuming broadly normal seasonal conditions, FAS/Canberra expects sugar cane production to return above 30.0 MMT in MY 2027/28.

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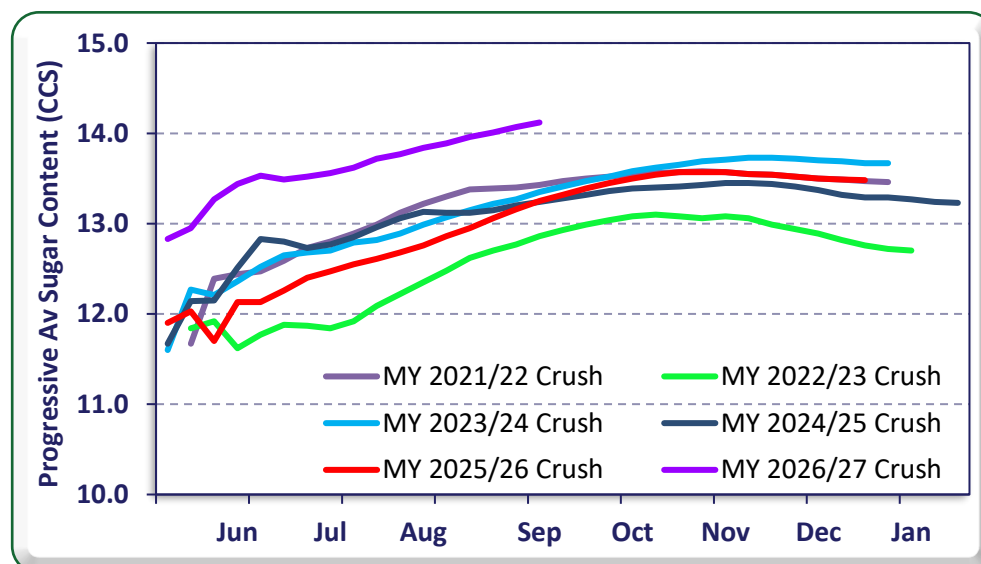
Production

FAS/Canberra estimates MY 2026/27 sugar production at 4.0 MMT, up 4.4 percent from 3.83 MMT in MY 2025/26 despite a 1.8 percent decline in sugar cane production. The increase is driven by substantially higher sugar content in cane harvested so far, a trend expected to remain supportive through the balance of the harvest. The previous sugar production forecast of 4.18 MMT assumed a cane crop of 30.7 MMT; the current cane estimate of 27.9 MMT is 9.1 percent lower. At 4.0 MMT, sugar production is broadly in line with the previous five-year average but about seven percent below the previous 10-year average of 4.3 MMT.

In a typical season, such as MY 2023/24, sugar content rises through the first half of the harvest, peaks around mid-season, and then eases, pulling down the cumulative average Commercial Cane Sugar (CCS) late in the season (Figure 6). MY 2026/27 is following a similar seasonal pattern but at a materially higher CCS level. This largely reflects the timely completion of the previous harvest, providing a full subsequent growing period and there was also no low-sugar standover cane at the start of the current crush, together with the absence of significant rainfall or mill disruptions during the harvest to date.

By contrast, MY 2021/22, MY 2022/23, and MY 2024/25 were affected by well above-average rainfall during the harvest period and experienced delayed completion. Prolonged wet conditions can reduce cane sugar content and extend harvesting into warmer weather, when sucker growth draws on plant energy reserves. As a result, delayed seasons tend to show a more pronounced late-season decline in cumulative average CCS, as illustrated in Figure 6.

