

Required Report: Required - Public Distribution

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Report Name: Sugar Semi-annual

Country: Pakistan

Post: Islamabad

Report Category: Sugar

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Report Highlights:

The 2025/26 sugarcane production forecast has been revised downward following extensive flood damage across key growing zones, particularly in Punjab. National cane output is now projected at 770 million tons, reflecting both a reduction in harvested areas and potential yield loss. Consequently, the cane sugar production forecast has also been reduced, with output now anticipated at 6.15 million tons.

Production:

The 2025/26 sugarcane production forecast has been revised downward to 765 million metric tons, representing 8 percent decline from the earlier projection of 835 million tons. The reduction is largely attributed to a decrease in areas able to be harvested, driven by the extensive flood damage that struck key sugarcane production areas during the 2025 monsoon season, especially in Punjab.

Floodwaters from the Chenab and Sutlej rivers inundated large strips of central and southern Punjab before moving southward into Sindh. Although sugarcane demonstrates better resilience to waterlogging compared to other crops: persistent standing water, soil saturation, and stalk lodging are expected to disrupt harvest and logistics in both Punjab and Sindh. While losses in sugarcane are less serious than in other crops such as cotton and rice, the cumulative impact on output remains significant.

Table 1: Sugarcane Affected Area

Zones	Sugarcane Area	Province
Southern Irrigated Plains	Rahim Yar Khan,	Punjab
	Sukkur, Larkana, Gotki	Sindh
Northen Irrigated Plains	Faisalabad, Jhang, Chiniot, Gujranwala, Sargodha.	Punjab,
	Charsada	KPK
Sandy Deserts	Muzaffargarh	Punjab
Sulaiman Piedmont	DG Khan	Punjab

According to government sources, 27 districts of Punjab are affected due to recent flooding. The most affected cane producing districts include Jhang, Chiniot, Muzaffargarh and some other areas of South Punjab, where reductions in harvested areas are most evident. Nationally, the harvested area in 2025/26 is projected to decline compared to 2024/25. Compounding the situation, Pakistan’s sugarcane yields are already below international averages, and sucrose recovery rates remain low at 8–10 percent. The added stress from flooding is expected to further suppress both productivity and recovery, weighing on overall sugar supplies.

In Pakistan, cane harvesting will commence in early November in Sindh and subsequently progress northward, with Punjab and Khyber Pakhtunkhwa beginning harvest activities in late November. In response to anticipated supply constraints, the Pakistan Sugar Mills Association (PSMA) has recommended initiating the 2025/26 crushing season on November 1, 2025, to maintain continuity in processing and mitigate potential supply gaps.

The Government of Pakistan has formally announced its withdrawal from direct involvement in the sugarcane market. In the past, the government supported farmers through the announcement of support prices; however, no such prices were set last year, and this latest decision confirms a policy shift. By stepping back, the government is allowing market forces to determine supply and demand, leaving procurement largely to the private sector but still having a role in pricing.

Pakistan: Flood Impact

Dates of Flooding: Aug. 28 to Sept. 1, 2025
Countries Impacted: Pakistan
Total Impacted Area: 2,640,484 Ha
Impacted Cropland Area: 1,755,459 Ha

Administrative Unit

Administrative Unit	Flooded Cropland (ha)	Flooded Area (ha)
Punjab	1,315,573	1,684,635
Sindh	364,912	744,658
Khyber-Pakhtunkhwa	55,474	150,919
Balochistan	19,501	60,272
Total (5 Most Impacted Admin Units)	1,755,459	2,640,484

Satellite Observed Flood Impact

- Observed flooded extent, non cropland
- Observed flooded extent, cropland
- Cropland, non flooded
- Permanent water

Cumulative Precipitation
August 26 to 31, 2025

Cumulative Precipitation	Cumulative Precipitation
≤ 1 mm	50 - 75
1 - 10	75 - 100
10 - 25	100 - 125
25 - 50	> 25 mm

Sources: NOAA/NESDIS VIIRS 5-Day Flood Composite (Aug 28 to Sep 1, 2025); ESA Worldcover 10m 2021 Crop Mask; IMERG Cumulative Precipitation (Aug 26 to Aug 31, 2025); Flood extent defined as pixels containing 40% or greater flooding for the period Aug 28 to Sep 1, 2025.

