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Report Highlights:

EU-27 sugar production in MY 2025/2026 is forecast to decline due to a reduction in sugar beet planting area, especially in Germany, France, and Poland, although yields are expected to be relatively good thanks to favorable growing conditions elsewhere. As a result, exports are forecast to fall and imports to rise, while consumption is expected to remain broadly stable, with long-term structural declines persisting due to demographic shifts, growing health awareness, and voluntary industry reformulation efforts. Ongoing Free Trade Agreement discussions and negotiations, where sugar access remains highly sensitive, continue to raise concerns among sector stakeholders about potential unfair competition.

Executive Summary

Total EU27 sugar production is forecast to decline slightly to 15.486 million metric tons (MMT) in marketing year (MY) 2025/26, down from an estimated 16.416 MMT in MY 2024/25. The 2024/25 beet sugar season reached a temporary peak of 16.3 MMT, supported by expanded planted area amid higher sugar prices. MY 2025/26 production is projected at 15.3 MMT, reflecting an 8 percent reduction in planted area to 1,381.6 thousand hectares, with the largest declines in Germany, France, and Poland. Rising input costs, limited access to plant protection products, and climate-related challenges are expected to gradually constrain yields.

Cane sugar production remains small and confined to French overseas territories, facing climatic pressures and global market competition.

Isoglucose production is expected to remain largely stable at 490,000 tons in MY 2025/26, constrained by sugar price competition and consumer preferences for reduced sugar content.

Trade flows are adjusting to reduced domestic output. Total imports are forecast to rise, with continued reliance on Brazilian sugar. Ukrainian imports are expected to remain limited following strong volumes in previous years. EU27 sugar exports are projected to decline sharply after robust exports in MY 2024/25.

Trade developments are shaped by finalized and ongoing agreements, including Mercosur, Mexico, Indonesia, and the United States, as well as preferential arrangements with smaller partners, which collectively influence EU sugar market access and competitiveness. The EU sugar sector continues to monitor these developments closely due to potential competitive pressures.

Domestic consumption is expected to remain stable, although long-term trends indicate a structural decline, driven by per capita reductions, demographic changes, sugar taxes, growing health awareness, and voluntary industry reformulation efforts.

EU policies continue to support sector modernization while ensuring market stability. The European Commission's new Vision for Agriculture and Food 2024–2029 guides policy, aiming to modernize the EU agri-food sector by promoting competitiveness, innovation, sustainability, resilience, and alignment with environmental, societal, and climate objectives. Common Agricultural Policy (CAP) reforms are proceeding to simplify administration and gradually introduce a performance-based system under National and Regional Partnership Plans starting in the 2028–2034 budget cycle, fully aligned with the EU's strategic vision for a sustainable, competitive, and resilient agri-food sector.

Regulatory pressure on pesticides persists, notably with tighter limits on neonicotinoid residues in imported products from March 2026.

Legislative negotiations on new genomic techniques (NGTs) aim to exempt NGT Category 1 plants from GMO legislation to enhance productivity and resilience.

Explanatory Notes to the Reader

- All sugar numbers are in raw sugar equivalent (RSE) unless otherwise noted.
- The Production, Supply, & Distribution tables (PS&D) in this report only pertain to sugar as defined by Harmonized System (HS) code 1701; therefore, it excludes raw beet sugar production destined for fermentation or other industrial purposes like bioethanol production.
- The conversion factors and marketing years used in this report:
  - MY = marketing year; for sugar October/September.
  - Raw cane sugar = 1.07 X Refined cane sugar
  - Raw beet sugar = 1.087 X White (refined) beet sugar
- Sugar imports for EU inward processing (IP) purposes are included in this report's PSD tables. While raw sugar imported under IP is being re-exported as white sugar, it should be clear that processed products made using IP sugar and re-exported are included in the EU consumption line. Inward processing is the EU customs program under which the import duties for dairy, sugar, and starch containing commodities for processing and subsequent re-export are waived.
- EUR/USD exchange rate has been listed for the last 12 months.

Acknowledgements

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Luigi Castaldi, FAS/USEU/Brussels covering Belgium and EU policy.

Table 1 – EU27 Sugar Production, Supply, and Distribution (PS&D)

EU27 Sugar, Centrifugal (1,000 MT RSE)						
Market Year Begins	2023/2024		2024/2025		2025/2026	
	Oct 2023		Oct 2024		Oct 2025	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Beginning Stocks	1,014	1014	275	359	217	177
Beet Sugar Production	15,474	15,531	16,320	16,228	14,837	15,347
Cane Sugar Production	168	168	178	133	170	139
Total Sugar Production	15,642	15,699	16,498	16,416	15,007	15,486
Raw Imports	910	910	850	750	1,300	900
Refined Imports (Raw Val)	1,182	1,182	1,100	850	1,100	1,100
Total Imports	2,092	2,092	1,950	1,600	2,400	2,000
Total Supply	**18,748**	**18,805**	**18,723**	**18,375**	**17,624**	**17,663**
Raw Exports	6	6	6	8	6	6
Refined Exports (Raw Val)	2,067	2,040	2,100	1,790	1,000	1,000
Total Exports	2,073	2,046	2,106	1,798	1,006	1,006
Human Dom. Consumption	16,400	16,400	16,400	16,400	16,400	16,400
Total Use	16,400	16,400	16,400	16,400	16,400	16,400
Ending Stocks	275	359	217	177	218	257
Total Distribution	**18,748**	**18,805**	**18,723**	**18,375**	**17,624**	**17,663**

The EU27 sugar beet production in 2025/26 is estimated at around 15.3 million metric tons (MMT), down about 6 percent from last year, reflecting an 8 percent reduction in planted area. Declines were most pronounced in Germany, France, and Poland, with notable reductions also observed in Belgium, the Netherlands, Czechia, and Spain. Current favorable conditions across the EU will help sustain yields and sugar content, while drought in southern Europe limited expansion. While yields are expected to be generally good, overall output is forecast to decline due to the substantial area reduction (Graph 1).

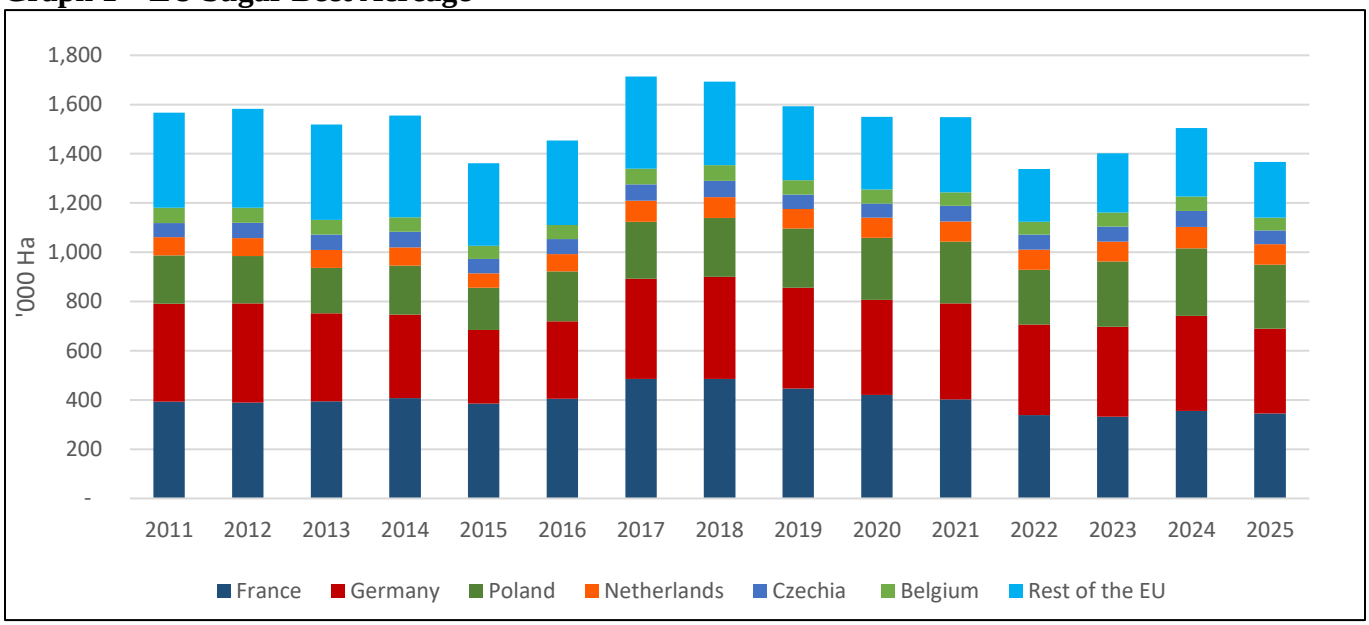
By contrast, the 2024/25 season marked a temporary peak for EU27 sugar beet production, estimated at 16.3 MMT, up about 6 percent from 2023/24, supported by an expansion in planted area to around 1.5 million hectares. The area increase was driven by higher sugar prices, improved market sentiment, and attractive crop returns, encouraging growers to maximize acreage. Increases were most notable in France, Germany, and Poland, with elevated areas also maintained in Belgium, the Netherlands, and Czechia (Table 2).

Record production was achieved in Poland thanks to expanded acreage and high yields, while northern Germany saw solid harvests that offset southern losses. Weather extremes, pest pressures, and localized agronomic challenges, including delayed sowing due to early rainfall, disease outbreaks, root rot, and pest infestations, added variability across the EU. While some regions achieved solid or slightly improved yields, others experienced significant reductions, so the overall increase in production primarily reflected the expansion in planted area rather than uniformly high yields.

