

Required Report: Required - Public Distribution

Date: April 17, 2025

Report Number: CO2025-0007

Report Name: Sugar Annual

Country: Colombia

Post: Bogota

Report Category: Sugar

Prepared By: Lady Gomez, Agricultural Specialist

Approved By: Mark Rosmann

Report Highlights:

In market year (MY) 2025/2026, FAS Bogota (Post) forecasts Colombia's sugar production to recover to 2.3 million metric tons (MMT) due to improved weather conditions from the weakening of the La Niña phenomenon and expected normal weather patterns, positively impacting sugarcane yields and sucrose content. This recovery follows recent underperformance, especially in MY 2023/2024 when heavy rainfall lowered yields. Colombia's economy is projected to grow by over 2.5 percent in 2025 through 2026, which should support modest improvements in sugar consumption despite the Colombian government's continuing consumer tax on sugar products. Exports are expected to slightly increase owing to higher production, with mostly flat refined sugar imports.

Commodities:

Sugar Cane for Centrifugal

Sugarcane Production**Table 1. Colombia: Sugarcane, Centrifugal, Area in Thousand Hectares and Others, TMT**

Sugar Cane for Centrifugal Market Year Begins	2023/2024		2024/2025		2025/2026	
	Sep 2023		Sep 2024		Sep 2025	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted (1000 HA)	244	244	245	245	0	240
Area Harvested (1000 HA)	193	193	193	185	0	190
Production (1000 MT)	22000	22000	22200	22500	0	23000
Total Supply (1000 MT)	22000	22000	22200	22500	0	23000
Utilization for Sugar (1000 MT)	17650	17650	18000	18200	0	18700
Utilization for Alcohol (1000 MT)	4350	4350	4200	4300	0	4300
Total Utilization (1000 MT)	22000	22000	22200	22500	0	23000

Note: Virtually no cane is utilized directly for alcohol production. “Utilization for alcohol” in the table includes cane used for seed, feed, and waste. “Utilization for sugar” data includes cane used to produce mill sugar. Forecast for MY 2025/2026; MYs 2023/2024 and 2024/2025 are estimates.

Data source: Post historical data series.

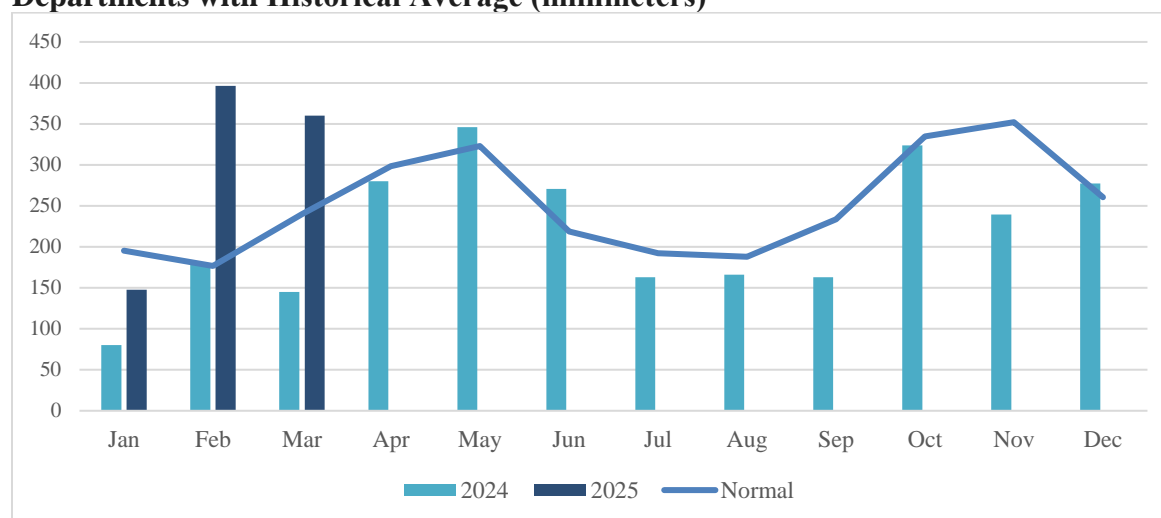
In market year (MY) 2025/2026 (October-September), Colombia’s sugarcane production is expected to recover as weather conditions normalize with a decreasing influence of the La Niña phenomenon. Colombia’s sugarcane producing region experienced above-average rainfall and temperature variability during February and March of calendar year 2025 (Figure 1).¹ Despite these anomalies, the Sugar Cane Research Institution (Cenicaña) forecasts² that rainfall will return to average levels starting in late April to early May 2025.³ Currently, La Niña phenomenon is weakening, with a 75 percent probability of transitioning to neutral conditions starting from April up through June 2025. The expected normalization of weather patterns is anticipated to improve sugarcane yields in the upcoming marketing year.

