

Required Report: Required - Public Distribution

Date: April 21, 2025

Report Number: CH2025-0086

Report Name: Sugar Annual

Country: China - People's Republic of

Post: Guangzhou ATO

Report Category: Sugar

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Report Highlights:

China's MY 2025/26 sugar production is forecast at 11.5 MMT, up 500,000 MT from the MY 2024/25 estimate, as planted areas continue to rise and weather conditions remain favorable. China has intervened to curb sugar syrup and premixed powder imports; as a result, raw sugar imports are poised to increase. As consumption continues a slow rebound, China's MY 2025/26 sugar consumption is forecast to remain unchanged at 15.7 MMT.

Cane Sugar Production

Marketing year (MY) 2025/26 (October-September) cane sugar production in China is forecast to reach 9.9 million metric tons (MMT), up 400,000 metric tons (MT) from the MY 2024/25 estimate. Guangxi will increase planted acreage, while Yunnan will increase milling of imported sugarcane from neighboring countries (i.e., Myanmar, Laos).

MY 2025/26 cane planting area is forecast at 1.25 million hectares, up 40,000 hectares from the MY 2024/25 estimate. In Guangxi, cane farmers continue to receive government subsidies and financial support from millers to expand cane acreage.

MY 2024/25 cane sugar production is unchanged at 9.5 MMT, the USDA official estimate. MY 2024/25 cane planting area is estimated at 1.21 million hectares, same as the USDA official estimate. Nevertheless, MY 2024/25 cane production is estimated at 75 MMT, revised down 6 MMT from the USDA official estimate, mainly because Guangxi had a lower-than-average yield due to weather conditions.

Guangxi

Guangxi farmers have strong planting intentions for cane, particularly as competing crops (i.e., citrus) become less profitable and government support for cane continues. In December 2023, China's President Xi visited a Guangxi sugarcane field and reiterated the importance of stabilizing cane acreage as a step toward food security. His visit motivated Guangxi's farmers to expand acreage and the government to continue offering support to cane farmers.

During MY 2024/25, Guangxi had 74 sugar mills in operation, same as MY 2023/24. Guangxi's MY 2024/25 milling season lasted 145 days (November 8 - April 2), 16 days less than MY 2023/24. By the end of the milling season, Guangxi is expected to produce approximately 6.5 MMT of sugar.

Despite the increased cane planting areas in Guangxi, weather conditions included a typhoon and excessive rain in September 2024, followed by severe drought in October 2024. Industry contacts suggest the effects of the weather were limited.

By the end of March 2025, a total of 48.6 MMT of sugarcane had been processed into 6.45 MMT of sugar, down four percent and up six percent year-on-year, respectively. The sugar recovery rate was 13.3 percent, up 1.2 percent. For the same period, Guangxi sold 3.48 MMT of sugar, up 560,000 MT year-on-year from the previous market year, indicating an increased market demand.

Yunnan

Yunnan has 52 sugar mills in operation during MY 2024/25, same as MY 2023/24. As of March 31, 2025, Yunnan processed 15.36 MMT of sugarcane to produce 2 MMT of sugar. The sugar recovery rate was 13.08 percent, up 0.12 percent from that of MY 2023/24. In recent years, Yunnan has increased its milling of imported cane, which is usually processed from October to May of the following year. By the end of the milling season, Yunnan is expected to produce approximate 2.3 MMT of sugar.

In MY 2023/24, Yunnan imported a record high of 2.69 MMT of sugarcane, up 39 percent year-on-year, from Myanmar and Laos. In MY 2024/25 (October – February), Yunnan imported 2.34 MMT of

sugarcane, up 37 percent year-on-year, with 54 percent from Myanmar, 44 percent from Laos and two percent from Vietnam.

On March 28, 2025, a 7.7-magnitude earthquake hit Myanmar, causing casualties and property losses. Mandalay, a top sugarcane growing region, was affected. However, industry experts estimate Myanmar’s sugarcane exports to China will reach normal levels.

By the end of MY 2024/25, Yunnan is estimated to import over 3.8 MMT of cane, which could be milled into nearly 500,000 MT of sugar. In MY 2025/26, Yunnan is expected to import 5 MMT of sugarcane to make 650,000 MT of sugar.