Figure 6 – Progressive Cumulative Sugar Content Trends - MY 2021/22 to 2026/27



Source: Australian Sugar Manufacturers

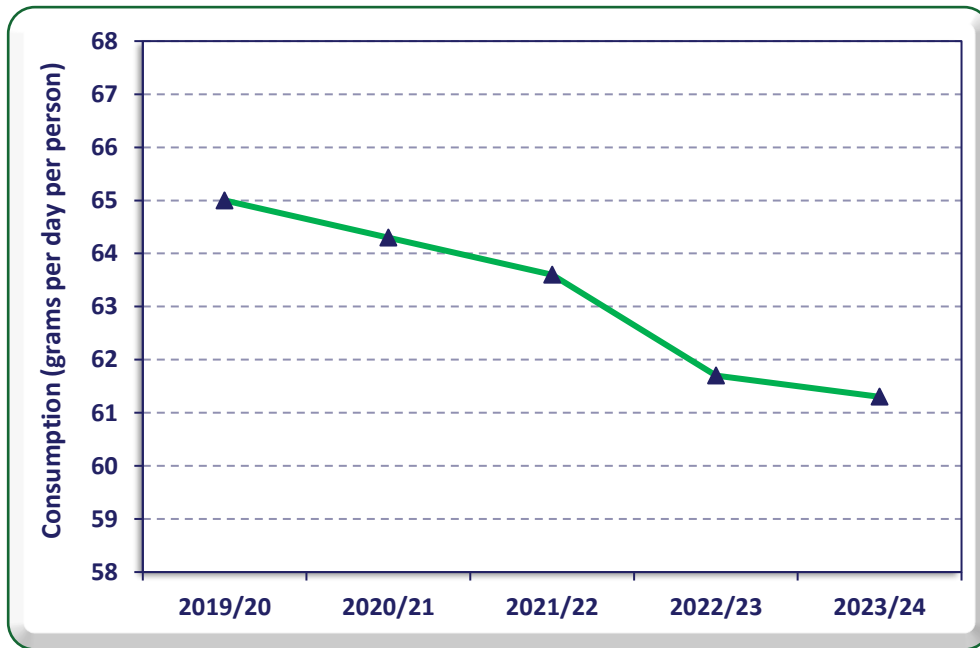
Note: CCS = Commercial Cane Sugar (measure of sugar content of sugar cane)

Consumption

Domestic sugar consumption for MY 2026/27 is estimated at 940,000 metric tons (MT), up 10,000 MT, or 1.1 percent, from 930,000 MT in MY 2025/26. The modest increase is primarily supported by population growth, currently running at an annualized rate of about 1.4 percent and largely driven by immigration, while declining per capita sugar consumption limits overall growth.

Per capita consumption of added sugar is expected to continue its gradual decline, consistent with recent trends associated with greater health awareness and increased availability of alternative sweeteners. Australian Bureau of Statistics (ABS) data show apparent consumption of added sugars fell from 65.0 grams per person per day in 2019/20 to 61.3 grams in 2023/24, a decline of 5.7 percent over four years (Figure 7).

Figure 7 – Australian per Capita Added Sugar Consumption - 2019/20 to 2023/24



Source: Australian Bureau of Statistics (ABS), *Apparent Consumption of Selected Foodstuffs*.

The ABS data also indicate a shift in the sources of added sugar consumed by Australians. Consumption associated with sugar-sweetened soft drinks and juices has declined, while artificially or intensely sweetened alternatives have gained share. At the same time, added sugar consumed through electrolytes and energy drinks, chocolate, and other confectionery has increased over the most recent four-year period, partly offsetting declines in other categories.