¹ Unless otherwise stated (e.g., MY) all years are in calendar basis (January-December).

² See: [Seasonal Forecast Bulletin for the Sugarcane Agro-Industrial Sector](#), Cenicaña, March 2025.

³ Rainfall, as opposed to irrigation, is the most important weather parameter for sugarcane production as it directly influences the growth and health of the crop and affect the timing of various agricultural practices such as planting, fertilization, pest control, and harvest.

Figure 1. Colombia: 2024-2025 Monthly Precipitation in Sugarcane Producing Departments with Historical Average (millimeters)



Data Source: USDA Global Agricultural and Disaster Assessment System ([GADAS](#)) Climate Hazards Center InfraRed Precipitation with Station (CHIRPS) Monthly Precipitation dataset. Precipitation data is provided as the average value across a one-month period against historical averages (see *Normal* trend line).

In MY 2024/2025, sugarcane production increased 2.3 percent year-on-year on an estimated harvested area of 185,000 hectares (ha). Despite a decrease in harvested area compared to MY 2023/2024, yields improved owing to drier El Niño weather patterns combined with improved agronomic practices by producers. Sugarcane tonnage per hectare (TCH) gradually increased from 107 TCH at the start of 2024 to 119 TCH by year-end.⁴

The Cauca River Valley maintains an ideal climate allowing multiple harvests during the year and is historically considered as the most productive sugarcane producing region in South America, with average sugarcane yields reaching 130 tons per hectare. The sector faces challenges, including a lack of widespread irrigation systems and the need for farmers to adopt innovative practices to maintain productivity. Due to extreme weather from 2021 to early 2024, including heavy La Niña rains, sugarcane yields remained less than historical averages, and only began to recover in late 2024. In addition, the Colombian sugar sector continues to face issues including longstanding social conflicts that have led to increased insecurity and violence around growing areas.

There are about 240,000 ha of sugarcane planted in the Cauca River Valley⁵ which is nearly all arable land available to be planted in the region. On average, under normal weather conditions, the region harvests about 80 percent of its sugarcane cultivated area, and the rest remains idle as part of a land management strategy based on sugarcane industry decisions. In 2024, 81 percent of sugarcane was machine harvested with the remaining crop harvested by hand. With limited acreage expansion potential, productivity gains depend on favorable weather and the application of improved practices and advanced sugarcane varieties developed by Cenicaña. The lack of

⁴ Source: [Cenicaña's Annual Report 2024](#), Cenicaña, February 2025.

⁵ The Cauca River Valley is in Colombia's southwest territory and consists of five departments: Caldas, Cauca, Risaralda, Quindío, and Valle del Cauca.

sufficient, arable land for broad sugarcane expansion is expected to remain a long-term challenge for the sugar industry.

Sugar Centrifugal

Table 2. Colombia: Centrifugal Sugar (Raw Value Basis) (Thousand Metric Tons [TMT])

Sugar, Centrifugal Market Year Begins Colombia	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 (1000 MT)	164	164	189	129	0	126
Beet Sugar Production (1000 MT)	0	0	0	0	0	0
Cane Sugar Production (1000 MT)	2250	2000	2250	2250	0	2300
Total Sugar Production (1000 MT)	2250	2000	2250	2250	0	2300
Raw Imports (1000 MT)	2	5	10	2	0	5
Refined Imp. (Raw Val) (1000 MT)	295	330	260	160	0	180
Total Imports (1000 MT)	297	335	270	162	0	185
Total Supply (1000 MT)	2711	2499	2709	2541	0	2611
Raw Exports (1000 MT)	155	145	180	150	0	160
Refined Exp. (Raw Val) (1000 MT)	450	420	500	450	0	480
Total Exports (1000 MT)	605	565	680	600	0	640
Human Dom. Consumption (1000 MT)	1912	1800	1840	1810	0	1830
Other Disappearance (1000 MT)	5	5	5	5	0	5
Total Use (1000 MT)	1917	1805	1845	1815	0	1835
Ending Stocks (1000 MT)	189	129	184	126	0	166
Total Distribution (1000 MT)	2711	2499	2709	2541	0	2611

Note: Virtually no centrifugal sugar is utilized for alcohol, feed, or other non-human consumption. All figures in raw value. To convert raw value to refined/crystal white sugar, divide by a factor of 1.07.