The EU sugar sector continues to adapt to structural, market, and policy pressures. Reduced access to plant protection products, rising input costs, declining margins, and persistent pest and disease pressures illustrate the ongoing agronomic challenges. Global competition, particularly from Ukraine, combined with potential future trade liberalization with Mercosur, Mexico, India, and Indonesia, alongside CAP reforms and broader EU policy frameworks, influence planting and production decisions.

The European Commission's Vision for Agriculture and Food emphasizes resilience, innovation, and sustainability, alongside tighter scrutiny of imports. Regulatory shifts on pesticide use, promotion of biopesticide adoption, and proposed regulation of crops developed with New Genomic Techniques (NGTs) are central to enhancing productivity, resilience, and innovation. Structural and market shifts are expected to continue shaping EU sugar beet area, yields, and trade patterns in the coming years.

Graph 1 – EU Sugar Beet Acreage



Source: FAS EU Posts and Eurostat data.

Cane sugar production within the EU27 is confined to the French overseas territories—Réunion, Guadeloupe, Martinique, and French Guiana—as the continental EU climate is unsuitable for sugarcane cultivation. Historically, sugarcane has been cultivated in these tropical regions as part of a legacy of colonial agriculture, and the industry has evolved with complex ties to local economies and European markets. While these territories contribute a relatively small volume to the EU's total sugar production, the sector remains culturally and economically significant locally. The French overseas cane sugar industry faces fluctuations due to climatic pressures like cyclones and changing rainfall patterns, economic challenges including global market competition, and evolving EU agricultural policies.

Table 2 – Production Forecasts for MY 2025/26 and Updates for MY 2023/24 and MY 2024/25

EU Sugar Beet Production						
	Area harvested, thousands of hectares			Sugar beet yield in MT per hectare		
	23/24	24/25e	25/26f	23/24	24/25e	25/26f
Austria	38.0	44.5	27.5	75.0	77.8	79.5
Belgium	56.1	58.7	52.0	74.7	76.2	87.2
Croatia	8.0	9.0	9.0	62.4	52.6	65.0
Czechia	61.6	65.0	56.7	69.0	72.0	69.4
Denmark	30.5	31.7	31.2	74.8	76.3	76.6
Finland	10.9	14.4	16.2	38.5	42.6	41.5
France	332.0	355.0	345.0	83.1	81.5	78.5
Germany	365.0	386.0	344.0	81.8	85.5	74.8
Hungary	14.3	16.4	15.8	61.3	55.5	53.4
Italy	23.5	29.2	18.5	59.6	53.0	64.0
Lithuania	16.0	16.5	16.0	60.0	58.0	71.7
Netherlands	80.4	87.6	83.2	85.3	75.0	86.6
Poland	265.7	274.3	260.0	63.9	67.2	69.6
Romania	12.4	23.0	16.0	32.6	30.9	33.3
Slovakia	22.1	23.4	19.2	63.6	62.6	62.6
Spain	36.4	41.8	31.0	85.0	86.0	83.8
Sweden	28.8	27.8	25.4	60.4	74.0	73.8
Total EU27	**1,401.7**	**1,504.3**	**1,381.6**			

Source: FAS/USEU based on data from FAS analysts in EU MS (e=estimated, f=forecast).

Table 3 – Total Sugar Beet Production and Additional Production for Non-food Industrial Use

EU Beet Sugar Production (RSE)			
in 1,000 MT	2023/2024	2024/25	2025/26
EU Sugar Production	15,531	16,228	15,347
Industrial Use	1,310	1,631	1,631
Total EU Beet Sugar Production	**16,841**	**17,859**	**16,978**

Source: FAS/USEU calculation based on contributions from FAS analysts in EU MS.

Total EU27 beet sugar production for MY 2025/26, including thick juice for industrial use that falls beyond the scope of our reporting, is forecast at 16.98 MMT, below the level of MY 2024/25.

EU27 Sugar Consumption

EU sugar consumption in MY 2025/26 is estimated at 16.4 million tons. Long-term trends, based on balance sheet data and using production and trade figures, indicate a structural decline in EU sugar consumption, reinforced by demographic factors such as a projected decrease in the EU population and continued reductions in per capita sugar intake. The European Commission anticipates an annual decrease of 0.2 percent through 2035 (EU Agricultural Outlook 2024-2035).

Currently, the war in Ukraine and the refugee crisis have added additional uncertainty to consumption estimations. While total sugar consumption may remain stable, the influx of five million displaced Ukrainians could temporarily impact per capita consumption in host countries. Additionally, Ukrainian sugar imports continue to raise concerns over potential oversupply and market imbalances.

The overall downward trend in sugar consumption across the EU reflects a combination of policy, economic, and behavioral influences. Country-specific sugar taxes, primarily targeting sugar-sweetened beverages and some food products, have been implemented in several Member States, but these vary widely in scope, structure, and rate, reflecting national priorities rather than a harmonized EU approach. The September 2025 U.N. Political Declaration on Noncommunicable Diseases removed explicit commitments to sugar taxation and reformulation that were present in earlier drafts. This change followed significant input from industry representatives and differing positions from Member States concerned about economic impacts and national control over health policy. The declaration now encourages countries to "consider" such measures rather than mandate them, moderating international consensus and altering the global policy landscape.

Growing health awareness continues to shape consumer behavior, and voluntary industry reformulation—led by initiatives such as those by the European soft drinks association UNESDA—has helped lower sugar content in beverages and promote reduced-sugar consumption patterns, including a 33 percent reduction achieved since 2000 and a further 10 percent target by 2025 across the EU27 and the UK; together, these behavioral and supply-side factors jointly influence overall sugar consumption trends. Additionally, the rise of weight-loss medications could further shape future sugar consumption trends, though regional variations persist due to price differences and import flows.

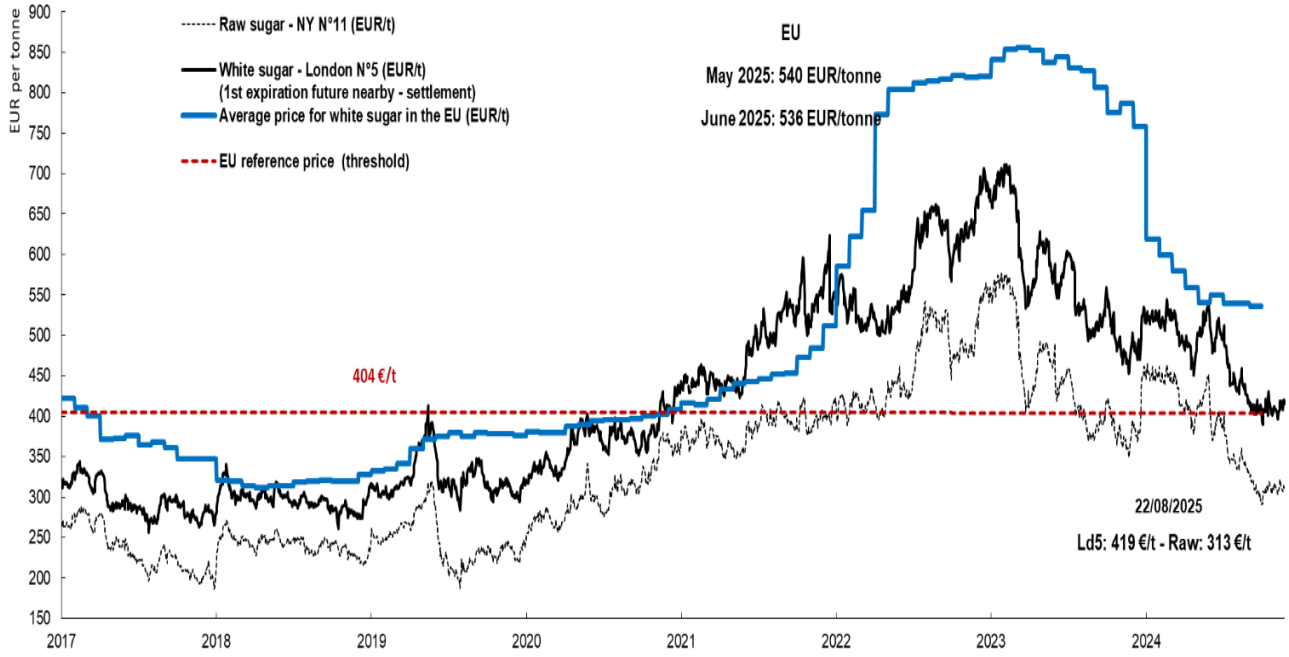
Economic pressures, including the cost-of-living crisis, have also contributed to reduced food purchases, indirectly impacting sugar sales. Higher food prices may be driving consumers to cut back on sugar-containing products, while exchange rate fluctuations affect import and export costs. A stronger euro makes imports cheaper for EU buyers but reduces competitiveness in export markets, potentially influencing demand. While sugar use remains substantial within the EU27, demand has stagnated in some markets, and regional variations persist due to factors like import flows and pricing differences, as detailed in reports from the EU sugar market observatory expert group.

The EU also projects a gradual reduction in sugar imports, which are expected to decline to 1 million tons by 2035. Additionally, sugar beet yields are expected to decline due to climate events and restrictions on crop protection products, further challenging production (EU Agricultural Outlook 2023-35 report).

As of October 2025, white sugar prices are still above pre-quota levels but below the peaks seen in 2023. The EU average was about 534 euros EUR/t in July 2025, and current offers for the 2025/26 season in Northwest Europe are between 570 and 600 EUR/t ex works. Global white sugar futures are much lower, keeping the EU premium visible (Graph 2).