Guangdong

During MY 2024/25, Guangdong had 18 sugar mills in operation, one mill more than MY 2023/24. By the end of March 2025, Guangdong had completed its milling season by processing a total of 6.16 MMT of cane into 654,500 MT of sugar, up 10 percent and 24 percent year-on-year, respectively. The sugar recovery rate was 10.63 percent, up 1.19 percent.

Hainan

During MY 2024/25, Hainan had three sugar mills in operation, two less than MY 2023/24. From December 23 to March 8, a total of 443,300 MT of cane were milled into 55,100 MT of sugar, down 28 percent and 26 percent year-on-year, respectively. The sugar recovery rate was 12.43 percent, a 0.42 percent increase from the previous marketing year. Hainan’s MY 2025/26 sugar production is expected to remain low, due to fewer sugar mills. In addition, Hainan has an increased focus on developing the tourism sector and will officially become a duty-free island by the end of 2025. To encourage Hainan farmers to keep producing cane, MY 2024/25 cane purchase prices were increased to RMB550 per MT, up RMB20 from previous marketing year.

Table 1: Purchase Price of Sugar Cane in Major Producing Provinces (in RMB, \$1=RMB7.3)

	Guangxi	Yunnan	Guangdong	Hainan
MY 2021/22	490-520	450	420	500
MY 2022/23	490-520	450	510	500
MY 2023/24	490-540	450	510	530
MY 2024/25	490-540	440-470	520	550
MY 2025/26 (est.)	490-540	440-470	520	550

Source: industry news reports

Chart 1: China's Major Sugar Cane Production Areas



Source: Map by dmap.com, edited by ATO Guangzhou

Background

Cane sugar makes up over 85 percent of China's total sugar production. As shown in Chart 1, sugar cane is primarily cultivated in the southern and southwestern regions—Guangxi, Yunnan, Guangdong, and Hainan. Guangxi alone contributes 60–65 percent of the country's cane sugar output. On average, cane yields are around 65 metric tons per hectare, with a sugar recovery rate of 12–13 percent.

Producers of cane sugar face several challenges, including labor shortages, limited mechanization, and competition from alternative crops. The labor pool continues to shrink as younger generations migrate to urban areas for work, driving up labor costs. In Guangxi, for instance, farm labor costs are roughly RMB170 (US\$23) per metric ton. About one-third of the price farmers receive for their cane. Terrain and farm size further limit the adoption of mechanized farming, while other crops can offer more appealing returns.

Despite these hurdles, the area under sugar cane cultivation is expected to grow. Like rice, wheat, and corn, sugar cane is considered a staple crop in China and plays a key role in national food security. The central government continues to prioritize stable production levels, and local governments in Guangxi and Yunnan support this goal through subsidies and programs that promote improved planting techniques and mechanization.

Beet Sugar Production

MY 2025/26 beet sugar production is forecast at 1.6 MMT, up 100,000 MT from the MY 2024/25 estimate. This projected increase assumes favorable weather conditions will bring sugar content back to normal levels in beet for Inner Mongolia, while offering Xinjiang another good harvest.

MY 2025/26 beet planting area is forecast at 215,000 hectares, same as the revised MY 2024/25 estimate. MY 2024/25 acreage is estimated at 215,000 hectares, up 27,000 hectares from the USDA official estimate.

MY 2024/25 beet sugar production is estimated at 1.5 MMT, no change from the USDA official estimate. The beet planting area has increased in Inner Mongolia and Xinjiang as farmers turned away

from other less profitable crops. However, Inner Mongolia’s sugar production was negatively impacted by undesirable weather conditions.

Inner Mongolia

During MY2024/25, Inner Mongolia had 11 beet sugar mills in operation, one less than MY 2023/24. In the current milling season, a total of 5.91 MMT of beets were milled into 663,000 MT of sugar, up 47 percent and 24 percent year-on-year, respectively. The sugar recovery rate was 11.19 percent, down two percent. In September 2024, Inner Mongolia suffered low temperatures and excessive rain, which caused lower levels of sugar content in beets. Consequently, the MY 2024/25 beet purchase price dropped to RMB580 per MT in Inner Mongolia, down RMB20 from MY 2023/24.