Data Source: Post historical data series. Forecast for MY 2025/2026; MYs 2023/2024 and 2024/2025 are estimates.

Production

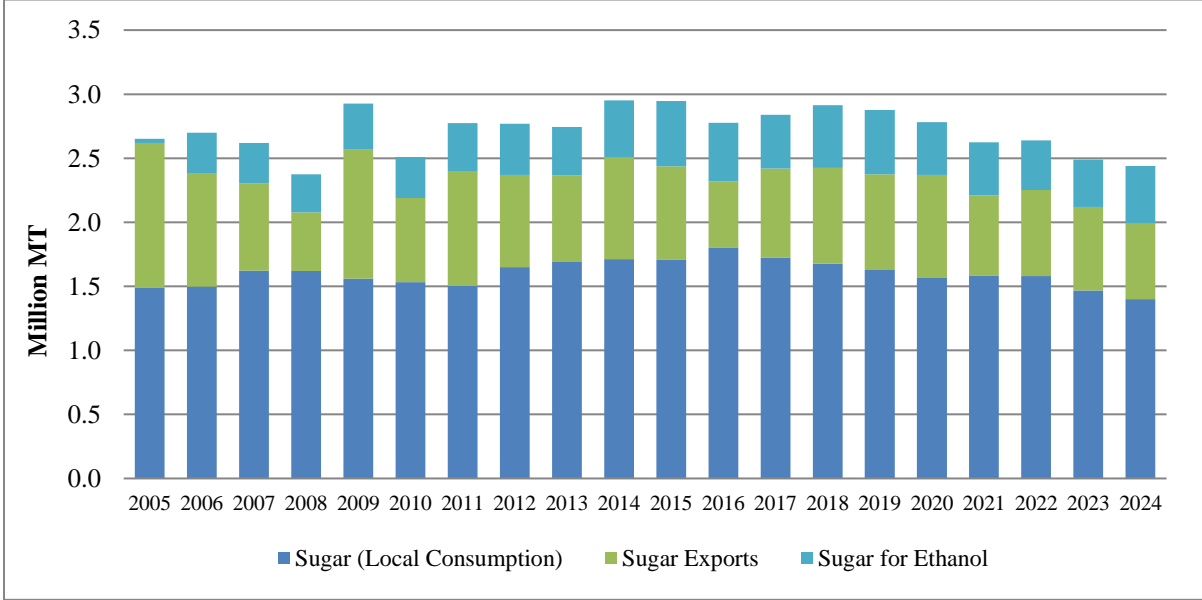
In MY 2024/2025, Colombia's sugar production is forecast to increase by 2 percent year-on-year to 2.3 million metric tons (MMT) raw value basis (RV) and reaching historical highs. This growth is driven by improved sugarcane yields, attributed to favorable agroclimatic conditions that have positively impacted both the quantity of per ha sugarcane harvested and sugar extraction efficiency. According to the Colombian Sugar Producers Association (Asocaña), in January-February 2025, per ha sugar yields have already increased 9.3 percent year-on-year, reflecting a growth in sucrose content recovery. Cenicaña projects that sucrose content will increase to 12.4 percent in 2025, up from 12.08 percent recorded in 2024. Despite projections of declining international sugar prices, local industry anticipates that price levels will remain sufficiently profitable to support sustained production.

The sugar production estimate for the current MY remains unchanged at 2.25 MMT raw value basis. The shift from prolonged rainy seasons to drier El Niño conditions, and then followed by

stable weather, has stabilized sugarcane yields and sucrose content, aligning with historical averages after two years of lower performance. In addition, prolonged, intense precipitation delayed critical sugarcane activities like land preparation, planting, and fertilization.