Trade

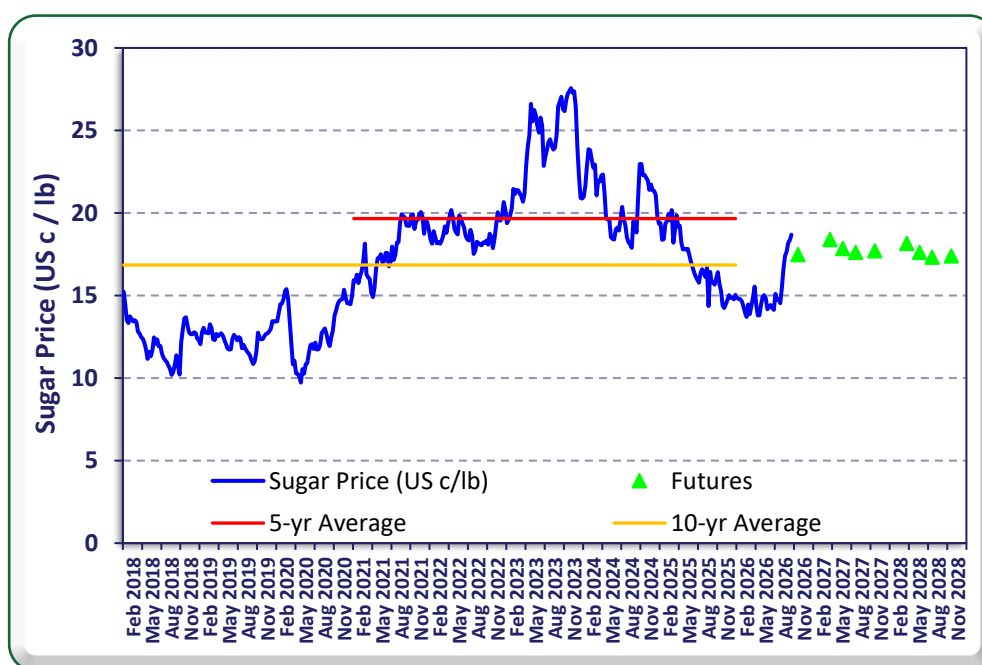
Exports

MY 2026/27 Raw Sugar Export Estimate

FAS/Canberra estimates raw sugar exports for MY 2026/27 at 3.5 MMT, up 34 percent from 2.62 MMT in MY 2025/26. The increase is supported by a larger exportable supply: sugar production is forecast to rise to 4.0 MMT and beginning stocks are estimated at 1.3 MMT after stocks accumulated in the prior year. Improved international sugar prices are also providing a stronger incentive to move this supply into export markets.

As of mid-September 2026, the Intercontinental Exchange (ICE) Sugar #11 price was above the previous 10-year average but remained below the previous five-year average (Figure 8). Futures prices shown in Figure 8 are also above the 10-year average, indicating that market pricing remains more supportive than for MY 2025/26. Together with increased available supply, these price levels are expected to support the forecast increase in Australia's raw sugar exports in MY 2026/27.

Figure 8 – ICE Sugar #11 – Price History and Futures



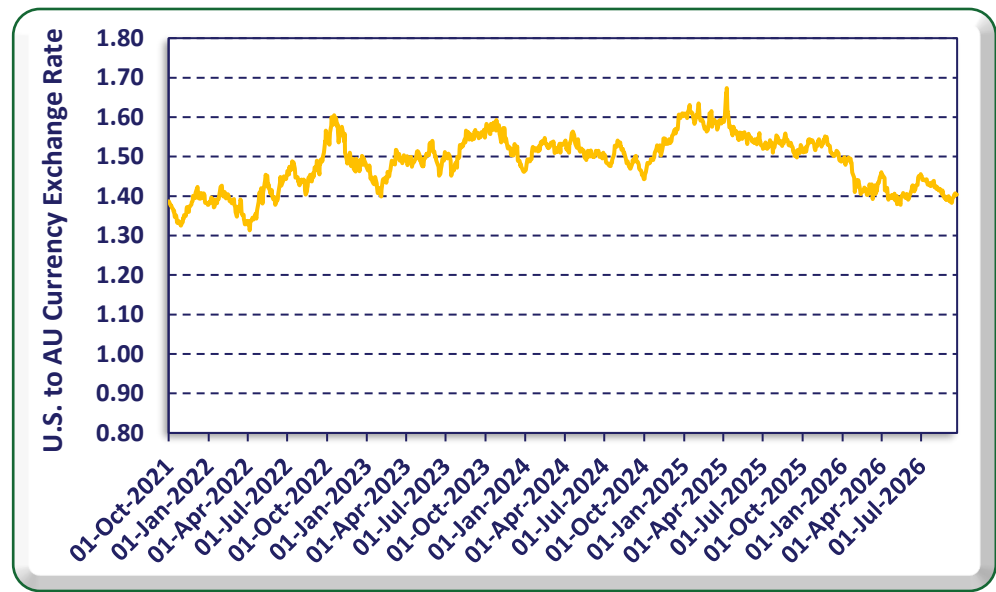
Source: Investing.com

Notes: Chart data points are weekly averages

Currency movements will also influence returns from sugar exports. The Australian dollar (AUD) has strengthened against the U.S. dollar in recent months (Figure 9), although economists' expectations for its direction remain mixed. A stronger AUD reduces the Australian-dollar value of U.S.-dollar-denominated sugar prices and can lower returns to growers and exporters. Nevertheless, current

international sugar prices and the larger volume of exportable supply are expected to support higher shipments in MY 2026/27 even if the AUD strengthens modestly.

