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Report Highlights:

FAS Manila decreases its MY 2026/27 raw sugar production forecast due to the impact of the red-striped soft scale insect infestation, ongoing El Niño, and high input costs. These challenges more than offset the potential expansion in sugarcane area. Consumption is expected to increase amid growing demand from food and beverage manufacturers. FAS Manila forecasts zero sugar exports for MY 2026/27, as the Philippines has yet to issue its sugar export policy for MY 2026/27. Post forecasts an increase in refined sugar imports, following the issuance of pertinent policies in early 2026. Raw sugar ending stocks are expected to decline, reflecting the forecast lower production.

Production

Table 1. Sugar (Centrifugal or Raw) Production, Supply, and Distribution, 000 MT

Sugar, Centrifugal Market Year Begins	2024/2025		2025/2026		2026/2027	
	Oct 2024		Oct 2025		Oct 2026	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Philippines						
Beginning Stocks (1000 MT)	656	656	939	939	753	655
Beet Sugar Production (1000 MT)	0	0	0	0	0	0
Cane Sugar Production (1000 MT)	2085	2085	1950	1851	1930	1700
Total Sugar Production (1000 MT)	2085	2085	1950	1851	1930	1700
Raw Imports (1000 MT)	0	0	0	0	0	0
Refined Imp. (Raw Val) (1000 MT)	420	464	214	214	321	321
Total Imports (1000 MT)	420	464	214	214	321	321
Total Supply (1000 MT)	3161	3205	3103	3004	3004	2676
Raw Exports (1000 MT)	72	66	100	99	0	0
Refined Exp. (Raw Val) (1000 MT)	0	0	0	0	0	0
Total Exports (1000 MT)	72	66	100	99	0	0
Human Dom. Consumption (1000 MT)	2150	2200	2250	2250	2300	2300
Other Disappearance (1000 MT)	0	0	0	0	0	0
Total Use (1000 MT)	2150	2200	2250	2250	2300	2300
Ending Stocks (1000 MT)	939	939	753	655	704	376
Total Distribution (1000 MT)	3161	3205	3103	3004	3004	2676
(1000 MT)						
OFFICIAL DATA CAN BE ACCESSED AT: PSD Online Advanced Query						

Note: In November 2025, FAS Manila revised its historical production, supply, and distribution data to align with the Philippines' adjusted sugar marketing year, which now runs from October through September. For more information, see GAIN reports on [Sugar Semi-Annual 2025](#) and [Adjusted Sugar Marketing Year](#).

Post lowers its centrifugal sugar production forecast in MY 2026/27 due to pest infestation, El Niño, and high input costs, which offset potential gains in sugarcane area.

FAS Manila forecasts centrifugal or raw sugar production at 1.7 million metric tons (MMT) for MY 2026/27, down 8 percent from the revised MY 2025/26 estimate. The forecast decline reflects compounding challenges facing the local sugar industry. The primary concern impacting farmers is the red-striped soft scale insect (RSSI) infestation, which has spread to more sugarcane farms, though its severity varies across producing areas. The current El Niño episode is also affecting sugarcane growth due to (a) below-normal rainfall conditions depriving the cane of much needed water during the first 6-8 months of its development, and (b) accelerating the reproduction of RSSI, as the pest reportedly thrives in drier conditions. Additionally, the rising fertilizer and fuel prices, combined with increased insecticide

use to control RSSI, inflate production costs and reduce returns for sugarcane farmers (also known as planters).

FAS Manila forecasts slightly higher sugarcane area planted for MY 2026/27 compared to MY 2025/26, driven primarily by potential expansion in Mindanao¹ under the [“From Arms to Farms”](#) program (Table 2). According to contacts, this ongoing initiative reintegrates former members of armed groups into mainstream society. The presence of sugar mills, assistance from millers such as logistics support, along with the Sugar Regulatory Administration’s (SRA) block farming program, has encouraged individuals to venture into sugarcane farming in Mindanao. SRA also notes that soil fertility and climatic conditions in parts of Mindanao remain more favorable than in other sugarcane-producing regions, further supporting the area’s expansion potential.

Table 2. Sugarcane for Centrifugal Production, Supply, and Distribution

Sugar Cane for Centrifugal Market Year Begins	2024/2025		2025/2026		2026/2027	
	Oct 2024		Oct 2025		Oct 2026	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Philippines						
Area Planted (1000 HA)	389	392	0	408	0	410
Area Harvested (1000 HA)	389	392	0	408	0	410
Production (1000 MT)	21800	25000	0	23100	0	21500
Total Supply (1000 MT)	21800	25000	0	23100	0	21500
Utilization for Sugar (1000 MT)	20800	24000	0	22100	0	20500
Utilization for Alcohol (1000 MT)	1000	1000	0	1000	0	1000
Total Utilization (1000 MT)	21800	25000	0	23100	0	21500
(1000 HA) ,(1000 MT)						
OFFICIAL DATA CAN BE ACCESSED AT: PSD Online Advanced Query						

A planter association contact in Central Luzon² also noted possible expansion, attributed to the utilization of existing idle lands. The contact also observed continued planter interest in sugarcane farming, as reflected in rising association membership. A newly established food manufacturing company and the [ongoing construction of a 42-hectare major beverage facility](#) in the region further reinforce this trend, offering sugarcane planters a nearby and stable market for their produce.

However, these potential gains could be offset by pest infestation, El Niño, and elevated production costs, discussed further in the next section. Planter contacts report that mounting uncertainty may prompt some farmers to shift from sugarcane to corn, a cash crop that can be cultivated in as little as three months.

¹ Mindanao is in the southern part of the Philippines.