Colombia’s 13 sugar mills and most of its ethanol facilities (six plants out of seven) are in the Cauca River Valley, which spans across five Colombian departments. Most sugar mills are near ethanol distilleries (or co-located, if owned by the same entity), which simplifies sugarcane diversion. Since 2005, when Colombia first began mass ethanol production, domestic ethanol demand has offset sugar exports by 30-40 percent annually (Figure 2). Ethanol production is growing year-on-year, following increases in sugarcane production. In 2024, ethanol production reached 406 million liters, a 23.5 percent increase year-on-year. Colombia’s sugar industry in the outyear is projected to divert significant volumes of sugarcane for alcohol production, while attempting to keep pace with both refined sugar manufacturing and export demand. With insufficient ethanol production to meet the government’s ten percent ethanol blending mandate (E10), Colombia will continue its heavy reliance on imported ethanol.⁶

Figure 2. Colombia Sugar Cluster Production 2005-2024 (MMT)



Data source: Post historical data series, Asocaña.

Since January 2001, local sugar prices have been subject to the Sugar Price Stabilization Fund (FEPA) (See Policy section). The Colombian government designed FEPA as a tool to protect local producers against international sugar price fluctuations.

Non-Centrifugal Sugar

In 2024, non-centrifugal sugar (or *panela*) production decreased 15 percent year-on-year to 900,000 MT on an estimated 162,400 hectares. The production of sugarcane for *panela* was significantly impacted by increased on-farm costs, particularly labor, in addition to adverse

⁶ This projection comes despite the 2020 countervailing duty against U.S. ethanol See: USDA GAIN [CO2023-0008](#): “Colombia continues to impose duty on U.S. ethanol after CVD Expiry Review.” Published April 10, 2023. In 2024, the United States was the largest ethanol supplier to Colombia.

weather conditions in the first half of 2024, which negatively affected both productivity and harvesting capabilities. Sugarcane for panela is produced throughout Colombia, but predominantly cultivated by smallholder producers in Colombia's highlands, spanning 29 departments, with 80 percent of production concentrated in eight departments.⁷ According to the Panela Producers Association (Fedepanela), there are approximately 18,500 crushing/milling facilities, most of which are small and considered informal.

Panela prices recovered in 2024, averaging \$3,695 Colombian Pesos (COP) per kilogram (kg). As of March 2025, panela prices have continued their upward trend, increasing by 25 percent to COP 4,617 (USD \$0.85)⁸ per kg compared to 2024 prices, primarily due to reduced supply. Rising panela prices and favorable weather conditions may boost panela production in 2025.

Consumption

In MY 2025/2026, sugar consumption is forecast to marginally increase 1 percent from the previous year's revised estimate to 1.83 million metric tons. Consumption levels have been constrained by slow economic growth and the implementation of select taxes on sugar products. Colombia's economic growth is projected to increase over 2.5 percent and would gradually boost sugar demand, especially in the food and beverage industries.⁹ For MY 2024/2025, sugar consumption remains nearly unchanged from last year's revised estimate due to slower economic growth, current tax policies, and changing consumer behavior.

The Colombian government's November 2023 "healthy taxes" has incorporated a progressive tax rate on processed products starting at 10 percent in 2023, increasing to 15 percent in 2024, and 20 percent by 2025. This policy has led to a decrease in food and industrial sugar usage.¹⁰ The beverage industry, largest consumer of sugar in Colombia, is expected to continue increasing its substitution of sugar with alternative sweeteners, which are not subject to the tax. Consumer habits have shifted significantly toward healthier options, increasing demand for low-sugar or sugar-free alternatives, presenting a key market constraint for the sugarcane sector.

To promote responsible sugar consumption, in 2020, Asocaña launched the "*Azúcar con Balance*" (Sugar with Balance) campaign. The initiative aims to provide Colombians with scientifically grounded information on sugar intake using social media. Supported by nutrition professionals, the campaign focuses on public engagement using educational content to encourage informed decision making on consumption habits.

Trade

Colombia's sugar exports for MY 2025/2026 are forecast to reach 640,000 MT RV, a 6.7 percent increase from the previous MY revised estimate. This growth is supported by expected increased cane production. In MY 2024/2025, the revised sugar export estimate is 6.2 percent

⁷ Includes Antioquía, Cundinamarca, Santander, Boyacá, Cauca, Nariño, Tolima, and Huila.