Xinjiang

During MY 2024/25, Xinjiang had 15 beet sugar mills in operation, one less than that of MY 2023/24. In the current milling season, a total of 6 MMT of beets were milled into 814,200 MT of sugar, up 29 percent and 46 percent year-on-year, respectively. The sugar recovery rate was 13.57 percent, up 1.6 percent. Due to higher sugar content, beet purchase prices were increased to RMB600 to 620 per MT in Xinjiang, up RMB10-30 from previous marketing year. Xinjiang’s MY 2024/25 sugar production is the highest record in history.

To further improve beet sugar production and reduce reliance on imported beet seeds, in March 2025, Xinjiang started building a new research and development center for its beet industry.

Table 2: Purchase Price of Sugar Beets in Inner Mongolia and Xinjiang (in RMB, \$1=RMB7.3)

	Inner Mongolia	Xinjiang
MY 2021/22	550	510-560
MY 2022/23	580	520-580
MY 2023/24	600	590
MY 2024/25	580	600-620
MY 2025/26 (est.)	600	590

Source: industry news reports

Chart 2: China’s Major Sugar Beet Production Areas



Source: Map by dmap.com, edited by ATO Guangzhou

Background

Sugar beets contribute approximately 10–15 percent of China’s total sugar production. As illustrated in Chart 2, sugar beets are primarily cultivated in northern and northwestern regions, particularly Inner Mongolia and Xinjiang. Inner Mongolia leads national production, accounting for over 50 percent of sugar beet output, followed by Xinjiang with more than 45 percent. Other regions, such as Heilongjiang province, have a minor share—less than 2 percent. Average sugar beet yields range from 52 to 54 metric tons per hectare, with a sugar recovery rate between 11-13 percent.

In contrast to the southern sugar cane regions, northern sugar beet-producing areas are well-suited to large-scale, highly mechanized farming. This enables lower labor costs and makes the sugar beet sector more cost-efficient compared to cane sugar production. However, unlike cane sugar, sugar beet prices are determined by the market, with no direct government support. Purchases are typically made through contract farming agreements, with prices based on beet quality, particularly sugar content.

Despite the efficiencies, the sugar beet industry faces several challenges. Challenges include competition from government-supported cane sugar, the appeal of alternative crops, rising production costs (i.e., land rental costs), and sugar price volatility.

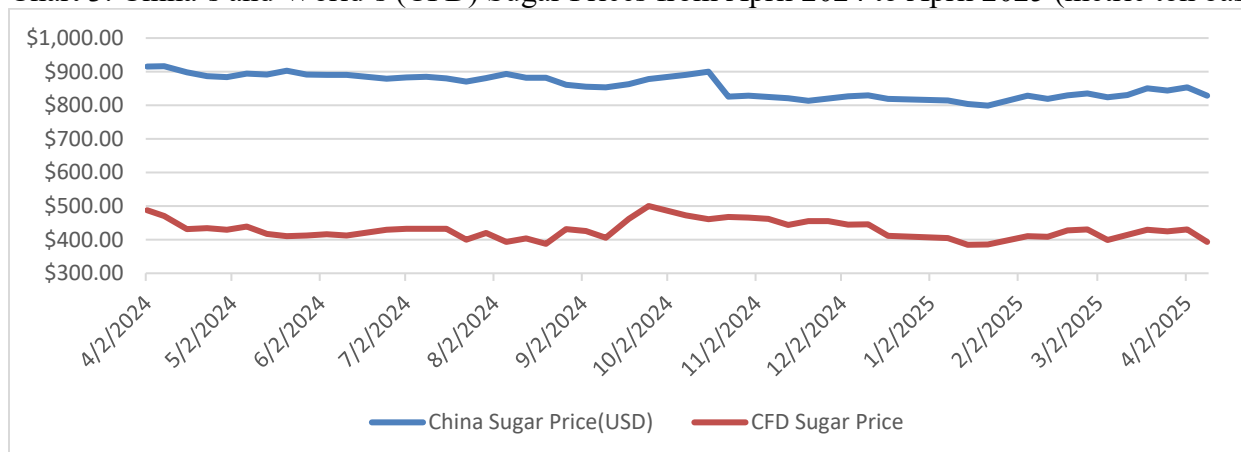
Centrifugal Sugar Production

MY 2025/26 total sugar production is forecast at 11.5 MMT, up 500,000 MT from the MY 2024/25 estimate. The projected increase assumes favorable weather in Guangxi and Inner Mongolia, increased cane acreage in Guangxi, and increased milling of imported sugarcane in Yunnan from neighboring countries.