² A region located north of Manila, comprising the provinces of Aurora, Bataan, Bulacan, Nueva Ecija, Pampanga, Tarlac, and Zambales.

RSSI infestation continues to spread to more sugarcane-producing areas, adversely affecting raw sugar production for MY 2026/27

According to the [Philippine Sugar Research Institute Foundation Inc.](#) (PHILSURIN), RSSI is a sap-sucking pest that feeds on sugarcane leaves and moves upward as the infestation progresses (**Figure 1**). PHILSURIN notes that RSSI causes yellowing, drying, and wilting of sugarcane leaves, while also weakening the plant and affecting overall crop health, making it a growing concern for the local sugar industry. A study conducted by the [University of the Philippines Los Baños](#) (UPLB) found that RSSI can survive for more than 60 days when undisturbed and its host remains healthy, indicating a prolonged reproductive phase that contributes to rapid population growth. The UPLB study added that RSSI's longevity may enhance the pest's capacity to establish stable infestations in sugarcane fields.

Figure 1. RSSI in Sugarcane Leaves



Source: PHILSURIN (first and second photos); SRA (third photo).

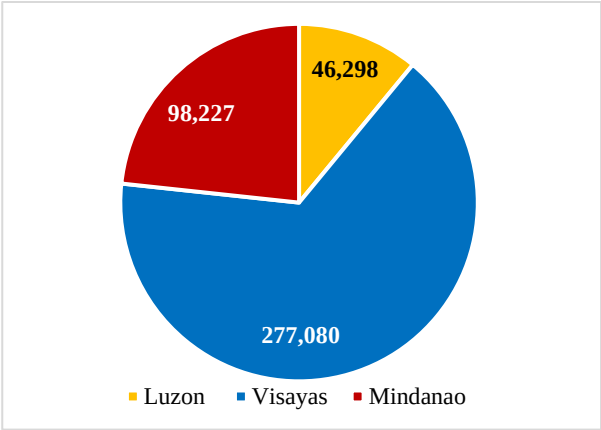
As of August 28, 2026, SRA data show RSSI affected 33 percent (139,364 hectares) of the 421,606 hectares planted with sugarcane nationwide (**Figures 2 and 3**), up from the initial 7,500 hectares reported in the fourth quarter of 2025. Industry contacts noted that the infestation spread further in 2026, driven partly by the transfer of planting materials between regions. The severity and timing of infestation varied by farm, affecting overall harvest and raw sugar production for MY 2026/27.

Of the total affected area, nearly 49 percent is in central Philippines (Visayas), which includes the top-producing region of Negros and another key producing region, Panay Island. Within Visayas, nearly 50 percent of sugarcane area in Negros and Panay was affected. In MY 2025/26, Negros accounted for approximately 57 percent of the country's sugarcane planted area and 60 percent of total raw sugar production.

Industry contacts similarly note that RSSI spreads faster in drier, warmer conditions, with the ongoing El Niño worsening the situation (see the El Niño section below). Contacts report that the RSSI infestation, combined with El Niño, has produced shorter cane internodes, stunted sugarcane, smaller stalk girth, and dry cane cores, ultimately reducing the gross tonnage of sugarcane harvested and delivered to mills. One sugar planter contact reported that cane height on his farm has been reduced by approximately 40 percent compared with typical cane height. **Figure 4** shows the impact of RSSI on

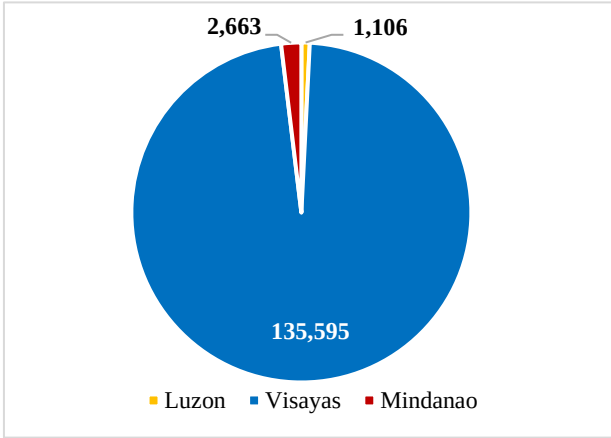
sugarcane farms – ranging from severely infested to uninfested – visited by FAS Manila in Panay. The unaffected farm exhibited taller, denser, upright foliage at 6 to 7 months of age, compared with affected farms at 7 to 8 months. Despite RSSI, the same planter contact expressed hope to harvest at least 1,200 to 1,500 metric tons of sugarcane in MY 2026/27, 30 to 50 percent below average harvest levels. Contacts also report that millers have already begun asking whether canes will be ready for harvest by October 2026, with planters expressing concern that their cane may not be ready for the first milling in their region. SRA further reports that RSSI may reduce sugar content by up to 50 percent in severely affected areas, reinforcing the forecast decline in raw sugar production for MY 2026/27.