⁸ For purposes of this report, \$1 dollar equals COP 4,274 as of April 7, 2025.

⁹ The Colombian economy will grow 2.6 and 3.4 percent in 2025 and 2026 respectively, according to [Colombia's Central Bank Estimates](#) (Banco de la República) January, 2025.

¹⁰ See: CNN Español, "[This is how the healthy tax works in Colombia, and these are the products it affects.](#)" Published November 2, 2023.

higher than MY 2023/2024 at 600,000 MT, owing to market realities driven by increasing international market demand and a slight recovery in domestic cane production. Colombia exports sugar to the United States through quotas established by the World Trade Organization (WTO) and the U.S.-Colombia Trade Promotion Agreement (CTPA). In fiscal year (FY) 2025 (October-September), the WTO quota for Colombia is set at 25,819 MT raw value; for 2025, the CTPA quota is 59,750 metric tons RV. Colombian exporters typically fully utilize both quotas; however, in FY 2024, some companies were unable to meet their WTO quota allocations due to low sugarcane production. Exporters have shown a preference for fulfilling the CTPA quota, as it permits refined sugar exports, and provides a higher added value compared to raw sugar.

In MY 2023/2024, the United States remained the leading destination for Colombian sugar exports, capturing a 23 percent share of the total market, closely followed by Chile with 20 percent. The European Union accounted for 14 percent of exports, while shipments to Ecuador dropped following significant growth in MY 2022/2023 (Table 3). Of the total sugar exported by Colombia, 74 percent was refined sugar, and the remaining 26 percent was unprocessed, raw sugar.

Table 3. Colombia Sugar Exports MYs MY 2021/2022, 2022/2023, 2023/2024 (RV, MT)

Partner Country	Total Exports (Raw Value)			% Share		
	MY 2021/2022	MY 2022/2023	MY 2023/2024	MY 2021/2022	MY 2022/2023	MY 2023/2024
United States	157,528	149,293	127,700	24	22	23
Chile	113,830	147,393	114,729	17	22	20
EU 28	80,360	101,640	80,766	12	15	14
Ecuador	41,928	77,836	65,876	6	12	12
Haiti	78,320	58,100	44,501	12	9	8
Peru	60,101	50,598	37,389	9	7	7
Others	129,893	91,461	93,698	20	13	16
Total	661,960	676,321	564,659	-	-	-

Data Source: Colombia Customs National Office (DIAN), Trade Data Monitor (TDM).

Note: Data includes all sugar (refined and raw, RV converted).

In MY 2025/2026, sugar imports are forecast at 185,000 MT, 14 percent higher year-on-year from the revised estimate, and driven by an expected recovery in domestic consumption. In the current MY 2024/2025, imports are revised 40 percent lower to 162,000 MT, owing to market realities and the expected increase in local sugar production which prioritizes the domestic market. More than 98 percent of Colombia's sugar imports are refined.¹¹

In MY 2023/2024, Brazil solidified its position as the primary foreign supplier of sugar to Colombia, accounting for 72 percent share of imports. Guatemala ranked as the second-largest supplier of centrifugal sugar, contributing approximately 13 percent of imports (Table 4).

¹¹ Colombia does not typically import raw sugar due to profit margins and domestic industry usage patterns.

According to local industry, Colombia has become one of top countries with the highest import share relative to total consumption.

Table 4. Colombia Sugar Imports - MYs 2021/2022, 2022/2023, 2023/2024 (RV, MT)

Partner Country	Total Imports (Raw Value)			% Share		
	MY 2021/2022	MY 2022/2023	MY 2023/2024	MY 2021/2022	MY 2022/2023	MY 2023/2024
Brazil	9,416	134,388	243,465	4	52	72
Guatemala	46,090	29,801	44,980	21	12	14
Bolivia	87,342	11,270	25,654	39	4	8
Nicaragua	8,371	8,635	10,507	4	3	3
Peru	22,748	37,212	7,089	10	15	2
Others	48,593	34,830	4,574	22	14	1
Total	222,560	256,136	336,269	-	-	-

Data Source: DIAN, TDM.

Note: Data includes all sugar (refined and raw, RV converted).

Stocks

Market year 2025/2026 ending stocks are forecast at 136,000 MT, 8 percent higher against the previous year revised estimate. Ending stocks for MY 2023/2024 are dropped to 126,000 MT as Colombia can produce sugar year-round with minimal risk to supply shortages. There are no Colombian government programs or incentives for sugar mills to manage inventories.