After sugar quotas ended in 2017, EU prices tracked world prices until late 2022. The range of 300–450 EUR/t held until 2021; in 2022–23, prices spiked above 900 EUR/t, driven by rising energy costs, poor weather for beets, and higher EU import demand as global supply fell short. Since that peak, prices have settled. By mid-2025, the EU was in the mid-530s, and world futures near 388 EUR/t—a clear price gap remains (Graph 2).

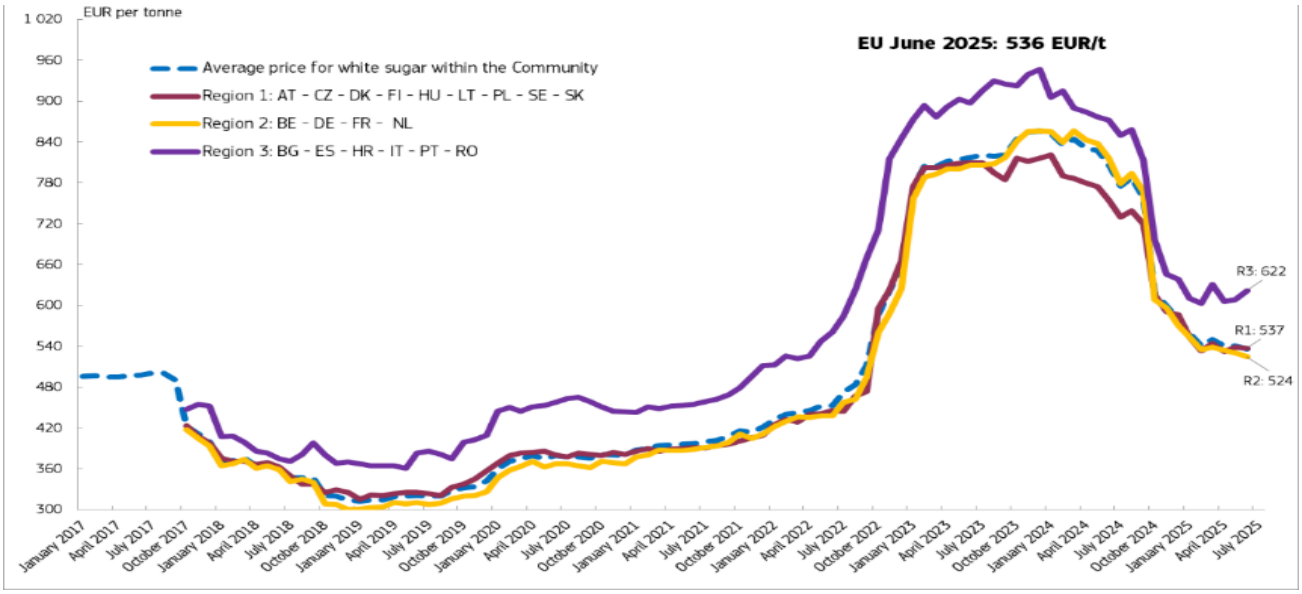
Graph 2 – EU Market Price and World Market Prices After the End of the EU Quota Regime



Source: European Commission

Graph 3 highlights regional price differences in the EU through 2025. Region 3 (Southern/Eastern Europe) had the highest prices, reaching about 590 EUR/t. Regions 1 and 2 (Central/Northern and Western Europe) were just below the EU average, at around 530 and 525 EUR/t. These gaps reflect differences in local supply and reliance on imports.

Graph 3 – EU Regional Prices for White Sugar

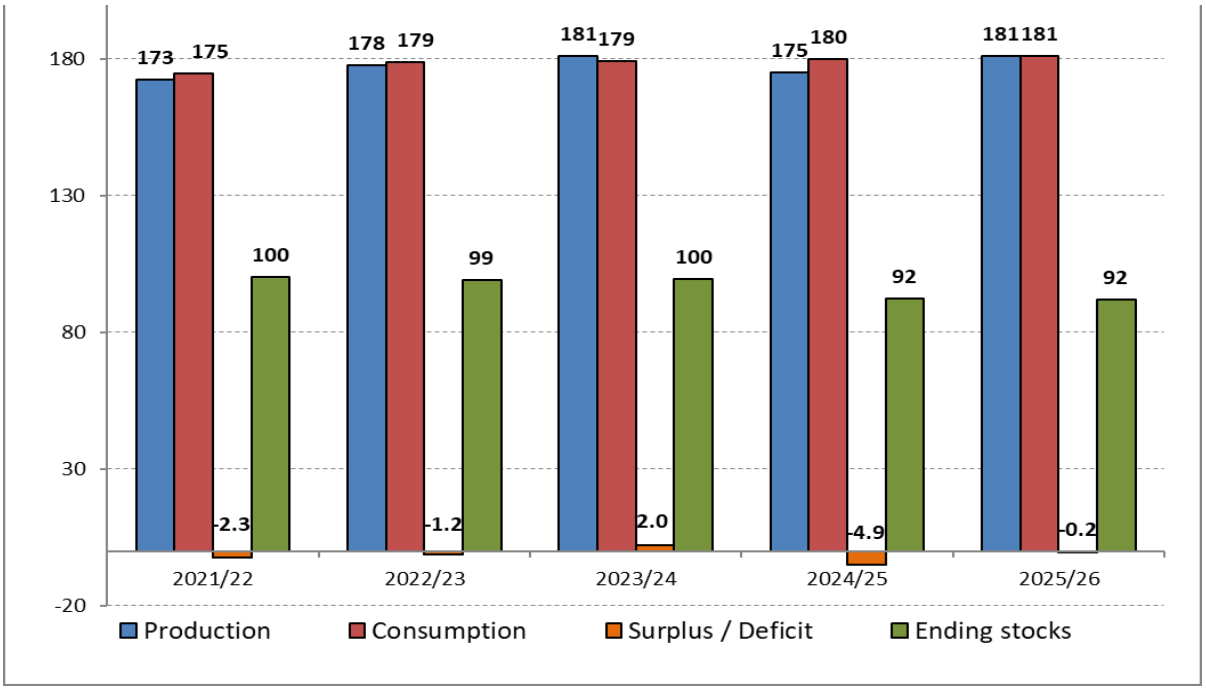


Source: European Commission

The current EU market is shaped by high, but slightly softening, energy costs; trade policy adjustments that capped Ukrainian imports; relatively steady EU stocks and weakening domestic consumption; and strong output from global exporters like Brazil and Thailand. The broader global picture is shown in Graph 4: the International Sugar Organization expects a small supply deficit for 2025/26. This suggests that while global prices are unlikely to crash, they also will not surge, helping to anchor EU prices within a stable range.

As a result, with lower European acreage and rising imports, EU prices are expected to remain firm. But unless severe weather or policy changes hit, the small global deficit points to no repeat of the dramatic price spikes seen in 2023.

Graph 4 – World Sugar Balance



Source: International Sugar Organization (ISO)

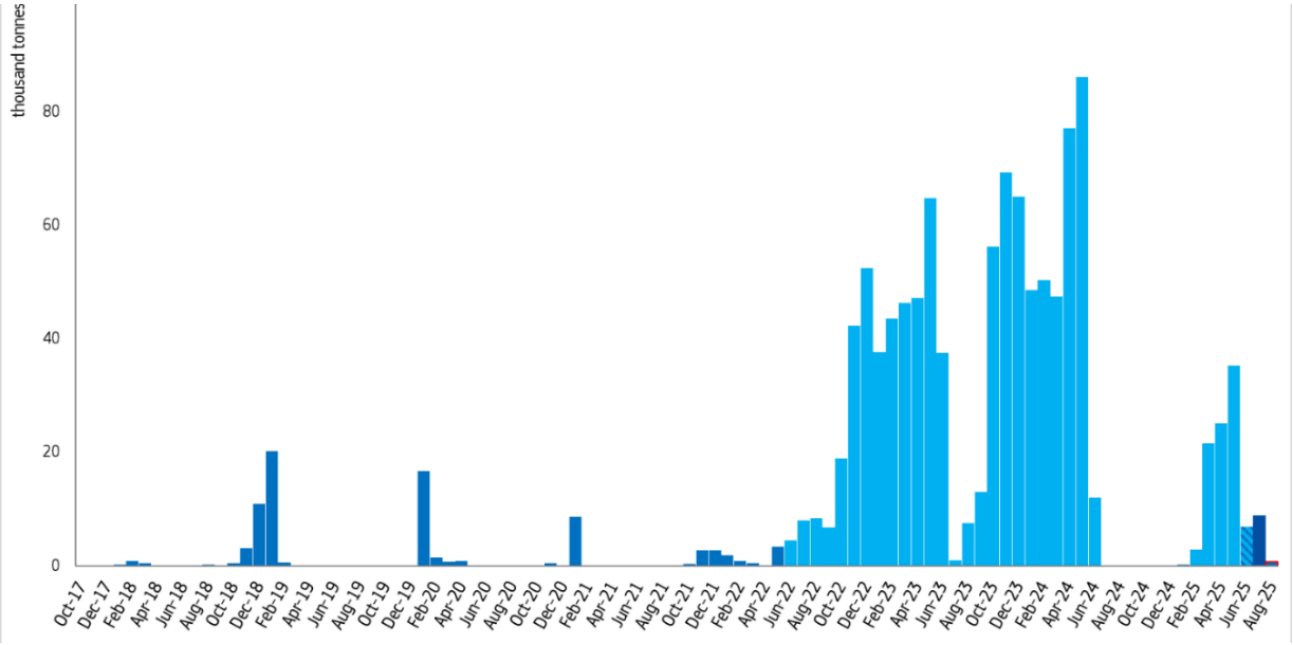
EU27 Sugar Trade

Imports

EU27 sugar imports are forecast to rise in MY 2025/26, reaching around 2.0 million tons, up from an estimated 1.6 million tons in MY 2024/25. This increase reflects declining domestic production due to reduced beet plantings. The trajectory of EU sugar imports over the past three marketing years illustrates the strong influence of geopolitical events and policy interventions.