Figure 2. Total Sugarcane Area Planted in MY 2025/26 (in Hectares)



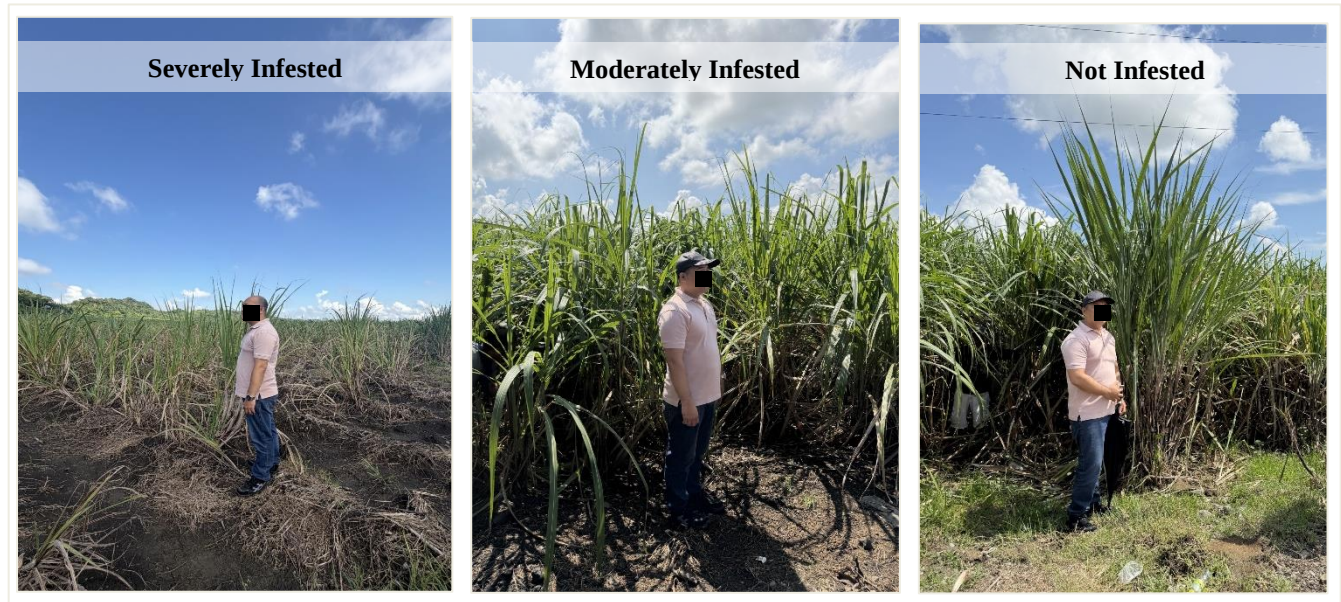
Source of basic data: SRA

Figure 3. Total Reported Areas Affected by RSSI in MY 2025/26 (in Hectares)



Source of basic data: SRA

Figure 4. Select Sugarcane Farms in Panay, Infested and Not Infested by RSSI



Source: FAS Manila

Note: Photos were taken on September 25, 2026, before the start of milling in Panay in October.

Meanwhile, interventions are also mitigating RSSI's impact on production. Planter contacts reported using manual, ground-based chemical spraying rather than drone application, as well as trashing and burning infested sugarcane leaves. In cases of re-infestation, planters continue chemical spraying, even at the mature cane stage, to limit further spread. Some contacts reported that their farms recovered from RSSI after implementing these measures.

In the Negros Island Region, [local government efforts](#) included increased production and deployment of entomopathogenic fungi (EPF), which proved effective in the previous marketing year. The local government also partnered with PHILSURIN and landowners to propagate sugarcane [variety 171](#), reportedly showing high resistance to RSSI. Meanwhile, SRA provided PhP9.2 million in insecticide assistance, the bulk of which was allocated to the province of Negros Occidental. SRA also distributed multipurpose 4-in-1 knapsack sprayers and protective gear in the Visayas, conducted EPF production training, and distributed beneficial microorganisms and EPF, among other interventions. Additionally, SRA created RSSI infestation maps, formed RSSI Inter-Agency Task Force, and issued a memorandum establishing permit guidelines for transporting plants and planting materials. SRA continues field surveillance, validation, and monitoring for RSSI.

Industry contacts in Luzon, which account for a smaller share (6 percent) of total raw sugar production, did not report significant infestation in sugarcane farms in the region.

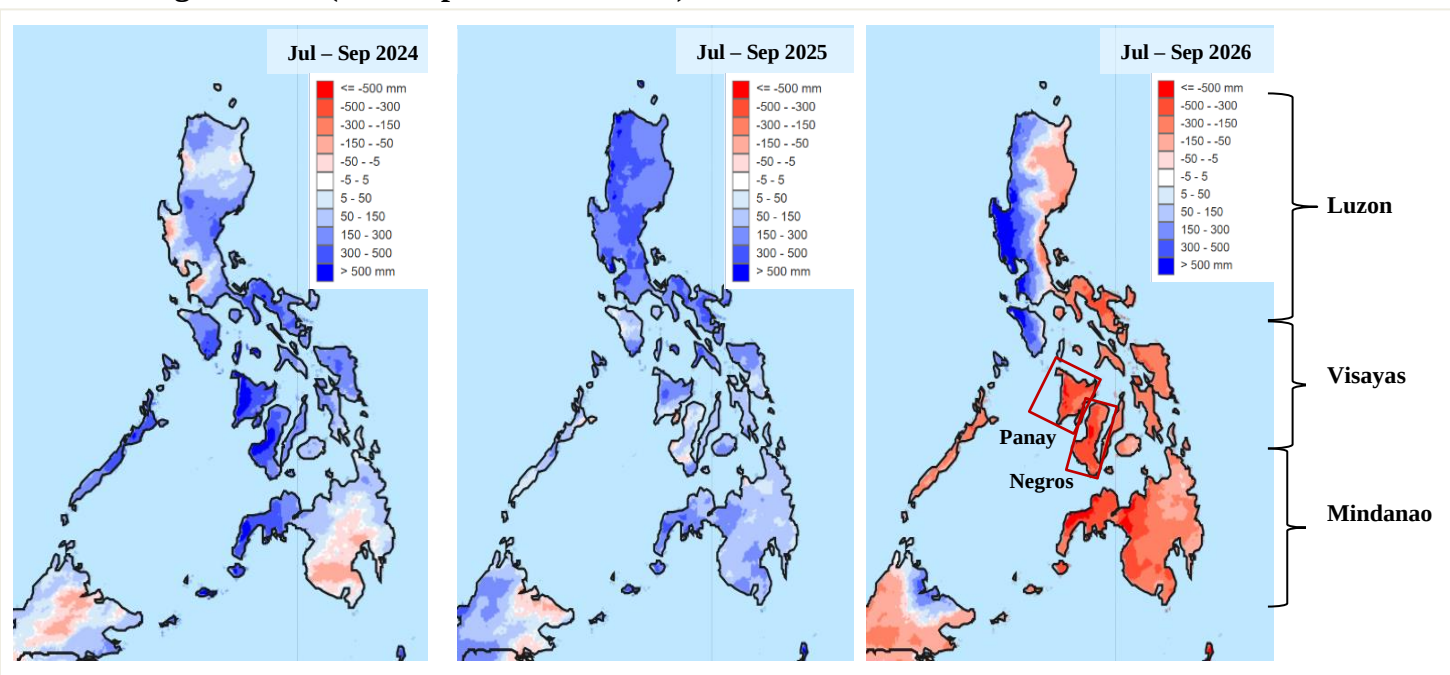
[El Niño tempers raw sugar production for MY 2026/27](#)