MY 2024/25 total sugar production is estimated at 11 MMT, same as the official USDA estimate.

Industry insiders expect the MY 2024/25 sugar prices will remain relatively stable because the Chinese government has intervened to curb sugar syrup and premixed powder imports.

Chart 3: China’s and World’s (CFD) Sugar Prices from April 2024 to April 2025 (metric ton basis)



Source: data by www.hisugar.com, sorted by ATO Guangzhou

Background

Generally, industry experts expect China's sugar production to remain stable at approximately 10 MMT annually. The stability in production is largely driven by policies to incentivize cane production in Guangxi and Yunnan, accounting for over 80 percent of China's total sugar production. The gap between production and consumption is expected to be filled by imports. As Chinese consumption and imports grow, China's domestic sugar price will continue synchronize with the world price.

Consumption

China's MY 2025/26 sugar consumption is forecast at 15.7 MMT, like the MY 2024/25 estimate, as consumer spending remains constrained. Furthermore, if sugar prices increase, market demand could be suppressed.

MY 2024/25 sugar consumption is estimated at 15.7 MMT, up 100,000 MT from the official USDA estimate. The increase is a result of China's efforts to stimulate consumer spending.

Background

Industrial consumption of sugar typically accounts for approximately 60 percent of the total, while the remaining 40 percent goes to household use. Industrial use includes beverages (i.e., soda, juice), ice cream, canned fruit, candy, bakery, pharmaceuticals, and other products. Another growing industrial use of sugar is to support the trendy Chinese milk tea and coffee shops, which are expanding fast.

China's per capita sugar consumption is estimated between 11-12 kilograms, which is far behind the world average of more than 20 kilograms. Per capita consumption is expected to increase in the future as China's economy continues to grow and consumers diversify their diets. A significant part of the anticipated increase will come from consumers living in second tier, third tier and developing cities.

Trade

Imports

MY 2025/26 sugar imports are forecast at 5.3 MMT, up 100,000 MT from the MY 2024/25 estimate. Although domestic production is forecast to increase, China will still require imports to fill the gap between supply and demand. Should the sugar syrup and premixed powder imports continue to be curbed, China is expected to increase raw sugar imports.

MY 2024/25 sugar imports are estimated at 5.2 MMT, up 200,000 MT from the official estimate. From October - February, China imported 1.37 MMT of raw sugar and 174,641 MT of refined sugar, equivalent to total imports of 1.56 MMT on a raw sugar basis, down 49 percent year-on-year. The reasons for the significant decline in sugar imports was the displacement created by imports of sugar syrup and premixed powder, up by 53 percent year-on-year from October to December 2024. However, due to the temporary import ban on sugar syrup and premixed powder effective as of December 2024, raw sugar imports are expected to increase for the remainder of MY2024/25.

Background

China applies a tariff-rate quota (TRQ) on imported sugar. The within-quota tariff rate is 15 percent with a limit 1.945 million metric tons. Approximately 70 percent of the quota is allocated to state-owned enterprises (SOEs).

The out-of-quota tariff rate is 50 percent. Since July 2020, all out-of-quota sugar imports are subject to an automatic import licensing system which the government also uses to monitor imports of other bulk commodities (i.e., palm oil, soybeans, and meat). This system requires importers to apply and receive advance approval prior to import. The timeline for granting licenses can be inconsistent.

Brazil is the largest sugar supplier, accounting for about 80 percent of Chinese sugar imports, followed by India and Thailand.

Exports

MY 2025/26 sugar exports are forecast at 200,000 MT, same as the revised MY 2024/25 estimate.

MY 2024/25 exports are estimated at 200,000 MT, revised down 10,000 MT from the previous estimate to reflect reduced trade with neighboring countries, such as North Korea and Mongolia.