In MY 2022/23, imports peaked at approximately 3.1 million tons, driven largely by unprecedented volumes from Ukraine under the Autonomous Trade Measures (ATMs), which temporarily eliminated duties and quotas on Ukrainian agricultural products. These measures were introduced by the EU in response to Russia's invasion of Ukraine to support the Ukrainian economy and maintain trade flows amid the war. Ukrainian sugar alone accounted for around 500,000 tons, helping to offset EU shortages and ease price pressures. (Graph 6).

Graph 6 – EU 27 Sugar Imports from Ukraine (total, in raw value)

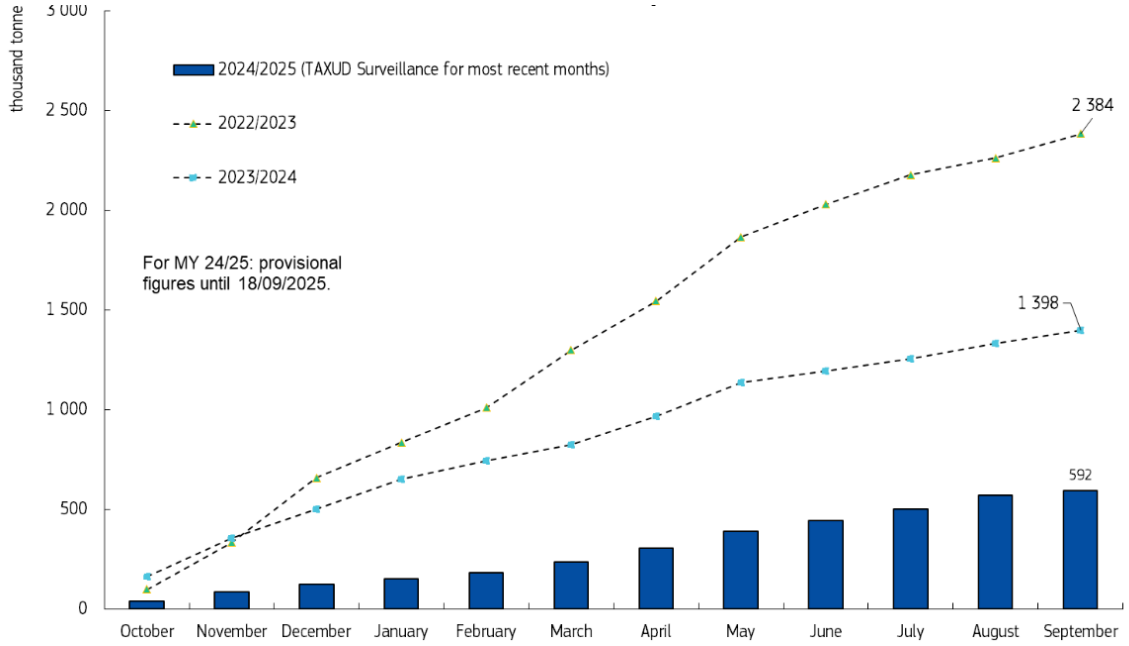


Source: European Commission

In MY 2023/24, imports declined to around 2.1 million tons, with Ukrainian sugar still supplying more than 500,000 tons. Concerns among Member States and EU producers about market disruption led to the introduction of an emergency brake within the ATMs, activated in July 2024 after import thresholds were exceeded. The measure halted Ukrainian imports for the rest of the year to protect EU farmers and safeguard domestic producers. Import origins also shifted, with increased reliance on Brazilian sugar under Inward Processing Relief (IPR) schemes, while preferential imports from African, Caribbean, and Pacific (ACP) countries and Least Developed Countries (LDCs) declined. Seasonal patterns were evident, with monthly peaks in May–June followed by sharp drops after regulatory interventions.

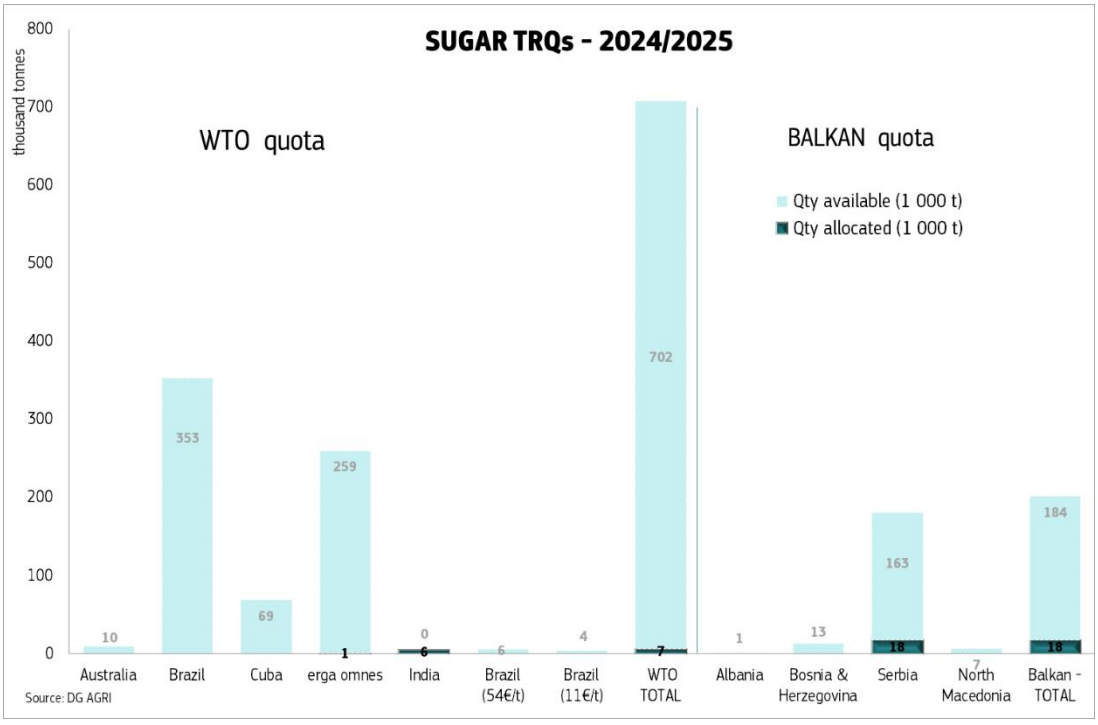
The current MY 2024/25 represents a transitional period, with cumulative imports estimated at just 1.6 million tons (Graph 9), the lowest in recent years (Graph 5). Ukrainian imports fell to around 35,000 tons due to the emergency brake, and all raw sugar imports now enter under IPR schemes rather than traditional preferential arrangements. Other quota systems—including WTO (World Trade Organization), Balkan, and EPA/EBA (Economic Partnership Agreements / Everything But Arms) arrangements (Graph 7**)**—remain underutilized, with preferential partners such as Brazil, Mauritius, and South Africa supplying additional volumes but without fully using available quotas (Graph 8).

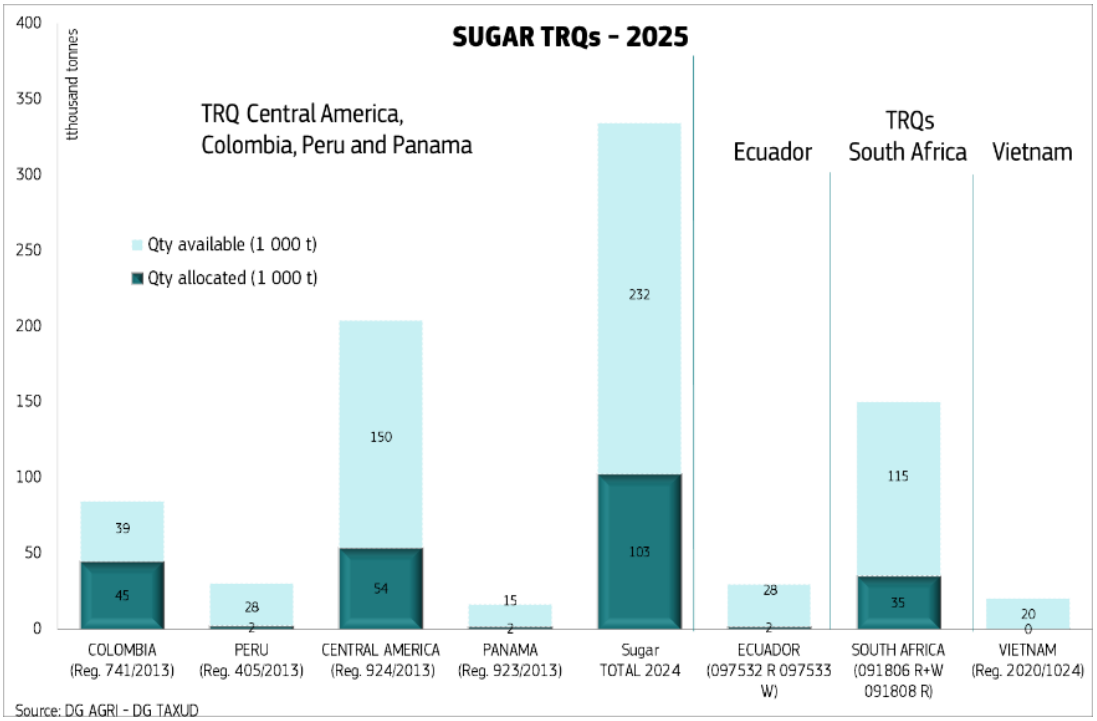
Graph 9 – Total EU Cumulated Imports for CN 1701