On September 23, 2026, the [Philippine Atmospheric, Geophysical and Astronomical Services Administration](#) (PAGASA) reported that a strong El Niño is present in the tropical Pacific. According to PAGASA, climate models and expert evaluations expect the phenomenon to intensify into a very strong El Niño between the September–December 2026 season and persist through the first half of 2027. The agency noted that El Niño generally triggers warmer temperatures and below-normal rainfall across most of the Philippines. Additionally, it underscored that prolonged rainfall deficits increase the risk of severe agricultural dry spells and water supply stress, threatening food security and water resources. PAGASA further recognized that despite overall dry conditions, the ongoing Southwest monsoon and active tropical cyclones may still bring localized, above-normal rainfall, particularly to the western section of the Philippines.

The USDA's Global Agricultural and Disaster Assessment System's (GADAS) rolling three-month precipitation (July–September) departure data show a pronounced shift toward drier than normal conditions for September 2026 compared with September 2025 and 2024. By September 30, 2026, most of the Visayas and Mindanao registered below-normal precipitation (**Figure 5**). Similarly, industry contacts reported a prolonged dry season in parts of the country, with rainfall starting only in July in some areas of the Visayas, about nine months after farmers planted sugarcane, missing the period when moisture is most needed. Contacts noted that sugarcane requires moderate to high amounts of water from germination through elongation (months 1–9), followed by decreasing water needs during maturation to ripening (months 10–12). Absent irrigation, the below-normal rainfall experienced by some planters resulted in shorter nodes/stalks and lower tonnage per hectare, supporting Post's lower raw sugar production forecast for MY 2026/27. Industry contacts likewise note that excessive rainfall and flooding, such as occurred in Negros in 2025, are also detrimental and can reduce sugar production (see also [Philippines Sugar Annual 2026](#)).

[Cloud-seeding operations](#) in Negros and Panay were also reported in September 2026, providing relief to drought-stricken sugarcane farms by extending soil moisture ahead of the anticipated very strong El Niño. Industry stakeholders noted that cloud seeding also helps control the spread of RSSI, which thrives and spreads faster under prolonged dry conditions.

Figure 5. Comparison of Precipitation Departure in July-September 2024 to 2026 (Rolling-3-Month, using CHIRPS (as of September 21, 2026))



Source: [USDA-Foreign Agricultural Service GADAS](#)

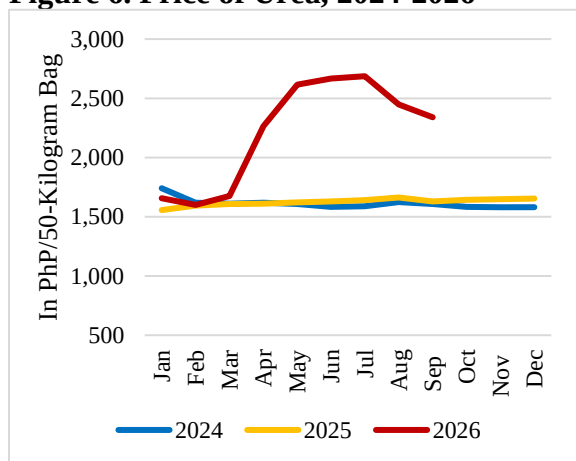
Note: Precipitation departure from the normal indicates if the precipitation were above or below the 30+ year normal.

Higher input costs add to the challenges confronting the local sugar industry, curbing production activity and reducing income

Aggravating an already difficult year for the sugar industry is the rising cost of fertilizer and diesel fuel for irrigation, critical to sugarcane production, together estimated by industry contacts to account for half of total production costs.

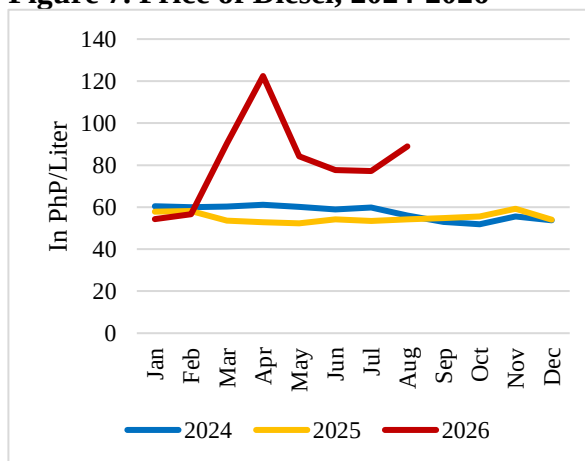
The price of urea, a key fertilizer used by sugarcane farmers, rose by an average of 27 percent from January to September 2026 compared with the same period a year earlier (**Figure 6**). Diesel prices rose 49 percent from January to August 2026 relative to year-ago prices (**Figure 7**). Contacts report that, amid the surge in fertilizer and diesel prices, some farmers are reducing the number of fertilizer bags applied per hectare compared with previous seasons and may even limit irrigation pump use, even when water remains available from the source. These constraints will eventually affect sugarcane yield, resulting in lower raw sugar production for the forecast year. Some millers have reportedly extended financial assistance to planters and helped cover fertilization costs for a portion of their farms.