Sugar Cane for Centrifugal	2023/2024		2024/2025		2025/2026	
Market Year Begins	Oct 2023		Oct 2024		Oct 2025	
Pakistan	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted (1000 HA)	1,175	1,175	1,210	1,210	-	1,210
Area Harvested (1000 HA)	1,175	1,175	1,210	1,210	-	1,150
Production (1000 MT)	81,500	81,500	83,500	80,000	-	76,500
Total Supply (1000 MT)	81,500	81,500	83,500	80,000	-	76,500
Utilization for Sugar (1000 MT)	81,500	81,500	83,500	80,000	-	76,500
Utilization for Alcohol (1000 MT)	-	-	-	-	-	-
Total Utilization (1000 MT)	81,500	81,500	83,500	80,000	-	76,500

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

Sugar production in Pakistan for 2025/26 is projected at 6.15 million tons, representing a 6 percent decline compared to the 2024/25 estimate. The reduction reflects anticipated crop losses from flood damage, lower sucrose recovery, and reduced cane yields.

As of September 2025, the country is facing noticeable sugar market disruption, with retail prices reaching Rs.200 per kilogram in several urban and peri-urban markets. This escalation has been driven by reduced domestic output in 2024/25, coupled with higher-than-anticipated sugar exports. In response, the government has authorized the import of 500,000 tons of sugar to help stabilize market supplies. However, given the outlook for continued production shortfalls in 2025/26, further reliance on imports will likely be necessary to ensure adequate availability.

Sugar, being an essential commodity, plays a critical role in consumption patterns across Pakistan. The sustained rise in prices affects low- and middle-income households, compounding existing financial pressures and the economic strain from recent flood losses. Inflation in essential food commodities is also stirring fears of food insecurity, particularly in flood-affected regions.

Consumption:

Sugar consumption for 2025/26 is kept unchanged at 6.8 million tons. The stable growth in consumption is in line with Pakistan's rising population driving sustained household demand. At the same time, the expansion of the domestic food processing sector, particularly in beverages and confectionery, continues to reinforce modest growth in demand for sugar.

At the household level, sugar remains a daily staple, forming part of routine dietary consumption across both rural and urban settings. Beyond direct consumption, the industrial use of sugar has been expanding. Smaller but notable shares of sugar are also absorbed by the dairy sector, particularly in value-added products such as flavored milk and yogurt. The pharmaceutical industry is another important user for syrups and related products. This diversified demand indicates that even with fluctuations in domestic production, consumption is likely to remain unchanged.

Trade:

During 2025/26, sugar supplies are expected to remain tight and stock levels may increase due to the uncertain market conditions, especially post flooding. In this current scenario, sugar exports are forecast to be negligible. As a means of safeguarding domestic price stability, the government is expected to maintain restrictions on exports. Thus, no outward shipments are currently anticipated during the year.

Pakistan largely restricted sugar exports over the past two years. However, in 2024/25, the government authorized exports of approximately 750,000 tons, mainly to Afghanistan and Bangladesh. This decision disrupted the domestic market equilibrium and contributed to a sharp increase in retail prices, contributing to the current cautious stance on exporting.

On the import side, the forecast for 2025/26 has been revised to 500,000 tons, reflecting Pakistan's likely need to stabilize domestic availability. However, the final import requirement will depend on the outcomes of the upcoming crushing season, when more reliable production and stock data will become available.