Source: European Commission

Graph 8 – EU Sugar TRQs (2024-2025; 2025) and Use





Source: European Commission

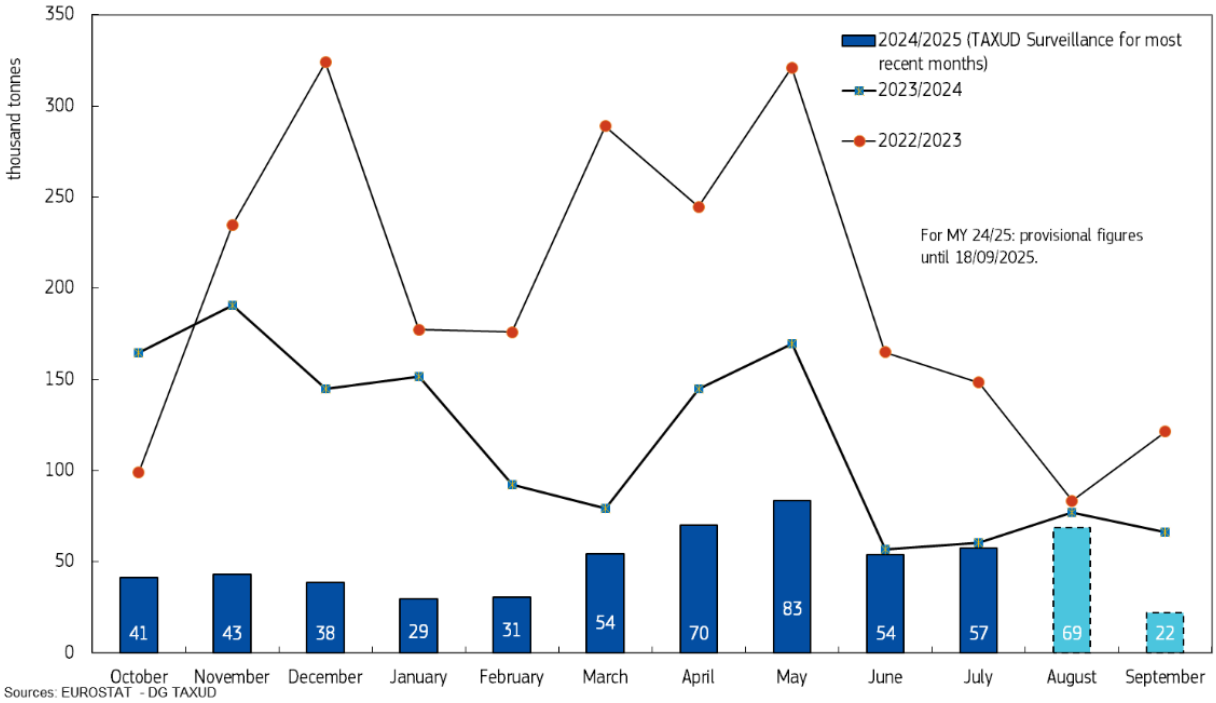
Since the United Kingdom's withdrawal from the EU, imports from the UK have declined sharply despite the duty-free provisions of the EU–UK Trade and Cooperation Agreement (TCA). Rules of origin within the TCA prevent the UK from exporting refined sugar made from imported raw sugar to the EU duty-free, keeping flows at minimal levels. At the same time, both the EU and the UK compete for preferential sugar under zero-duty arrangements with ACP and LDC countries. EU27 imports from EBA origins have declined after January 2021, partly replaced by higher shipments from Ukraine, Brazil, South Africa, and Mauritius.

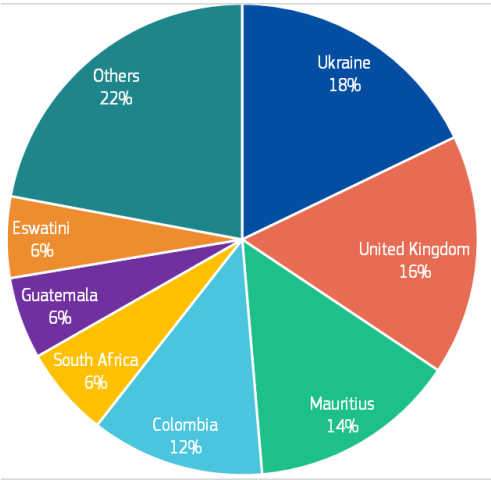
Imports under Free Trade Agreement (FTA) tariff-rate quotas (TRQs) are expected to remain stable. For instance, the EU–Vietnam FTA, which entered into force on August 1, 2020, provides a sugar TRQ of 20,000 tons raw sugar equivalent (RSE). Despite recent increases in refining margins, it remains unlikely that imports under the WTO CXL quota will expand significantly in MY 2024/25 or MY 2025/26. The CXL (Concessional Export Limit) is a WTO-administered quota allowing certain volumes of raw sugar to enter the EU at reduced or zero duty, with shipments beyond the quota subject to the full EU Most Favoured Nation (MFN) duty of 98 EUR/t. High costs beyond the quota and logistical constraints limit its use. Similar FTA quotas with Central American and Andean countries also show low fill rates, constrained by limited competitiveness and transport costs.

Looking ahead to MY 2025/26, Ukrainian imports will be limited to a structured annual quota of 100,000 tons, with any shipments above this level subject to standard EU import duties. The EU is expected to diversify its sources further, resuming flows from traditional preferential partners while

maintaining reliance on Brazilian sugar, reflecting a more managed and strategic approach to ensuring supply security amid declining domestic output.

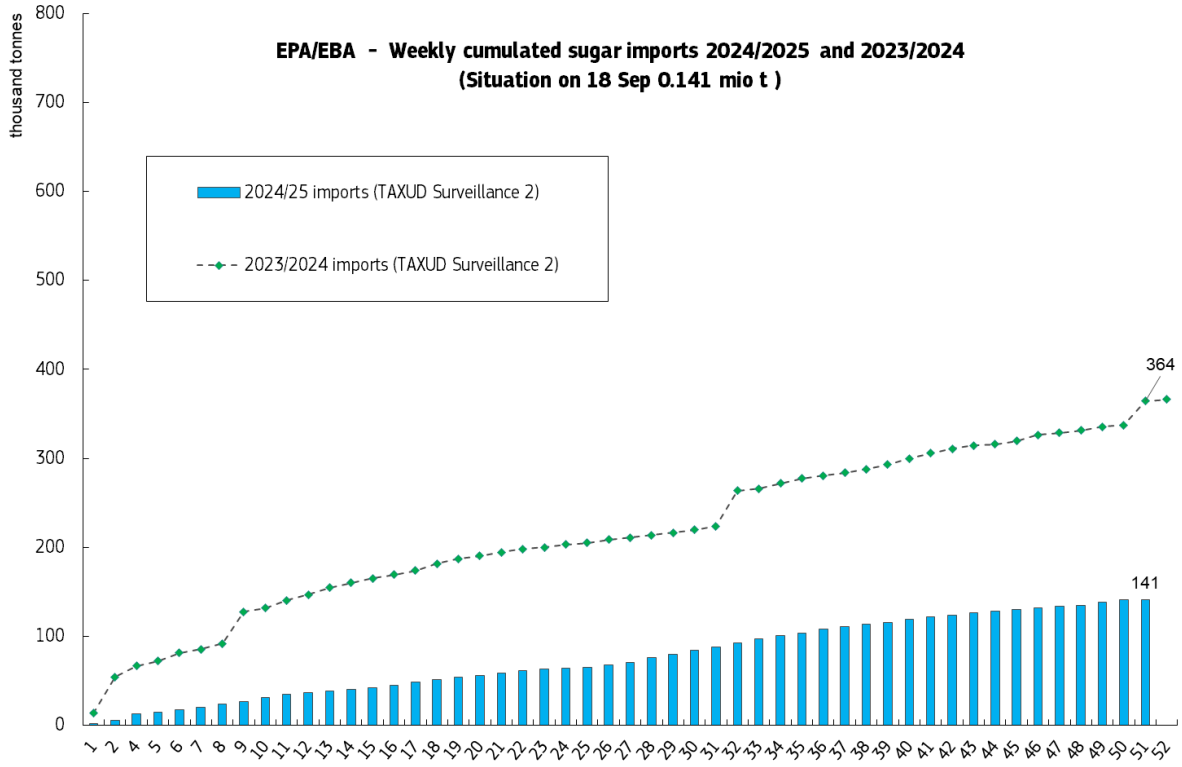
Graph 5 – EU Monthly Sugar Imports in MY 2024/25 and Origins