Figure 6. Price of Urea, 2024-2026



Source: Fertilizer and Pesticide Authority
 Note: Prices are nationwide average and for the first week of each month.

Figure 7. Price of Diesel, 2024-2026



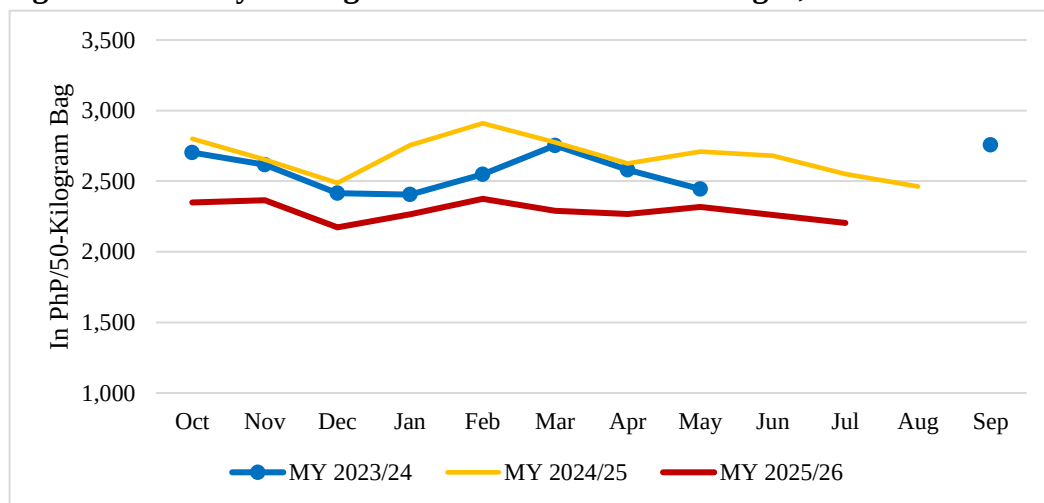
Source: Department of Energy
 Note: Prices are the most occurring price among the monitored retail outlets in the National Capital Region.

Additionally, RSSI infestation has forced planters to spend more on insecticides, which sometimes require several applications and different chemical types to prevent the pest from developing resistance. Planters continue applying pest control at various sugarcane growth stages, if infested, to limit spread and impact on mature canes, further increasing costs. One planter shared that a single insecticide application can cost PhP2,000-4,000 per hectare, depending on the chemical used. Because drone spraying is not effective against RSSI, planters must rely on manual spraying, which can cost up to PhP12,000 per hectare for three applications. Planter contacts further noted that they previously did not budget for pest control, as their farms had not experienced infestation in decades of sugarcane production.

Given the increase in production costs, planters shared that higher millsite prices for their sugarcane would enable them to break even, citing a minimum of PhP2,800 per 50-kilogram bag. For MY 2025/26, raw sugar prices have generally been low amid the reported high input costs facing the local industry. Average millsite prices of raw sugar in MY 2025/26 fell 14 percent compared with average prices in MY 2024/25 (**Figure 8**).

Rising input costs have reduced profits for sugarcane farmers. Farmer income is calculated from millsite prices using sugar yield, measured in LKG/TC (50-kilogram bags per ton of cane), and the prevailing sharing scheme at each mill (typically 70:30, with 70 percent of sugar output going to the farmer and 30 percent to the miller).

Figure 8. Monthly Average Mill Site Prices for Raw Sugar, MY 2023/24 to MY 2025/26



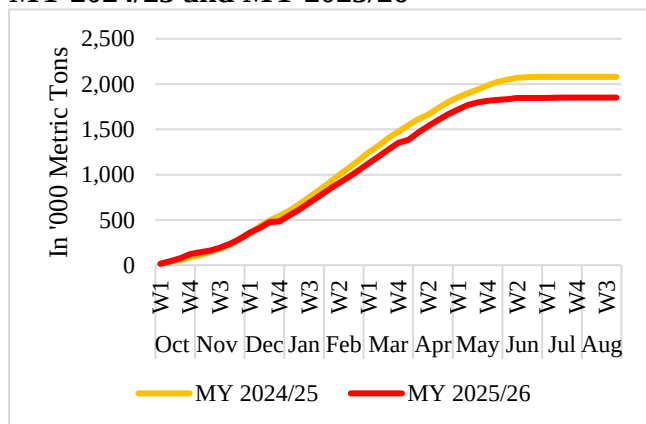
Source: SRA

Note: For MY 2023/24, there was no milling from June to August hence the break in the graph. Milling operations ended earlier than usual in MY 2023/24 amid the El Niño-induced dry conditions that impacted production.

Post revises downward raw sugar production in MY 2025/2026 based on actual raw sugar production, reflecting the impacts of pest infestation and weather disturbances in 2025.

