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Report Name: Sugar Semi-Annual

Country: China - People's Republic of

Post: Guangzhou ATO

Report Category: Sugar

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Report Highlights:

Sugar production is forecast to increase in MY 2026/27, driven by increased cane sugar output. With domestic consumption remaining stagnant, sugar imports are forecast to decline. Imports of sugar syrup and premixed powder are also expected to fall, as the government moves to protect domestic farmers' interests by curbing supplies from various import channels.

Cane Sugar Production

Cane sugar production is forecast at 12 million metric tons (MMT) in marketing year (MY) 2026/27 (October-September); this is up 620,000 metric tons (MT) from the revised MY 2025/26 estimate. The increase is largely due to expanded cane planting acreage in Guangxi and higher volumes of imported cane from neighboring countries (e.g., Myanmar and Laos) being milled in Yunnan.

Cane farmers in Guangxi continue to benefit from governmental subsidies and financial support from millers, incentivizing acreage expansion. Profit margins from cane are higher than substitute crops (i.e., fruits), whose prices are suppressed by weak market demand.

During MY 2025/26, from October 2025 to June 2026, China imported 4.27 MMT of sugarcane (HS Code 1212.93), the highest volume on record. These imports accounted for nearly 19 percent of the sugarcane processed in Yunnan Province and yielded an estimated 561,200 metric tons of raw sugar, based on an average sugar recovery rate of 13.14 percent. Yunnan Province accounted for 98.9 percent of China's total sugarcane imports during the period. Myanmar was the leading supplier, accounting for 66.77 percent of imports, followed by Laos (31.44 percent) and Vietnam (1.79 percent). This trend is expected to continue into MY 2026/27.

MY 2025/26 cane sugar production is estimated at 11.38 MMT, up 280,000 MT from the previous estimate to align with the official figures from China's Ministry of Agriculture and Rural Affairs (MARA).

Beet Sugar Production

MY 2026/27 China's beet sugar production is forecast at 1.37 MMT, down 200,000 MT from the revised MY 2025/26 estimate. In both Inner Mongolia and Xinjiang, beet planted acreage is forecast to decline due to narrowing profit margins. Unlike the cane industry in Southwest China, the beet industry is entirely market-driven and faces competition from other crops like corn, soybeans, and potatoes.

On September 16, 2026, a beet sugar mill in Inner Mongolia began production, marking the start of China's MY 2026/27 sugar milling season. An estimated 13 beet mills are expected to operate this season, one more than in MY 2025/26.

Beet harvest in Xinjiang began on September 18, 2026. An estimated 12 beet sugar mills are expected to operate in MY 2026/27, two fewer than the previous season.

MY 2025/26 beet sugar production is estimated at 1.57 MMT, up 70,000 MT from the previous estimate to align with the official figures released by China's Ministry of Agriculture and Rural Affairs (MARA).

Centrifugal Sugar Production

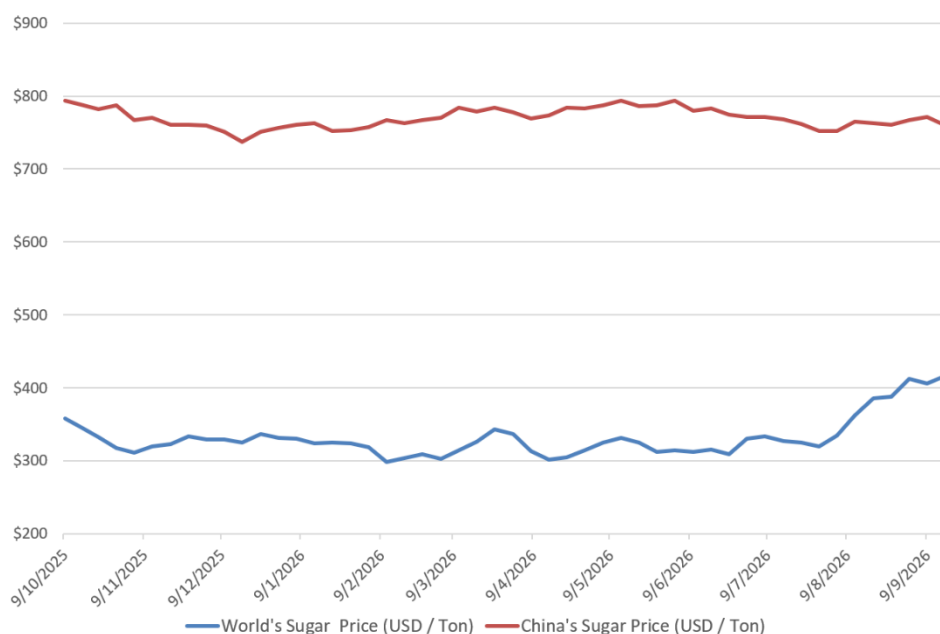
MY 2026/27 China's centrifugal sugar production is forecast at 13.37 MMT, up 420,000 MT from the revised MY 2025/26 estimate. The growth in cane sugar production is expected to outpace the decline in