Source: European Commission

Graph 7 – EU Imports from EBA/EPA Countries



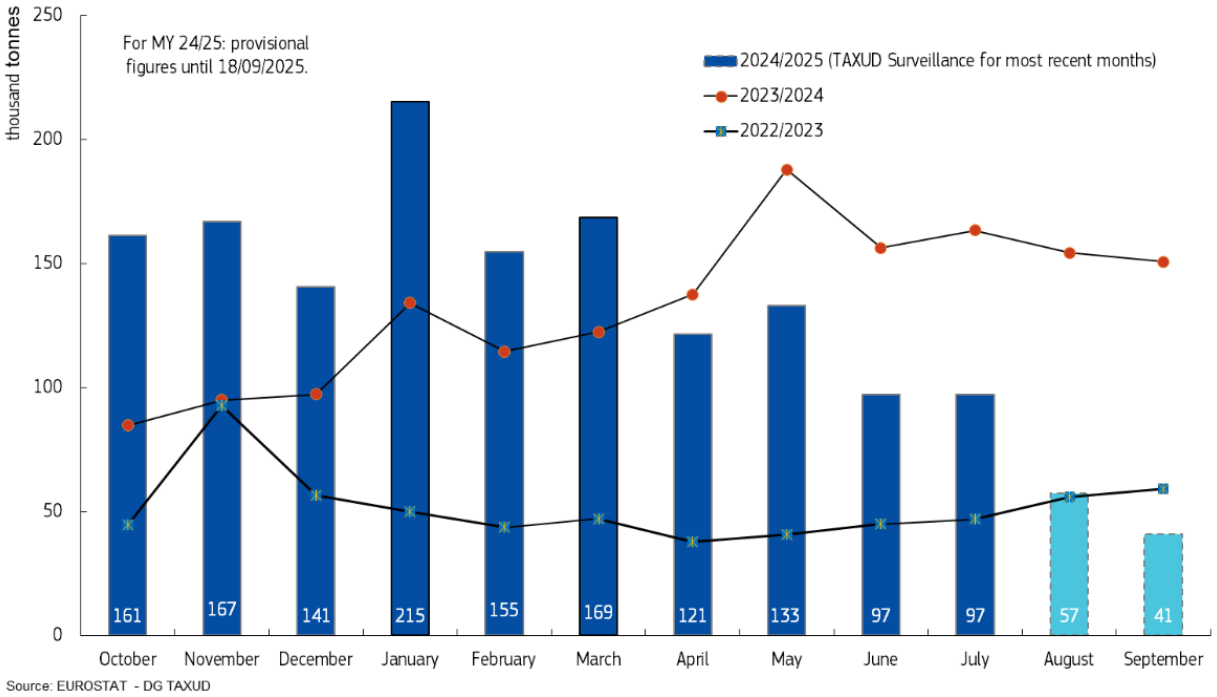
Source: European Commission

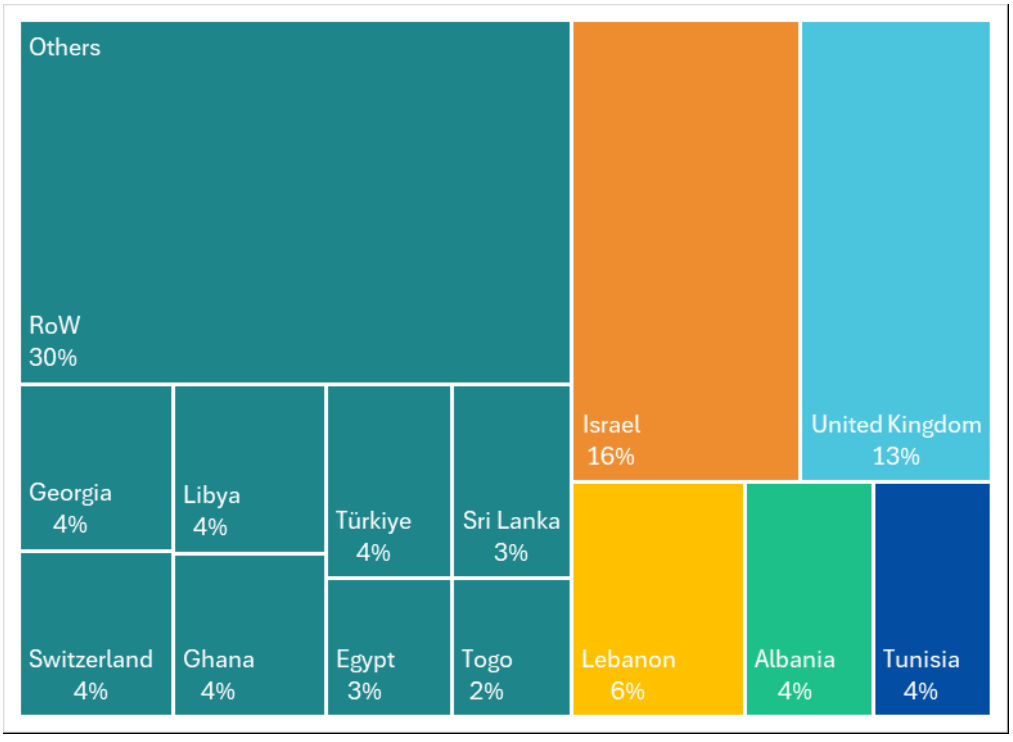
Exports

EU27 sugar exports for marketing year 2025/26 are forecast to fall sharply to about 1.0 MMT, reflecting a significant reduction in domestic sugar beet production driven by higher production costs and a shrinking harvested area in major producing countries such as France, Germany, and Poland. This anticipated downturn follows a notably strong export campaign in 2024/25, where exports reached roughly 1.8 MMT by September and monthly shipments from October to January ranged from 141,000 to 215,000 tons, markedly exceeding the pace of previous years. By the end of February 2025, cumulative exports had reached approximately 839,000 tons, well above historic norms.

The main exporting Member States remained France, Germany, Poland, the Netherlands, and Belgium, with leading destinations including Israel, the United Kingdom, Türkiye, Sri Lanka, and Ghana. While Brexit initially created shipping challenges for the UK, the EU adapted quickly, and post-Brexit rules now mainly affect refiners processing imported raw sugar—a smaller segment relative to overall EU output. These results confirm the EU's continued export agility, demonstrated by its ability to reach diverse international markets and maintain volume leadership despite evolving trade and production constraints.

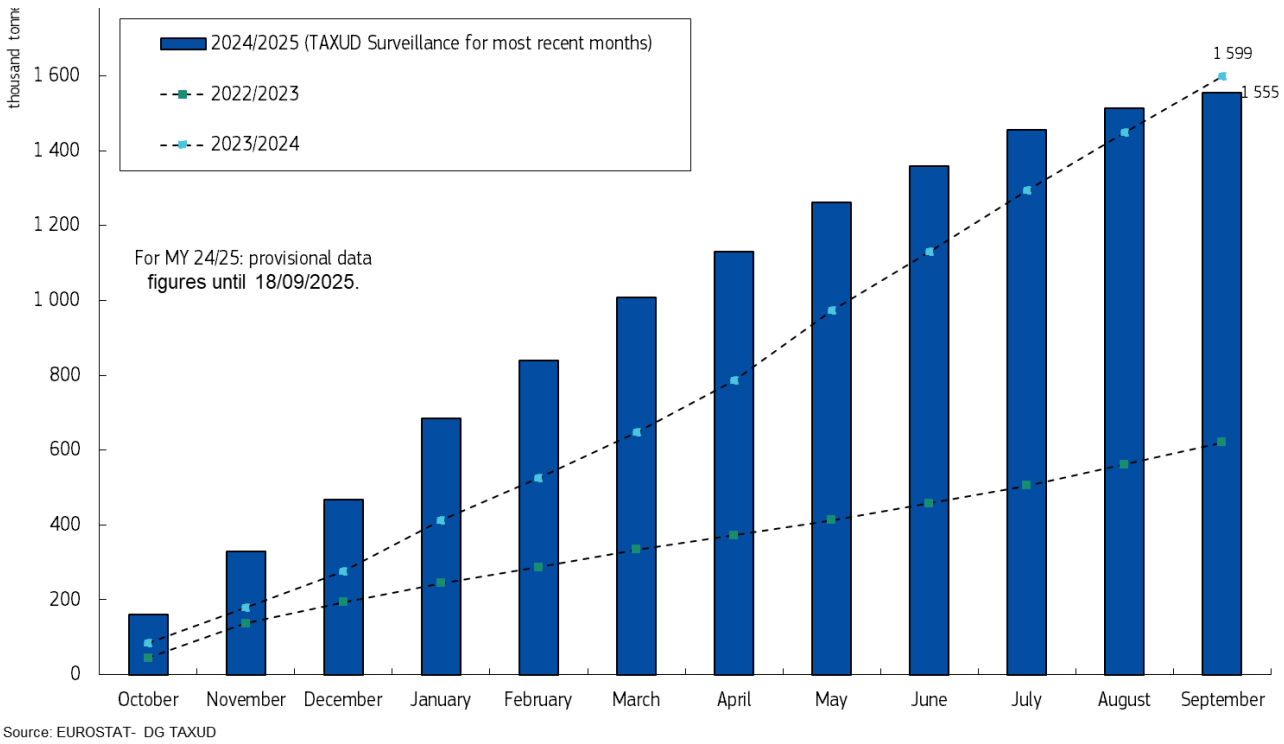
Graph 10 – EU Monthly Sugar Export in MY 2023/2024 and Destinations





Source: European Commission

Graph 11 – EU Cumulated Exports for CN 1701



Source: European Commission

EU27 Sugar Stocks

EU27 sugar stocks are estimated at approximately 0.2 million tons at the end of the 2024/25 marketing year, representing a slight decrease from 0.4 million tons at the beginning of the season. Looking ahead to 2025/26, ending stocks are forecast to remain relatively stable despite the estimated decline in EU sugar production. This stock stability reflects the complex balance between lower domestic production, reduced exports, and increased imports. The European Commission's market observatory continues to monitor these stock dynamics closely, recognizing their critical role in maintaining market equilibrium as the EU transitions from the period of high Ukrainian imports under the ATMs to a more normalized trade environment.