Background

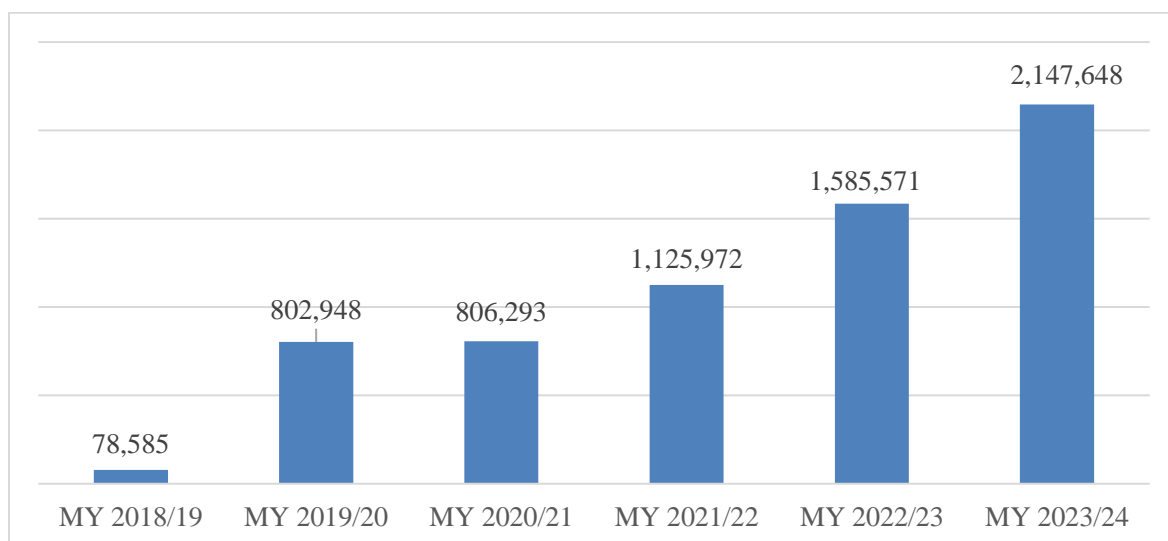
China's sugar exports are mainly refined sugar. The top three buyers are North Korea, Hong Kong, and Mongolia, all together accounting for over 60 percent of market share. China's annual sugar exports to the U.S. are 4,500 to 5,000 MT, most of which are crystal rock sugar consumed mainly by Chinese and Asian ethnic communities in the States.

Imports of Sugar Syrup and Premixed Powder

(NOTE: Imports of sugar syrup and premixed powder are not included in the PSD figures but do add supply to the China market and are therefore explained here.)

In MY 2023/24, China imported a record high of 2.15 MMT of sugar syrup and premixed powder (HS: 1702.90), roughly equivalent to 1.5 MMT on a raw sugar basis, up 35 percent year-on-year.

Chart 4: China's Imports of Sugar Syrup and Premixed Powder (HS: 1702.90), MY 2018/19 – MY 2023/24 (Unit: Metric Tons)



Source: China's Customs data by Trade Data Monitor

On December 10, 2024, China announced the immediately suspension of sugar imports from a list of Thailand manufacturers, which mainly produce sugar syrup and premixed powder. According to industry news, this list includes 74 Thailand sugar product manufacturers, which were cited with hygiene violations such as microbial contamination. As a result, from January to February 2025, China's imports dropped 46 percent y-o-y to 90,248 MT. Despite intervention by the Thailand government to strengthen supervision, industry experts believe China's import bans will remain in effect for most of MY 2024/25. As the imports of sugar syrup and premixed powder decline, raw sugar imports should rise, and sugar prices should stabilize. According to industry reports, China has recently implemented a similar ban on sugar syrup and premixed powder imports from Vietnam, which accounts for approximately 13 percent of the market share.

To prevent exploiting loopholes after the abovementioned import ban was enforced of January 1st, 2025, the MNF (Most-Favored Nation) import tariffs for both sugar syrup containing flavoring or coloring agents (H.S. code: 2106.9061) and premixed powder containing 50 percent or above of cane/beet sugar (H.S. code: 2106.9062) have been adjusted up to 20 percent from the previous rate of 12 percent.