FAS Manila revises its MY 2025/26 raw sugar production estimate downward to 1.85 MMT, lower by 5 percent compared to our previous estimate of 1.95 MMT, due to RSSI infestation and production losses from Typhoon Tino (internationally, Typhoon Kalmaegi) in late 2025. Raw sugar production in MY 2025/26 declined 11 percent year-over-year, based on SRA data (**Figure 9**). SRA also reported cane milled volume of 23.11 MMT for MY 2025/26, 11 percent lower than the 25.96 MMT milled in MY 2024/25 (**Figure 10**).

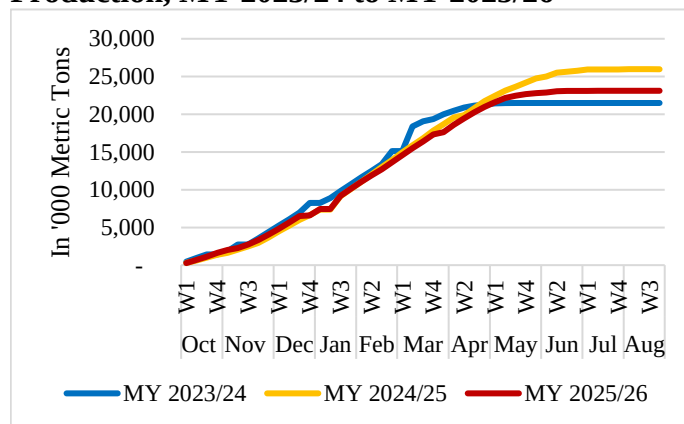
Figure 9. Weekly Raw Sugar Production, MY 2024/25 and MY 2025/26



Source: SRA

Note: For Figure 9, no weekly comparative data for MY 2023/24 was included in SRA's report.

Figure 10. Weekly Tons Cane Milled Sugar Production, MY 2023/24 to MY 2025/26



Source: SRA

Note that FAS Manila revised upward the area planted for sugarcane in MY 2025/26 based on SRA's final sugar production bulletin. For MY 2025/26, Post revised sugarcane production downward as unfavorable weather conditions and pest infestation more than offsets the increase in planted area.

Additional factors affecting raw sugar production include the diversion of sugarcane to ethanol production and variation in milling schedules. According to PSA data, sugarcane allocated to ethanol production in 2025 increased by nearly 3 percent year-over-year. Industry sources also report that cash flow pressures have led to harvesting immature cane, which yields higher molasses content. Sugarcane and molasses are the primary feedstocks used for bioethanol production, while bagasse is mainly used for power cogeneration at sugar mills, refineries, and bioethanol distilleries. There are currently 13 operating bioethanol distilleries and six bagasse-fueled power-generating plants in the country. The National Biofuels Board, through SRA, sets a reference price index for bioethanol, which serves as the basis for negotiations between fuel oil companies and bioethanol producers. For more information, see [Philippines Biofuels Annual 2026](#).

Meanwhile, FAS Manila expects early milling closures in some areas for MY 2026/27, similar to the previous El Niño episode. According to [SRA](#), as of March 29, 2026, there were 23 sugar mills in the country with an average milling capacity of 7,257 MT cane per day.

Consumption

Post maintains its MY 2026/27 centrifugal sugar consumption forecast amid growing demand, driven by food and beverage manufacturers.

Centrifugal (Raw) Sugar. FAS Manila maintains sugar consumption in MY 2026/27 to increase to 2.3 million MT, up 2 percent from the revised MY 2025/26 estimate, amid rising population and demand for sugar and sugar-containing products. A study by the University of Asia and the Pacific's Center for Food and Agribusiness indicates that industrial users, including the beverage, preserved fruit, and confectionery sectors, account for 50 percent of domestic sugar demand. The remaining demand includes household (32 percent) and institutional (18 percent) users.

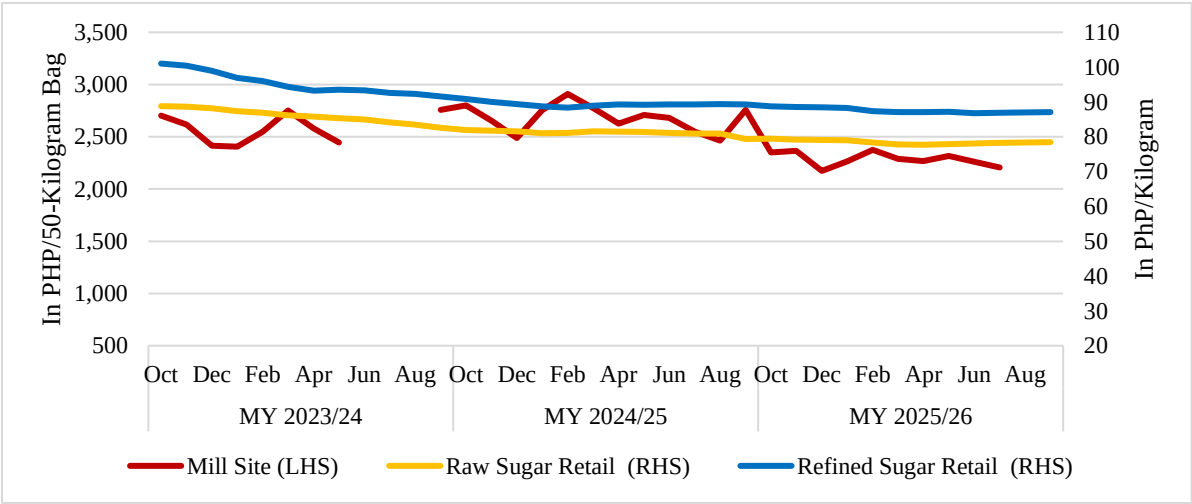
[Euromonitor International](#) reported that retail sales of soft drinks in the Philippines, especially carbonated beverages, are expected to grow over its 2026-2030 forecast period. The forecast growth is supported by population demand, robust marketing efforts of companies, improved distribution networks including online retail channels, and the growing food service sector. In 2025, a [major beverage company](#) operating in the Philippines announced the construction of a 42-hectare facility in Central Luzon, envisioned to become its largest facility in the country, signaling anticipated demand for carbonated drinks.