EU27 Isoglucose Production

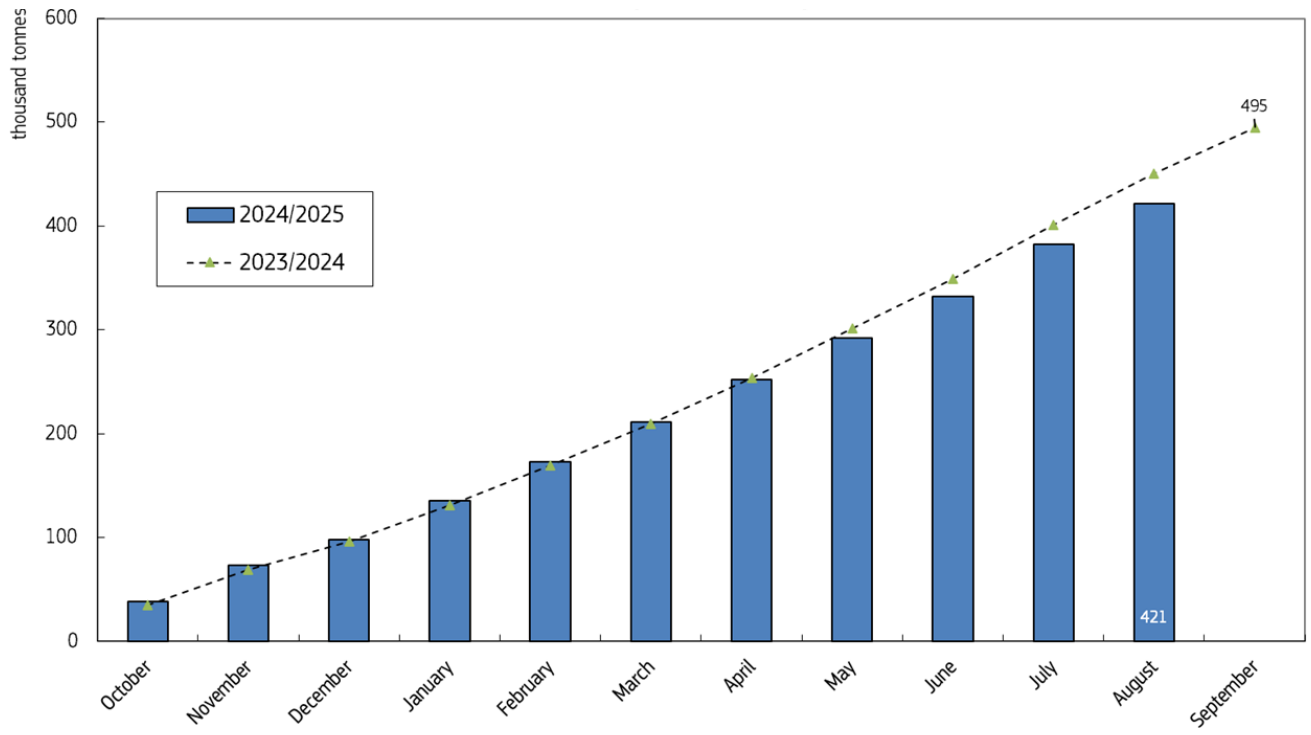
Isoglucose production in the EU27 has remained largely stable over the last three marketing years, with output reported at 496,000 tons in 2023/24, estimated at 480,000 tons in 2024/25, and early official forecasts of 490,000 tons for 2025/26, according to the European Commission's Sugar Market Situation reports and dashboard. Leading producing countries—Belgium, Hungary, Slovakia, Germany, and France—continue to dominate isoglucose manufacturing due to strong starch-processing industries, reliable access to cereals such as wheat and maize, and proximity to key food and beverage production hubs. This concentration reflects historic advantages under the pre-2017 quota regime and ongoing benefits from established infrastructure and sector expertise.

Since the abolition of sugar and isoglucose quotas in 2017, the EU industry has operated within a market-driven framework. Expansion is restrained by intense sugar price competition, consumer preferences for reduced sugar content, and public health initiatives targeting lower sugar consumption. The bulk of isoglucose trade remains internal to the EU, as regional production largely satisfies domestic industrial requirements and export demand remains modest.

Production remains below the peak pre-quota level of about 700,000 tons per year, with monthly output swinging between 60,000 and 136,000 tons, reflecting shifting raw material prices, crop availability, and demand for starch-based byproducts.

Transparency in the isoglucose sector is facilitated by the EU Sugar Market Observatory, which regularly publishes data and analysis. Ongoing discussions aim to integrate isoglucose reporting into the Agricultural Transparency Mechanism, a broader initiative to enhance agricultural market oversight and transparency. Overall, isoglucose production in the EU27 remains modest but resilient, shaped by competitive processing capacity, supply chain logistics, and evolving regulatory and health policy environments.

Graph 12 – Isoglucose – EU Monthly Cumulated Production for 2024/2025



Source: European Commission

EU27 Sugar Policy

EU Vision for Agriculture and Food

On February 19, 2025, the European Commission published a Communication to the European Parliament and Council laying down its Vision for Agriculture and Food for the 2024-2029 Von der Leyen II mandate. This document will be the basis of upcoming legislative proposals and other actions taken by the EU executive. The Vision lays down the need for the EU to ensure "a global level playing field" for its farmers and improve their competitiveness. To do so, the Commission proposes the adoption of mirror clauses, notably with regards to pesticide residues, increased border controls, and the signature of FTAs with more trade partners. The Vision calls for boosting domestic production and diversifying import suppliers to reduce strategic dependencies.

Common Agricultural Policy

On May 14, 2025, the European Commission published a proposal to simplify the CAP. The proposed measures target the administrative burden, controls, implementation of the CAP as well as the CAP crisis management tools. Notably, the proposal simplifies environmental requirements (GAECs for good agro-environmental conditions) linked to eco-payments for farmers. The proposal is now going through the EU legislative process it is expected to be adopted before the end of 2025.

On July 16, 2025, the European Commission unveiled the much-anticipated plan for the next Common Agricultural Policy (CAP) as part of its 2028–2034 EU budget. The proposal marks a major reform, scraping the CAP's two-pillar structure and merging farm funding into broader National and Regional Partnership Plans. The new CAP aims to prioritize performance-based spending, tighter targeting of income support, and greater Member State control. While environmental objectives remain, implementation would shift largely to national discretion. More information in GAIN report: European Commission Unveils CAP Reform with Budget Cut and Structural Change.

Private Storage Aid

EU Delegated Regulation 2016/1238 lays down common eligibility rules for private storage aid for certain agricultural products including sugar. Only white sugar in crystal form in bulk or in big bags of 800 kg or more showing the net weight and with a moisture content not exceeding 0.06 percent is eligible.

Marketing Standards for Sugar

Directive 2001/111/EC defines common rules for certain sugars intended for human consumption, in compliance with the general legislation applicable to foodstuffs. These rules concern the composition, sales name, labelling, and presentation of foodstuffs.

Trade/Tariffs

EU Free Trade Agreements (FTAs)

The EU is negotiating and has implemented several FTAs with other countries and regions, which include concessions on sugar. Additional information is available on the website of the EC at: https://ec.europa.eu/trade/policy/countries-and-regions/negotiations-and-agreements/

New Zealand: On May 1, 2024, the trade agreement between the European Union and New Zealand entered into force. The trade agreement removes all tariffs at entry into force on EU agri-food exports to New Zealand. However, this is not the case for all agri-food imports into the EU with tariffs rate quotas. More information about the agreement can be found here.

Mexico: On January 17, 2025, the EU and Mexico announced the conclusion of a new FTA. As for the agreement with Mercosur, the text still needs to be formally approved by the European Parliament and the EU Member States. The agreement abolishes customs duties for imports of some sugar and sugar products into Mexico. Under the agreement, 30,000 tons of Mexican sugar for refining can enter the EU market with an in-quota tariff rate of EUR 49 per MT as of year 3 of the agreement (10,000 MT year 1 and 20,000 MT year 2). 500 MT of specialty sugars and 1,000 MT of other sugars from Mexico will also be able to enter the EU tariff-free annually. More information about the agreement can be found here.

Mercosur: On December 6, 2024, the European Commission announced that President von der Leyen and her counterparts from four Mercosur countries (Brazilian President Lula, Argentinian President Milei, Paraguayan President Peña, and Uruguayan President Lacalle Pou) finalized negotiations and reached a political agreement for an EU-Mercosur partnership agreement. In 2019, the European Commission reached a preliminary agreement with Mercosur countries, but amendments were made to several sectors, including agriculture. The agreement includes a bilateral safeguard clause in case increased imports cause - or even threaten to cause - serious injury to relevant sectors, including agricultural sectors. This safeguard clause also covers imports under tariff rate quotas (TRQs) in the agreement. The text still needs to be formally approved by the European Parliament and the EU Member States. Under the agreement, there is a gradual phase out duties on 91 percent of EU exports to Mercosur and 92 percent of Mercosur exports to the EU. Regarding sugar in the EU-Mercosur agreement, no new sugar quota will be created for Brazil. With the agreement, 180,000 tons of Brazilian raw cane sugar for refining will be allowed into the EU duty-free under an existing quota. For Paraguay, a new duty-free quota of 10,000 tons was agreed upon. Specialty sugars are excluded from the agreement. More information about the agreement can be found here.

The EU sugar sector, represented by the International Confederation of European Beet Growers (CIBE) and the European Association of Sugar Manufacturers (CEFS), expressed strong concerns about the agreement. They described it as unbalanced for EU farmers, particularly sugar beet growers, arguing that it threatens the sector's future, undermines the EU's high production standards, and fails to ensure a level playing field. The organizations also criticized the timing of the agreement, noting that it coincides

with a proposed post-2027 Common Agricultural Policy (CAP) budget that they view as weakening EU farmers, while competitors such as the United States continue to provide record levels of support. CIBE and CEFS called on the Council and Parliament to reject the agreement and defend a sustainable and competitive future for European agriculture.