beet sugar production. Most industry insiders expect sugar prices to remain strong in MY 2026/27, farmers (both cane and beet) and millers are expected to be profitable.

MY 2025/26 total sugar production is estimated at 12.95 MMT, revised up 350,000 MT from the previous estimate to align with the official figures released by MARA.

As China's cane sugar production rises amid weak market demand, the gap between sugar production and consumption has narrowed. Consequently, import volumes are decreasing. Chinese domestic sugar prices have not increased along with international prices this year.

Chart 1: China and World Sugar Prices - September 2025 to September 2026 (metric ton basis)



Source: Data by www.hisugar.com and Trading Economics, Chart by ATO Guangzhou

Consumption

China's MY 2026/27 sugar consumption is forecast at 15.8 MMT, up 100,000 MT from the revised MY 2025/26 estimate. China's economy is still facing headwinds and consumption is stagnant. But there are signs of strength in some sugar consumption sectors.

In some cases, industrial demand continues to contract. For example, mooncakes are historically consumed and shared as gifts during Chinese Mid-Autumn Festival in late September. Annually, mooncake production can reach 500,000 MT, using over 150,000 MT of sugar. In September 2026,

according to industry reports, China's mooncake production totaled 426,000 MT, down 18 percent year-over-year.

From January to August 2026, China's beverage production reached 124.27 MMT, down 0.6 percent year-over-year. In June and July 2026, the beverage production declined by 3.2 percent and 5.4 percent year-over-year respectively; however, in August 2026, the production increased by 0.6 percent, indicating that the industry is stabilizing. Meanwhile, in China's new-style milk tea industry, several leading brands reported healthy revenue growth in the first half of 2026.

MY 2025/26 sugar consumption is estimated at 15.7 MMT, revised down 100,000 MT from the previous estimate to align with the official figures released by MARA.

Trade

Imports

MY 2026/27 China's sugar imports are forecast at 3.8 MMT, down 775,000 MT from the revised MY 2025/26 estimated imports. Global sugar prices are forecast to stay at elevated levels in MY 2026/27, curbing China's sugar imports. Furthermore, industry experts expect the Chinese government to limit the issuance of import permits for out-of-quota sugar imports to safeguard farmers' interests; China's sugar production is forecast to increase in MY 2026/27.

MY 2025/26 sugar imports are estimated at 4.58 MMT, down 420,000 MT from MARA's official estimate of 5 MMT. According to Trade Data Manager, from October 2025 to August 2026, China's raw sugar imports were 3.72 MMT, close to that of previous marketing year (3.73 MMT). For the same period, refined sugar imports were 293,261 MMT, down 13.5 percent year-over-year.

MY 2024/25 refined sugar imports estimate is revised to 430,000MT, up 34,000 MT from the USDA official based on actual trade data.

Imports of Sugar Syrup and Premixed Powder

(NOTE: Imports of sugar syrup and premixed powder are not included in the Production, Supply, and Distribution (PSD) figures but do add supply to the China market and are therefore explained here.)

In the first half of 2026, the imports of sugar syrup (HS code: 1702.9011) increased more than fourfold to 484,300 MT and accounted for 78 percent of total imports. Laos supplied 78.8 percent of total imports, replacing the previously more diversified supplier base led by Thailand and Vietnam.

Nevertheless, the total imports are declining due to significantly reduced imports under HS codes 2106.906. For example, from July to August 2026, these imports of sugar syrup and premixed powder (HS code: 2106.906) reduced by a total of 192,500 MT year-over-year.