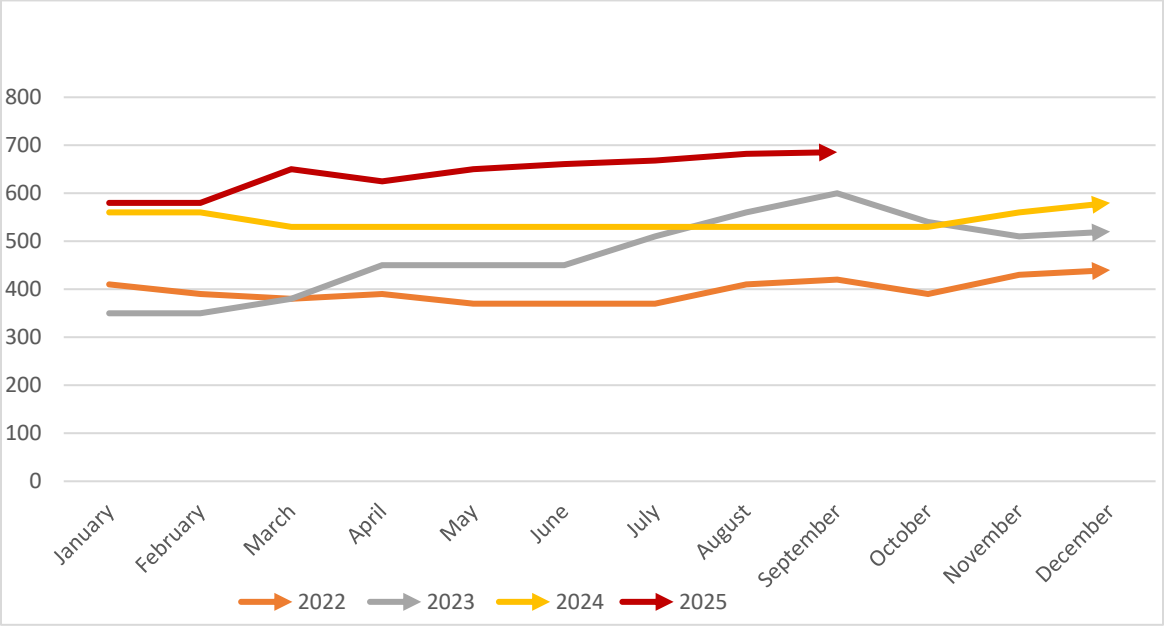
Policy

In Pakistan's 2025/26 budget, no additional taxes or duties were introduced for the sugar sector, reflecting a continuation of existing policy measures. However, in response to the sharp escalation of sugar prices at the national level, the government has adopted short-term market stabilization measures. Specifically, all duties and taxes on sugar imports have been waived to facilitate the inflow of supplies and ensure that the commodity remains accessible to consumers at more affordable prices. With the conclusion of the monsoon season, the government's focus has now shifted toward assessing the full extent of crop and infrastructure losses (including to key roads in growing areas) and to initiating rehabilitation measures.

Table 3: Sugar Production, Supply and Distribution (1000 HA), (1000 MT)

Sugar, Centrifugal	2023/2024		2024/2025		2025/2026	
Market Year Begins	Oct 2023		Oct 2024		Oct 2025	
Pakistan	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Beginning Stocks (1000 MT)	3,472	3,472	3,392	3,392	1,952	1,952
Beet Sugar Production (1000 MT)	60	60	60	60	60	60
Cane Sugar Production (1000 MT)	6,500	6,500	5,800	5,800	6,600	6,150
Total Sugar Production (1000 MT)	6,560	6,560	5,860	5,860	6,660	6,210
Raw Imports (1000 MT)	0	0	0	0	0	0
Refined Imp. (Raw Val) (1000 MT)	10	10	0	0	0	500
Total Imports (1000 MT)	10	10	0	0	0	500
Total Supply (1000 MT)	10,042	10,042	9,252	9,252	8,612	8,662
Raw Exports (1000 MT)	0	0	0	0	0	0
Refined Exp. (Raw Val) (1000 MT)	300	300	700	700	50	50
Total Exports (1000 MT)	300	300	700	700	50	50
Human Dom. Consumption (1000 MT)	6,350	6,350	6,600	6,600	6,800	6,800
Other Disappearance (1000 MT)	0	0	0	0	0	0
Total Use (1000 MT)	6,350	6,350	6,600	6,600	6,800	6,800
Ending Stocks (1000 MT)	3,392	3,392	1,952	1,952	1,762	1,812
Total Distribution (1000 MT)	10,042	10,042	9,252	9,252	8,612	8,662
OFFICIAL DATA CAN BE ACCESSED AT: PSD Online Advanced Query						

Figure 2: Sugar Price (\$/MT)



Sources: Pakistan Bureau of Statistics and Agriculture Market Information System and FAS Market Contacts

Attachments:

No Attachments