India: Negotiations for a FTA with India are ongoing, with the 14th round of talks slated for October 2025, as both sides push for a conclusion by year-end. A key sticking point remains agricultural market access, where the EU seeks more liberalization. For sugar, India currently utilizes a tariff-rate quota (TRQ) to export a minimal volume (e.g., 5,841 MT notified for 2025-2026) to the EU, and the extent of any further preferential access for sugar remains a sensitive negotiating issue. Also for this potential agreement, the EU sugar and ethanol sectors, represented by CIBE, CEFS, ePURE, and iEthanol, jointly urged the European Commission to grant zero market access for Indian sugar and ethanol. They argued that India's extensive subsidies and export incentives distort global markets and violate WTO rules, warning that opening the EU market would undermine the competitiveness of EU producers operating under high environmental and labor standards. The organizations also recalled that both the European Commission's Trade Sustainability Impact Assessment and a 2022 European Parliament resolution advised excluding sugar from the negotiations due to social and environmental concerns.

Indonesia: The European Union and Indonesia concluded negotiations for a Comprehensive Economic Partnership Agreement (CEPA) in September 2025, although it still awaits ratification. The agreement will liberalize many agri-food sectors for EU exporters, but critically, it provides protection for sensitive Indonesian agricultural products. Specifically, sugar is among the sensitive products for which existing EU tariffs are maintained, with any access to the EU market for Indonesian sugar being strictly limited through carefully managed quotas.

EU-Ukraine Trade Relationship

Since 2022 until June 5, 2025, EU had granted Ukraine full trade liberalization, suspending import duties, quotas, and trade defense measures for imports from Ukraine on a temporary basis through the Autonomous Trade Measures (ATM) Regulation.

As of June 6, 2025, the EU-Ukraine trade relationship reverted to the 2014 Deep and Comprehensive Free Trade Area (DCFTA). The European Commission published Regulation 1132/2025 which prorates the quotas for the seven months remaining of 2025. Once thresholds are met, standard tariffs apply.

On June 30, 2025, the European Commission announced that it has reached an agreement in principle with Ukraine on the review of the DCFTA. As part of the agreement, Ukraine committed to gradually align its agricultural production standards with the EU by 2028. The agreement includes updated TRQs for sugars.

EU-US Trade Relationship

On July 27, 2025, United States President Trump and European Commission President von der Leyen announced an agreement on tariffs and trade. The European Union has also published Implementing Regulation 2025/1727 suspending its retaliatory tariffs on certain U.S. products imposed by Implementing Regulation 2025/1564.

On August 29, 2025, the European Commission proposed legislation that would eliminate tariffs on most U.S. industrial goods and a basket of agricultural goods. This still needs to be adopted by the European Parliament and the Council of the European Union.

Brexit Update

The UK formally left the European Union on January 31, 2020, and the one-year transition period ended on December 31, 2020, in which it continued to fully comply with EU rules and legislation. During this transition period, both parties negotiated a Trade and Cooperation Agreement (TCA) on their future relationship, which was only concluded on December 24, avoiding a no deal outcome (hard Brexit). The EU and the UK agreed on duty-free trade for sugar originating from each other. Early trade problems occurred because of the Brexit impact of the rules of origin, for which the EU also provides specific guidance. The EC also published a specific guide on the use of EU Tariff Rate Quotas (TRQ).

The UK government published its post-Brexit tariff schedule that applies as of January 1, 2021. The MFN tariff for refined sugar is £350/MT (€419/MT, $449/MT), while the MFN tariff for raw sugar for refining carries a £280/MT (€339/MT, $364/MT) duty. To manage overall sugar volume and support its domestic industry, the UK introduced an Autonomous Tariff Quota (ATQ) specifically for raw cane sugar. This quota allows 260,000 tons of raw cane sugar to enter the UK market at a 0 percent duty rate each year. This quota system is currently under review by the UK government, considering factors like global sugar prices and domestic production. Information on the TRQs that the UK operates is available online.

While the EU immediately applied full customs checks on January 1, 2021, the UK extended the grace period for the implementation of full customs inspections on imports from the EU to January 1, 2022. However, the implementation at UK border posts was further delayed. The UK government plans to gradually roll out full customs inspections on imports from the EU in 2024. The first phase is scheduled for April 2024, followed by health certificates for medium-risk animal products in January 2024 and safety and security declarations in October 2024.

Pesticides Policy

Plant protection products (PPPs) along with Maximum Residue Limits (MRLs) and import tolerances, are an increasingly important issue in the EU since there is a significant reduction in the number of active substances approved for use. Regulation (EC) No 1107/2009 and Regulation (EC) No 396/2005 regulate PPPs and MRLs, respectively. There is a regular review of active substances for which the approval is up for renewal, as well as their associated MRLs. Existing MRLs are also being reviewed through a process known as an "Article 12" review. The link refers to a list indicating the upcoming MRL reviews under this Article 12 process. It is important to note that this list is not all-inclusive. Stakeholders are encouraged to actively engage early on in these review processes by reaching out to the applicant. Together with the applicant, they can ensure that the necessary data is available for review or if trials for data collection are in progress or should be initiated etc., especially if the substance is not used or authorized in the EU. Stakeholders are encouraged to engage with FAS on substances and MRLs of importance to their commodities and to check the USEU website for updates of the EU Early Alert.

EU Restrictions on the Use of Neonicotinoids

The EU has prohibited the use of three neonicotinoids (clothianidin, imidacloprid, and thiamethoxam) except for their application in permanent greenhouses since 2018, while a fourth one was banned in 2020 (thiacloprid). Due to the EU's restrictions on outdoor uses, the registrants withdrew their applications for the renewal of the approval of both clothianidin and thiamethoxam and the EU approval expired in 2019. These neonic pesticides are important for sugar beet production because they are used to prevent aphid infestations in sugar beets. Aphids spread many diseases including viruses such as the BYV which leads to beet dwarf jaundice, a disease that can cut yields by half. On January 19, 2023, the European Court of Justice ruled against the possibility by Member States to grant temporary emergency authorizations for the use of the banned neonicotinoids.

Following the phasing out of the neonicotinoids, Commission Regulation (EU) 2023/334 will reduce the current EU maximum residue limits (MRLs) for clothianidin and thiamethoxam to the limit of determination (LOD) as of March 7, 2026. Imported products will then no longer be able to contain residues of these two neonicotinoids. The proposed reduction in MRLs is based on a stated interest in protecting pollinators in countries outside of the EU and is not related to food safety concerns.

Glyphosate

Commission Implementing Regulation (EU) 2023/2660 renewed the approval of the active substance glyphosate for 10 years, until December 15, 2033. The renewal is subject to certain new conditions and restrictions, such as the prohibition of pre-harvest use as a desiccant and the need for certain measures to protect non-target organisms. The placing on the market of plant protection products containing the active substance remains under the responsibility of Member States.

Agricultural Biotechnology – Innovative Technologies

Regulating genetically engineered (GE) organisms in the EU falls under Regulation (EC) No 1829/2003 and Directive 2001/18/EC. The rise of genome editing and other scientific advances has prompted discussions about adapting regulations. The European Court of Justice ruled in July 2018 that, under the current EU legislative framework, newer genome-edited plants fall under the GMO Directive and are therefore to be treated as GMOs.

On November 8, 2019, the Council of the EU requested the Commission to submit a study examining the status of new genomic techniques (NGTs) in the EU and a possible legislative proposal in light of this Court of Justice ruling, the continued debate, and overall scientific advances since 2001.

The study from the European Commission emphasized the inadequacy of the current GMO Directive for these emerging technologies. A legislative initiative was launched on September 24, 2021, and after consultations and evaluations, the Commission unveiled a legislative proposal on July 5, 2023.

The proposal introduces two categories for NGT plants based on what is considered achievable naturally or using traditional breeding techniques (Category 1) and what is not (Category 2).

Category 1 plants would be treated like conventional plants and exempt from GMO legislation. Category 2 would be treated as GMOs, undergoing the authorization procedure outlined in the GMO framework and requiring GMO labeling. Subsequently, the proposal was transferred to the European Parliament and the Council of the EU for the standard legislative process. These institutions, representing EU citizens and Member States respectively, must review and adopt the proposal before engaging in trilogue discussions with the European Commission.

In a joint letter to the European Commission, the European Association of Sugar Manufacturers (CEFS) and the International Confederation of European Beet Growers (CIBE), among other stakeholders in the food and feed chain, requested an ambitious NGTs policy proposal that could empower EU farmers, the entire food chain, and consumers to ensure food security in the EU.

On February 7, 2024, the European Parliament, following assessments by the ENVI and AGRI committees, voted in favor of the proposal with amendments, including NGT product labeling and potential bans on patents. The Council of the EU, representing Member States, failed to reach a qualified majority and adopt a text despite concerted efforts to find common ground during the presidencies of Spain and Belgium. On March 14, 2025, under the Polish Presidency, a qualified majority was finally reached, with the Presidency proposing licensing options to break the deadlock.

This triggered the beginning of trilogue negotiations, with the three institutions working to find a compromise between each adopted version of the proposal. The Commission and Council proposals do not differ significantly, so discussions have focused on the requests from Parliament. Talks began in early May under the Polish Presidency and continued under the Danish Presidency, where negotiations resumed around the same controversial issues: labeling and traceability, patents, the technical requirements to qualify as Category 1, and the sustainability parameters requested by Parliament to

allow certain crops to be included in Category 1. The Danish Presidency is still working to conclude negotiations before the end of its semester.

Until an agreement is reached, genome-edited products in the EU will continue to be regulated under GMO Directive rules, regardless of their risk level. For more information on agricultural biotechnology in the EU, see the 2024 annual report.

Related reports from FAS Post in the European Union:

Country	Title
European Union	European Commission Unveils CAP Reform with Budget Cut and Structural Change
European Union	Sugar Annual 2025
European Union	Sugar Semi-annual 2024

Attachments:

No Attachments