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Report Highlights:

This report contains updates to FAS Pakistan's sugar outlook since the Sugar Annual report on April 20, 2026. Total sugar production for the 2026/27 season is unchanged from the last report at 6.91 million metric tons, slightly below last year. Domestic sugar consumption continues to grow gradually, driven by population increases and expanding use in food and beverage manufacturing. With sufficient production and carryover stocks, the export forecast for 2026/27 is increased to 500,000 metric tons.

Table 1: Sugar Cane Production, Supply and Distribution (1000 HA), (1000 MT)

Sugar Cane for Centrifugal	2024/2025		2025/2026		2026/2027	
Market Year Begins	Oct 2024		Oct 2025		Oct 2026	
Pakistan	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted (1000 HA)	1,210	1,210	-	1,210	-	1,210
Area Harvested (1000 HA)	1,210	1,190	-	1,200	-	1,210
Production (1000 MT)	83,500	83,500	-	84,500	-	84,500
Total Supply (1000 MT)	83,500	83,500	-	84,500	-	84,500
Utilization of Sugar (1000 MT)	83,500	83,500	-	84,500	-	84,500
Utilization for Alcohol (1000 MT)	-	-	-	-	-	-
Total Utilization (1000 MT)	83,500	83,500	-	84,500	-	84,500
OFFICIAL DATA CAN BE ACCESSED AT: PSD Online Advanced Query						

Sugarcane Production:

Pakistan's sugarcane production for centrifugal sugar in marketing year 2026/27 (Oct 2026–Sept 2027) is forecast at 84.5 million metric tons (MT), unchanged from the Sugar Annual. This estimate is based on a stable national average yield of 69.8 MT/hectare (Ha) and normal weather conditions. Both harvested area and production are expected to be stable, supported by competitive returns that keep growers committed to sugarcane over alternative crops. Cane area expanded slightly in Punjab, while Sindh experienced a modest decline, but overall yields across major producing zones remain consistent due to favorable growing conditions.

Sugarcane production is heavily concentrated in Punjab and Sindh provinces, which together contribute roughly 93 percent of national output, with Khyber Pakhtunkhwa and Baluchistan provinces providing smaller yet steady shares. Key production hubs such as Bahawalpur and Rahim Yar Khan in Punjab and Sukkur in Sindh continue to represent more than half of Pakistan's total cane acreage and strong industrial presence. The proximity between mills and growing areas ensures reliable marketing channels for farmers and supports stable planting for sugarcane. Mills also provide consultancy services and buyback agreements with farmers which further incentivize the cane planting.

Sugarcane is grown on a three to four-year ratoon (cutting the upper stem while leaving the roots intact) cycle, so farmers do not replant every season. This results in relatively stable year-to-year area and production levels unless disrupted by severe weather or prolonged market pressures. The July–September 2026 monsoon season brought normal to below-normal rainfall in Punjab, Sindh, and lower Khyber Pakhtunkhwa, while northern regions received slightly above-normal precipitation. Despite uneven rainfall and isolated heavy showers, irrigation availability and soil moisture remained adequate across the main production belts. With steady area, consistent yields, and no major weather disruptions in recent months, sugarcane output for MY 2026/27 is expected to remain aligned with recent trends.

In Pakistan, cane harvesting for the 2026/27 season will begin in early November in Sindh and then move northward, with Punjab and Khyber Pakhtunkhwa commencing harvest operations in late November to December, consistent with the traditional south-to-north progression of the crop. Harvesting is also aligned with crushing season which is expected to start mid to late November though the exact provincial notifications have not yet been announced.