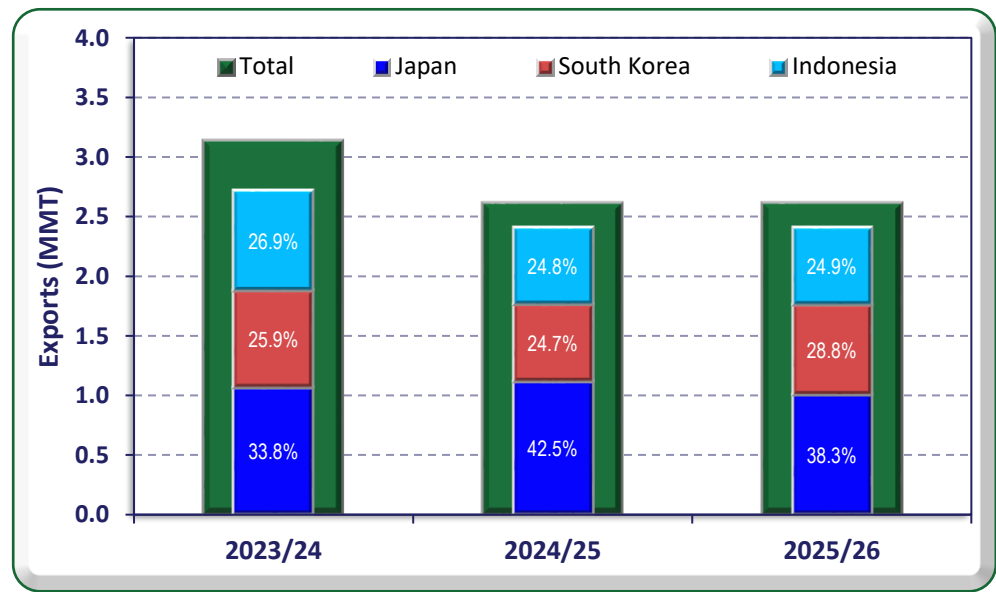
Figure 9 – U.S. to AU Currency Exchange Rate Trend



Source: Reserve Bank of Australia

Japan, South Korea, and Indonesia remain Australia’s dominant raw sugar markets, together accounting for roughly 90 percent or more of exports in recent years (Figure 10). New Zealand and the United States are smaller but regular destinations, while Taiwan and Malaysia are more intermittent buyers. No major change in the overall destination mix is expected in MY 2026/27.

Figure 10 – Importers of Australian Raw Sugar – Jul-Jun MY 2023/24 to 2025/26



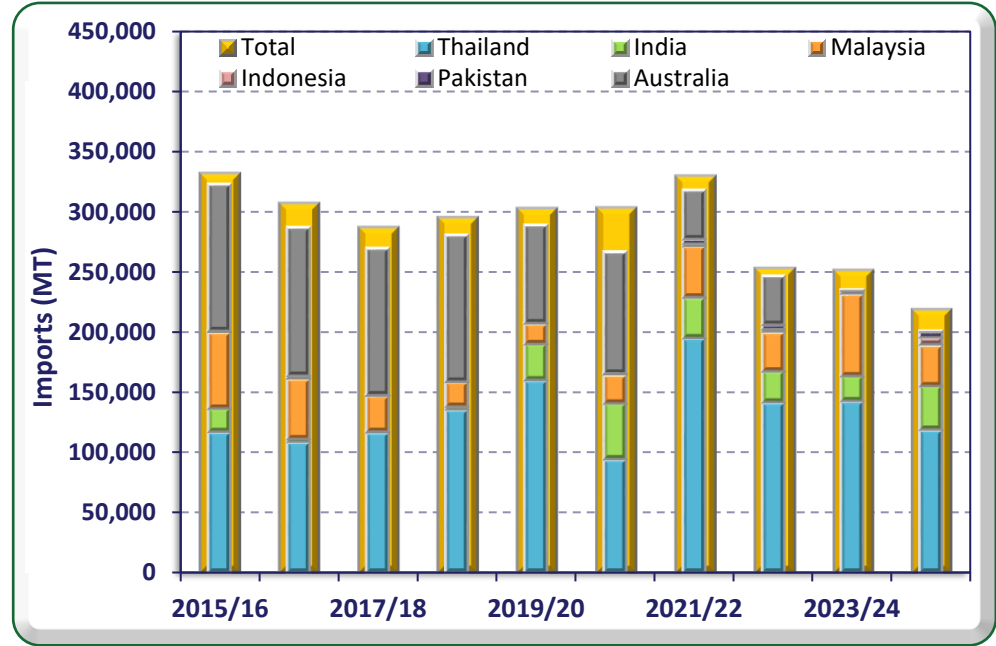
Source: Trade Data Monitor (data as reported by importing countries)

MY 2026/27 Refined Sugar Export Estimate

FAS/Canberra estimates refined sugar exports for MY 2026/27 at 6,000 MT, unchanged from MY 2025/26. This is close to the 7,000 MT exported in each of MY 2023/24 and MY 2024/25 but far below the 120,000 MT exported in MY 2021/22. Refined sugar therefore remains a very small component of Australia’s sugar trade.