As price remains a key factor for Filipino consumers, beverage companies have tailored product offerings to consumption patterns across urban and rural areas. For example, a major beverage manufacturer has distributed smaller packaging sizes of its carbonated products to improve affordability and accessibility for rural consumers, who typically buy in smaller quantities.

Euromonitor International also projects steady growth in both retail value and volume sales of sugar confectionery in the country from 2026 to 2030, driven by expanded product variety and intensified marketing and promotional campaigns. For example, a leading lollipop brand has introduced collectible items to attract both loyal and new consumers through novelty appeal and gift-giving potential. Brands offering chewy candies, gummies, and jellies have also launched value-for-money formats targeting individual consumers and families. While small neighborhood stores (known locally as “sari-sari” stores) remain a critical distribution channel, widespread smartphone use and internet access have elevated the importance of social media and e-commerce platforms in reaching younger, digitally engaged consumers.

Retail prices of local raw and refined sugar have declined in MY 2025/26 compared with previous marketing years, amid stable overall supply (**Figure 11**). However, average retail prices in MY 2025/26 have so far decreased only 2–3 percent, slower than the 14 percent drop in millsite prices, as refined imports have produced only a slight decline in retail sugar prices. FAS Manila’s computation shows that imported refined sugar from Association of Southeast Asian Nations (ASEAN) member countries can be sold at Php60–65 per kilo (around US\$1). See also [Philippines Sugar Annual 2023](#).

Figure 11. Retail and Mill Site Prices of Local Sugar, MY 2023/24 to MY 2025/26



Source: SRA

Note:

- 1. LHS refers to left hand side vertical axis and RHS refers to right hand vertical side axis.
- 2. For MY 2023/24, milling operations ended June 2024 hence the break in the graph.

Alternative Sweeteners. Other forms of sugar substitutes and alternative sweeteners include high fructose corn syrup (HFCS), coconut sap sugar, muscovado, and honey, among others. These alternative sweeteners serve niche markets, as sugar holds the largest share of consumption. See [Philippines Sugar Semi-Annual 2025](#) for additional information.

FAS Manila expects consumption of alternative sweeteners (aspartame, acesulfame, sucralose, saccharin, and stevia), converted into raw sugar equivalent, to generally decrease in MY 2025/26. As of July 2026, imports of sugar alternatives into the Philippines reached 879 thousand MT, representing nearly 40 percent of the 2.25 MMT raw sugar consumption (**Tables 3 and 4**). Some bakeries and beverage manufacturers have shifted to alternative sweeteners for more competitive pricing. Demand, however, is expected to continue rising among health-conscious consumers moving toward sugar alternatives.

In August 2026, SRA issued [guidelines on the importation of sweeteners](#) to monitor their entry into the local market, including those under Chapters 21.06 and 29 of the ASEAN Harmonized Tariff Nomenclature. Relatedly, in January 2025, SRA issued [Sugar Order \(SO\) No. 6, Series of 2023-24](#), imposing clearance fees of PhP3/LKG on imported sugar and alternatives. SO 6 covers the importation in whatever form and sugar content of all “sugars” covered under Heading 17.01 and 17.02 and “sugar confectionery” under Heading 17.04 of the ASEAN Harmonized Tariff Nomenclature (**Table 5**). In March 2025, SRA amended certain provisions of SO 6 such as the documentary requirements for the importation of sugar products.

Table 3. Alternative Sweeteners

Sucralose (Splenda) 600 times sweeter than sugar Supplier: China, Singapore, United States
Aspartame (Equal, NutraSweet, NutraTaste) 160-220 times sweeter than sugar Supplier: China, Japan, United States
Stevia (Sweet & Fit) 300 times sweeter than sugar Supplier: Local, China, Thailand
Saccharin (Sweet N Low) 200-700 times sweeter than sugar Supplier: China, Japan, South Korea
Acesulfame (Sweet One, Sunnett) 200 times sweeter than sugar Supplier: China, Indonesia, Japan, Singapore

Table 4. Consumption of Sugar and Alternative Sweeteners, in ‘000 MT Raw Sugar Equivalent

Demand/ Consumption	Marketing Year		
	2023/24	2024/25	2025/26*
Sugar	2,200	2,200	2,250
Sugar Alternatives	1,098	1,105	879
292429 Aspartame	359	342	269
293499 Acesulfame	319	320	224
293214 Sucralose	348	358	329
292511 Saccharin	47	62	43
293890 Stevia	25	24	15

Source: Trade Data Monitor (TDM)

Note: MY 2025/26 only covers October 2025 to July 2026.

Table 5. Imports of Sugar Alternatives covered in SO 6, in MT

Alternative Sweetener	Marketing Year		
	2023/24	2024/25	2025/26*
170211 Lactose and lactose syrup	18,611	9,902	1,034
170219 Lactose in solid form	647	1,631	60
170220 Maple sugar and maple syrup	73	45	42
170230 Glucose (Dextrose) and glucose syrup	223,779	229,786	142,019
170240 Glucose and glucose syrup	19,039	19,589	11,148
170250 Fructose, chemically pure	1,091	2,349	1,265
170260 Fructose, Nesoi	21,805	17,547	28,247
170290 Sugar, Nesoi	95,677	88,293	83,144
1704 Sugar confectionery	85,419	107,938	56,733

Source: TDM

Note: MY 2025/26 only covers October 2025 to July 2026.