As a result, in MY 2025/26, China's total imports of sugar syrup and premixed powder (including HS codes of 1702.90 and 2106.906) are expected to decline to 1.05 MMT, down 25 percent year-over-year and equivalent to 840,000 MT of raw sugar.

Exports

MY 2026/27 China's sugar exports are forecast at 160,000 MT, the same as the USDA official forecast.

MY 2025/26 sugar exports are estimated at 133,000 MT, down 27,000 MT from the USDA official estimate.

Stocks

MY 2026/27 China's sugar stocks are forecast at 4.58 MMT, an increase of 556,000 MT from the USDA official forecast. With the increase in MY2025/26 stocks and the forecast increase in sugar production, MY 2026/27 stocks are poised to rise.

MY 2025/26 sugar stocks are estimated at 3.37 MMT, up 586,000 MT from the USDA official estimate, reflecting increased sugar production and reduced consumption.

MY 2024/25 stocks are revised to 1.68 MMT, up 34,000 MT from the USDA official figure as the result of revision in refined imports.

Table 1: Sugar, Centrifugal: Production, Supply and Distribution

Sugar, Centrifugal Market Year Begins China	2024/2025		2025/2026		2026/2027	
	Oct 2024		Oct 2025		Oct 2026	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Beginning Stocks (1000 MT)	1395	1395	1643	1677	2783	3369
Beet Sugar Production (1000 MT)	1500	1500	1500	1570	1400	1370
Cane Sugar Production (1000 MT)	9660	9660	11100	11380	11300	12000
Total Sugar Production (1000 MT)	11160	11160	12600	12950	12700	13370
Raw Imports (1000 MT)	4248	4248	5100	4200	5100	3500
Refined Imp.(Raw Val) (1000 MT)	396	430	350	375	350	300
Total Imports (1000 MT)	4644	4678	5450	4575	5450	3800
Total Supply (1000 MT)	17199	17233	19693	19202	20933	20539
Raw Exports (1000 MT)	3	3	3	3	3	3
Refined Exp.(Raw Val) (1000 MT)	163	163	157	130	157	157
Total Exports (1000 MT)	166	166	160	133	160	160
Human Dom. Consumption (1000 MT)	15390	15390	16750	15700	16750	15800
Other Disappearance (1000 MT)	0	0	0	0	0	0
Total Use (1000 MT)	15390	15390	16750	15700	16750	15800
Ending Stocks (1000 MT)	1643	1677	2783	3369	4023	4579
Total Distribution (1000 MT)	17199	17233	19693	19202	20933	20539
(1000 MT)						
OFFICIAL DATA CAN BE ACCESSED AT: PSD Online Advanced Query						

Table 2: Sugar Cane: Production, Supply and Distribution

Sugar Cane for Centrifugal Market Year Begins China	2024/2025		2025/2026		2026/2027	
	Oct 2024		Oct 2025		Oct 2026	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted (1000 HA)	1210	1210	0	1250	0	1350
Area Harvested (1000 HA)	1210	1210	0	1250	0	1350
Production (1000 MT)	81000	81000	0	90000	0	95000
Total Supply (1000 MT)	81000	81000	0	90000	0	95000
Utilization for Sugar (1000 MT)	81000	81000	0	90000	0	95000
Utilizatn for Alcohol (1000 MT)	0	0	0	0	0	0
Total Utilization (1000 MT)	81000	81000	0	90000	0	95000
(1000 HA) ,(1000 MT)						
OFFICIAL DATA CAN BE ACCESSED AT: PSD Online Advanced Query						

Table 3: Sugar Beets: Production, Supply and Distribution

Sugar Beets Market Year Begins China	2024/2025		2025/2026		2026/2027	
	Oct 2024		Oct 2025		Oct 2026	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted (1000 HA)	188	188	0	230	0	200
Area Harvested (1000 HA)	188	188	0	230	0	200
Production (1000 MT)	10100	10100	0	12650	0	11000
Total Supply (1000 MT)	10100	10100	0	12650	0	11000
Utilization for Sugar (1000 MT)	10100	10100	0	12650	0	11000
Utilizatn for Alcohol (1000 MT)	0	0	0	0	0	0
Total Distribution (1000 MT)	10100	10100	0	12650	0	11000
(1000 HA) ,(1000 MT)						
OFFICIAL DATA CAN BE ACCESSED AT: PSD Online Advanced Query						

Attachments:

No Attachments