Sugarcane Production

Province	Percentage
Punjab	72%
Sindh	21%
KPK	6%
Baluchistan	1%

Sugar, Centrifugal	2024/2025		2025/2026		2026/2027	
Market Year Begins	Oct 2024		Oct 2025		Oct 2026	
Pakistan	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Beginning Stocks (1000 MT)	3,392	3,392	1,952	1,952	2,162	2,462
Beet Sugar Production (1000 MT)	60	60	60	60	60	60
Cane Sugar Production (1000 MT)	5,800	5,800	7,000	7,000	6,850	6,850
Total Sugar Production (1000 MT)	5,860	5,860	7,060	7,060	6,910	6,910
Raw Imports (1000 MT)	-	-	-	-	-	-
Refined Imp. (Raw Val) (1000 MT)	-	-	250	250	-	-
Total Imports (1000 MT)	-	-	250	250	-	-
Total Supply (1000 MT)	9,252	9,252	9,262	9,262	9,072	9,372
Raw Exports (1000 MT)	-	-	-	-	-	-
Refined Exp. (Raw Val) (1000 MT)	700	700	500	200	300	500
Total Exports (1000 MT)	700	700	500	200	300	500
Human Dom. Consumption (1000 MT)	6,600	6,600	6,600	6,600	6,800	6,800
Other Disappearance (1000 MT)	-	-	-	-	-	-
Total Use (1000 MT)	6,600	6,600	6,600	6,600	6,800	6,800
Ending Stocks (1000 MT)	1,952	1,952	2,162	2,462	1,972	2,072
Total Distribution (1000 MT)	9,252	9,252	9,262	9,262	9,072	9,372

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Sugar Production:

Cane sugar production for marketing year (Oct–Sep) 2026/27 is forecast at 6.85 million metric tons, slightly below last year's estimate. This forecast assumes normal weather, average sucrose recovery, and stable cane yields across key producing areas.

The Government of Pakistan has mostly withdrawn from direct involvement in the sugar sector, leaving cane procurement and pricing to the private sector. This change has different impacts across the supply chain; small farmers may face greater price uncertainty while large farmers are better able to manage price fluctuations and invest in improved production practices. Sugar mills now have more freedom to operate, setting cane prices with farmers, managing stocks based on market conditions, and pursuing export opportunities. However, mills now face greater exposure to international price movements and no longer benefit from past government policies that reduced financial risk. Rising operating costs, high carryover stocks, and limited storage space add pressure ahead of the 2026/27 crushing season.

Crushing typically begins in mid-November in Sindh and late November in Punjab and Khyber Pakhtunkhwa. 2026/27 cane area and yields are stable, and no significant weather issues have been reported. Overall, the outlook for 2026/27 is cautiously optimistic but the sugar sector is facing several operational and structural challenges that may impact crushing in 2026/27. The most pressing constraint is the severe mill liquidity shortage, driven by large carryover inventories and slow export clearances. Mills continue to hold substantial unsold stocks heading into the new crushing season, limiting their ability to finance cane procurement, settle grower payments, and prepare for operations. Without timely export approvals storage capacity will remain constrained and could delay the start of crushing.

Consumption:

Sugar consumption for marketing year 2026/27 is forecast at 6.8 million tons, unchanged from the Sugar Annual, reflecting steady growth from population increases and expanding demand in the food and beverage sector. Household use remains dominant, accounting for about 60 percent of total consumption, while industrial users, including bakeries, confectioners, and packaged food manufacturers represent approximately 25 percent. The remaining 15 percent is absorbed by beverage producers, dairy processors, and smaller segments such as pharmaceuticals. Overall demand remains diversified, with the majority consumed domestically.

Trade:

Domestic sugar production and stocks for 2026/27 are expected to be sufficient to meet domestic consumption needs, and no imports are anticipated. With stable supplies, Pakistan is positioned to continue exporting sugar this year. As of mid-September 2026, the government has approved 200,000 metric tons of surplus sugar for export, and given strong domestic availability, the export forecast for 2026/27 has been raised to 500,000 metric tons.

Although Pakistan is exporting sugar at an average price of \$0.52 per kilogram (\$520 per metric ton), above international reference prices, Pakistani sugar still competes well in regional markets in South/Central Asia and the Middle East. Pakistan's advantage in these markets, particularly in periods when India sugar exports are limited, is because of geographic proximity. Additionally, prices in some of these regional export markets are higher than international prices due to logistical limitations and import dependence.

The Pakistan Sugar Mills Association (PSMA) is continuously engaging with the government to increase the export quota. Mills emphasize that timely export approvals are critical for reducing inventory holding costs, improving cash flow, and taking advantage of favorable global market conditions. Additional export approvals will depend on updated production and stock assessments. As Pakistan's sugar sector is moving toward deregulation, export decisions are closely linked to ensuring domestic supply and stable consumer prices. Sugar is a highly sensitive staple in the local market, so the government continues to adopt a cautious approach. Final export volumes for 2026/27 will be determined through real-time monitoring of crushing progress, stock levels, and retail price trends to ensure that domestic availability and market stability are fully maintained.

Attachments:

No Attachments