Trade

Post maintains zero sugar exports for MY 2026/27, while refined sugar imports may reach 300,000 MT based on the SRA's recent policy issuance.

FAS Manila maintains MY 2026/27 exports at zero until SRA issues its export program for the marketing year. In recent years, the United States has been the sole export market for Philippine raw sugar. The Philippines filled part of its 2026 U.S. WTO tariff-rate quota (TRQ) allocation, exporting 98,367 MT of raw sugar to the United States. This volume follows [SO 3](#), Series of 2025/26, which sets the guidelines for filling the 2026 U.S. sugar quota. For MY 2026/27, the Philippines received a raw cane sugar allocation of 145,235 MT raw value under the U.S. WTO TRQ. As of September 25, 2026, SRA has not issued its sugar policy, including the volume it will export to the United States, if any.

Post forecasts importation MY 2026/27 refined sugar imports at 300,000 MT refined sugar (321,000 MT raw equivalent). The forecast considers SO 3, Series of 2025/26, which specifies that eligible participants under this sugar order shall be given priority in the selection of participants in SRA's future sugar import programs at a ratio of 1:3 (volume of raw sugar exported : volume of sugar allowed to be imported). The projected volume is also aligned with [SO 2](#) released on January 14, 2026, on the voluntary purchase of farmers' sugar to avail of future import/export program. See also Philippines' [report on SO 2](#)).

According to SRA data, MY 2025/26 refined sugar import arrivals totaled 199,909 MT (214,000 MT raw value equivalent) as of September 6, 2026. These imports came from SRA's most recent import program authorized under [SO 8](#), Series of 2024/25. As of September 25, 2026, SRA has not issued a new policy on refined sugar imports for MY 2026/27.

Stocks

Post forecasts MY 2026/27 ending stocks to decline due to the impact of pest infestation and El Niño on production.

FAS Manila forecasts MY 2026/27 sugar ending stocks at 376,000 MT, down nearly 43 percent from the revised MY 2025/2026 estimate, amid a production decline driven by a confluence of factors, particularly RSSI infestation, a very strong El Niño, and elevated production costs. This forecast also assumes no additional imports authorized by SRA beyond SO 3, Series of 2025/26, to supplement domestic production. Milling operations may also end earlier, similar to the pattern observed during the MY 2023/24 El Niño.

Note also that FAS Manila revised its ending stocks estimate for MY 2025/26 downward to 655,000 metric tons (MT), 13 percent lower than the previous estimate. The downward revision is primarily due to a decline in total supply, resulting from the contraction in raw sugar production in MY 2025/26.

Meanwhile, SRA also reports on raw and refined stocks based on actual physical stocks at the end of the milling season. The sugar stock balance represents the available supply of sugar in the market at any given time. Sugar is normally stored in mill warehouses. Most sugar is produced and marketed under the long established “*quedan*” system. A *quedan* is the equivalent of a warehouse receipt which shows the ownership of a specified amount of sugar in a warehouse. *Quedan* is a negotiable instrument, the primary trading document in the Philippine sugar industry. See [Philippines Sugar Annual 2025](#) for more details.

Policy

Tariff-rate quota. The Philippine sugar industry remains highly protected. Non-ASEAN countries face a 50 percent tariff for imports within the quota or minimum access volume (MAV) and 65 percent for imports exceeding the MAV. Under the Uruguay Round of the World Trade Organization, the Philippines committed to a MAV of 65,050 MT of raw sugar. However, the sugar MAV is not allocated annually. For example, the Philippine DA has not [opened applications for sugar MAV](#) for three years, citing ample stocks and stable retail prices. The DA last allowed sugar MAV imports in 2023, when retail prices of sugar increased significantly. Meanwhile, sugar imports from ASEAN countries receive a preferential uniform tariff of 5 percent. See also [Philippines Sugar Annual 2025](#) for overarching policies guiding SRA’s actions.

Sugar Order. Philippine sugar policy and trade are generally regulated by the Philippine DA’s SRA, working closely with industry stakeholders. At the start of each marketing year, the SRA issues a central policy document (known as SO 1) on production and marketing of sugar for the country. This order allocates production volumes to the domestic market, export market, and reserves. These orders are adjusted as the season progresses. A running history of SRA sugar orders may be accessed [here](#).

As of September 25, 2026, SRA has yet to issue SO 1 for MY 2026/27. However, recent policy issuances of the SRA are as follows:

- [**Molasses Order \(MO\) No. 2-A, Series of 2025/26**](#): SRA released this order on June 22, 2026, lifting the moratorium on molasses importation effective April 1, 2026. The right to import molasses is transferable to a licensed molasses trader. Molasses importation is subject to compliance with existing orders, particularly [**MO 2**](#), series of 2025/26, and Memorandum Circular No. 1, series of 2026. MO No. 2 implements the purchase of locally produced molasses, with participants in this program allowed to import molasses at a ratio of 3:1 (locally purchased molasses : imported molasses).
- [**Memorandum Circular No. 27, Series of 2025/26**](#): SRA released this circular on September 25, 2026, temporarily deferring the PHP25 per kilogram clearance fee on imported artificial sweeteners under SO 5, Series of 2025/26. SRA issued the deferral in response to stakeholder questions and requests.
- [**Sugar Order No. 5, Series of 2025/26**](#): SRA released this order on August 14, 2026, establishing guidelines on the importation of artificial sweeteners, including products covered under Chapters 21.06 and 29 of the 2022 ASEAN Harmonized Tariff Nomenclature. Under SO 5, all consignees/importers of the covered products must be duly registered international traders of sweeteners at the time of the application for clearance for release of the imported goods.

Attachments:

No Attachments