At 6,000 MT, refined sugar accounts for less than 0.2 percent of forecast MY 2026/27 total sugar exports on a raw-value basis. The longer-term decline largely reflects the loss of sales to Singapore, historically a major buyer of Australian refined sugar. Singapore’s total refined sugar imports have declined, while Thailand and Malaysia have gained a larger share of the remaining market at Australia’s expense (Figure 11).

Figure 11 – Singapore Refined Sugar Imports –MY 2015/16 to 2024/25



Source: Trade Data Monitor

Imports

MY 2026/27 Raw Sugar Import Estimate

Raw sugar imports are forecast at 2,000 MT in MY 2026/27, unchanged from MY 2025/26 and broadly consistent with the very low levels of the previous nine years. With domestic sugar production forecast at 4.0 MMT and Australia remaining a major net exporter, there is little structural need for raw sugar imports.

MY 2026/27 Refined Sugar Import Estimate

FAS/Canberra estimates refined sugar imports at 10,000 MT in MY 2026/27, up 1,000 MT from MY 2025/26 but still broadly in line with the low volumes of the previous two marketing years.

Refined sugar imports have declined sharply from around 60,000 MT a decade ago. Australia produces substantially more sugar than it consumes domestically—human consumption is forecast at 940,000 MT compared with production of 4.0 MMT in MY 2026/27—and domestic refining facilities can produce the full range of refined products. Consequently, import requirements remain minimal.

Stocks

Australia's ending sugar stocks are forecast to fall to 913,000 MT in MY 2026/27, down 32 percent from 1.3 MMT in MY 2025/26. The decline primarily reflects the forecast 34 percent increase in raw sugar exports to 3.5 MMT, which will draw down the stocks accumulated during the prior year.

Australia typically carries relatively low year-end stocks because the cane harvest begins in June, close to the July start of the marketing year, encouraging mills and exporters to clear old-season inventories before new-season sugar moves into storage.

Table 1 - Production, Supply, and Distribution of Sugar Cane

Sugar Cane for Centrifugal Market Year Begins Australia	2024/2025		2025/2026		2026/2027	
	Jul 2024		Jul 2025		Jul 2026	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested ^(1000 HA)	335	326	0	340	0	334
Production ^(1000 MT)	29500	28800	0	28400	0	27900
Total Supply ^(1000 MT)	29500	28800	0	28400	0	27900
Utilization for Sugar ^(1000 MT)	29500	28800	0	28400	0	27900
Utilizatr ⁿ for Alcohol ^(1000 MT)	0	0	0	0	0	0
Total Utilization ^(1000 MT)	29500	28800	0	28400	0	27900

(1000 HA) ,(1000 MT)

OFFICIAL DATA CAN BE ACCESSED AT: [PSD Online Advanced Query](#)

Table 2 - Production, Supply, and Distribution of Sugar

Sugar, Centrifugal Market Year Begins Australia	2024/2025		2025/2026		2026/2027	
	Jul 2024		Jul 2025		Jul 2026	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Beginning Stocks (1000 MT)	788	788	1062	1062	1266	1347
Beet Sugar Production (1000 MT)	0	0	0	0	0	0
Cane Sugar Production (1000 MT)	3810	3810	3830	3830	4180	4000
Total Sugar Production (1000 MT)	3810	3810	3830	3830	4180	4000
Raw Imports (1000 MT)	2	2	2	2	2	2
Refined Imp.(Raw Val) (1000 MT)	9	9	9	9	10	10
Total Imports (1000 MT)	11	11	11	11	12	12
Total Supply (1000 MT)	4609	4609	4903	4903	5458	5359
Raw Exports (1000 MT)	2620	2620	2700	2620	3600	3500
Refined Exp.(Raw Val) (1000 MT)	7	7	7	6	7	6
Total Exports (1000 MT)	2627	2627	2707	2626	3607	3506
Human Dom. Consumption (1000 MT)	920	920	930	930	940	940
Other Disappearance (1000 MT)	0	0	0	0	0	0
Total Use (1000 MT)	920	920	930	930	940	940
Ending Stocks (1000 MT)	1062	1062	1266	1347	911	913
Total Distribution (1000 MT)	4609	4609	4903	4903	5458	5359
(1000 MT)						
OFFICIAL DATA CAN BE ACCESSED AT: PSD Online Advanced Query						

Attachments:

No Attachments