Policy

Sugar Price Stabilization Fund

Colombia's Price Stabilization Fund was established in 1993 through Law 101, General Law of Agricultural Development, and its specific sugar program (FEPA)¹² was enacted through [Decree 569 of 2000](#). The Colombian government created FEPA to maintain price stability and prevent oversupply and low prices in the domestic sugar market. Asocaña has historically administered this fund and continues to manage it. FEPA's board is chaired by the Colombian Minister of Agriculture and includes the Minister of Trade and eleven representatives from the sugarcane industry, including growers and mills.

The FEPA provides incentives for sugar exports by hedging against price differences between domestic and international markets and setting a market-weighted average price (MWAP). Historically, domestic sugar prices have been higher than export prices, except for U.S. export prices under quotas. Milling operations that sell sugar at prices above the MWAP, or typically above the domestic market, contribute a certain amount of the price difference to the Price Stabilization Fund. Conversely, mills that sell sugar below MWAP prices receive compensation via the FEPA. Asocaña conducts a monthly calculation to determine the contribution and compensation values for each sugar mill.¹³

¹² In Spanish: Fondo de Estabilización de Precios del Azúcar.

¹³ Payments made to cover the difference between the MWAP baseline and the contract price.

Andean Price Band System

Colombia utilizes the Andean Price Band System (APBS)¹⁴ as a member of the Andean Community of Nations (CAN) to stabilize prices for a select group of sensitive agricultural products, including raw and refined sugar (Table 5). Sugar imports from CAN countries (i.e., Peru, Ecuador, and Bolivia) are allowed duty-free entry into Colombia. Similarly, Colombian sugar exports to these countries have zero percent duties, while imports from outside the CAN are subject to a variable duty. The basic customs duty rate on imports of both raw and refined sugar from non-CAN countries is currently 15 percent. The CAN revises the price band, both ceiling and floor, in April of every year. The adjustment is made based on whether a reference price is above, below, or within the ceiling and floor prices. The reference price is adjusted every two weeks.

Table 5: CAN Sugar Floor and Ceiling Prices April 2025-March 2026 (USD/MT)¹⁵

	Floor Price CIF	Ceiling Price CIF
Refined Sugar	\$595	\$683
Raw Sugar	\$476	\$553

Data Source: Resolution 2456, 2024 CAN.

Early April 2025 reference prices for raw (\$437/MT) and refined sugar (\$556/MT) are below the floor prices, resulting in effective import duties of 25 percent for raw and 23 percent for refined sugar.

U.S.-Colombia Trade Promotion Agreement

Signed in 2012, the U.S.-Colombia Trade Promotion Agreement removed the price band duty for all imports from the United States, including sugar. Starting in 2021, the import tariff-rate quota for glucose, which encompasses high-fructose corn syrup, became unlimited. For 2025, Colombia's sugar export quota under the CTPA is set at 59,750 MT, a quota that is typically fully utilized. The import quota under CTPA increases by 750 MT each year.

Andean Community of Nations and Southern Common Market (MERCOSUR)

Ecuador, Peru, and Bolivia as CAN members have duty free access to Colombia's sugar market. Colombia maintains a price band system; there is no agreement on the timing of tariff reductions under the Colombia MERCOSUR free trade agreement. Colombia continues to grant trade preferences under bilateral agreements, where MERCOSUR members pay a percentage (88 percent) of the effective duty rate. Colombia's effective duties on Brazilian raw and refined sugar are updated every 15 days, whose variation depends on the behavior of international prices. From April 1-15, 2025, effective duties for Brazilian origin raw and refined sugar to Colombia are 22 percent and 20.24 percent, respectively.

¹⁴ The APBS price stabilization triggers a tariff increase when the international reference price falls below a set floor. The base tariff is reduced when the reference price exceeds the ceiling. If the reference price is within the floor and ceiling, the sugar import duty is 15 percent of the invoice value. Floor and ceiling prices are adjusted annually based on a mathematical calculation through CAN Decision 371.

¹⁵ The CAN reference prices for sugar are calculated based on the biweekly average of daily quotations observed in the referential markets: London No. 5 for refined sugar, and New York No. 11 for raw sugar.

Attachments:

No Attachments