Background

Thailand accounts for over 85 percent of China's sugar syrup and premixed powder imports, followed by Vietnam and Malaysia. These three supplying countries are parties to the Regional Comprehensive Economic Partnership (RCEP) and the China-ASEAN (Association of Southeast Asian Nations) trade agreements, therefore their sugar syrup and premixed powder exports to China are duty free.

Substituting raw and refined sugar, imported sugar syrup and premixed powder are mainly used in sugar refineries and the food processing industry as ingredients.

Stocks

MY 2025/26 sugar stocks are forecast at 2.58 MMT. MY 2024/25 sugar stocks are estimated at 1.68 MMT, revised up 110,000 MT from the USDA official estimate.

As noted earlier, imports of sugar syrup and premixed powder are not officially included in the PSD figures but do add supply to the Chinese sugar market. Therefore, the actual stocks should be higher than the estimate, as well as the forecast.

Other Sweeteners

Starch Sugar

Based on reports, China's starch-based sugar production in calendar year (CY) 2024 is estimated at 21 MMT, up 10 percent from the reported CY 2023 production of 19.15 MMT. This category includes, but is not limited to, crystalline glucose, fructose syrup, maltose syrup and maltodextrin. Top producers are Shandong, Guangdong, Hebei, and Jilin provinces. In CY 2025, due to economic uncertainties, starch sugar production is forecast to remain approximately the same as main industrial consumption demands like beverage, foods and confectionery stay unchanged.

Saccharine

China's government restricts the development of the saccharine industry to protect the domestic sugar market and to "address environmental, food safety and consumer health concerns". Only three plants are licensed for saccharine production in China. These plants are monitored and inspected by the China

Sugar Association (CSA) to ensure compliance with guidelines and limits on production, domestic sales, and exports. The annual saccharine production quota is 19,000 metric tons, with 3,200 metric tons designated for domestic sale and 15,800 metric tons for export. CSA has not published the saccharine production numbers for CY 2024.

Table 3: Sugar, Centrifugal: Production, Supply and Distribution

Sugar, Centrifugal Market Year Begins China	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)	2091	2091	1383	1383	0	1683
Beet Sugar Production (1000 MT)	1140	1140	1500	1500	0	1600
Cane Sugar Production (1000 MT)	8820	8820	9500	9500	0	9900
Total Sugar Production (1000 MT)	9960	9960	11000	11000	0	11500
Raw Imports (1000 MT)	4600	4600	4600	4700	0	4800
Refined Imp.(Raw Val) (1000 MT)	400	400	400	500	0	500
Total Imports (1000 MT)	5000	5000	5000	5200	0	5300
Total Supply (1000 MT)	17051	17051	17383	17583	0	18483
Raw Exports (1000 MT)	3	3	3	3	0	3
Refined Exp.(Raw Val) (1000 MT)	165	165	207	197	0	197
Total Exports (1000 MT)	168	168	210	200	0	200
Human Dom. Consumption (1000 MT)	15500	15500	15600	15700	0	15700
Other Disappearance (1000 MT)	0	0	0	0	0	0
Total Use (1000 MT)	15500	15500	15600	15700	0	15700
Ending Stocks (1000 MT)	1383	1383	1573	1683	0	2583
Total Distribution (1000 MT)	17051	17051	17383	17538	0	18483

(1000 MT)

Table 4: Sugar Cane: Production, Supply and Distribution

Sugar Cane for Centrifugal Market Year Begins China	2023/2024		2024/2025		2025/2026	
	Oct 2023		Oct 2024		Oct 2025	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted (1000 HA)	1160	0	1210	1210	0	1250
Area Harvested (1000 HA)	1160	0	1210	1210	0	1250
Production (1000 MT)	77000	0	81000	75000	0	82000
Total Supply (1000 MT)	77000	0	81000	75000	0	82000
Utilization for Sugar (1000 MT)	77000	0	81000	75000	0	82000
Utilizatn for Alcohol (1000 MT)	0	0	0	0	0	0
Total Utilization (1000 MT)	77000	0	81000	75000	0	82000

(1000 HA) ,(1000 MT)

Table 5: Sugar Beets: Production, Supply and Distribution

Sugar Beets Market Year Begins China	2023/2024		2024/2025		2025/2026	
	Oct 2023		Oct 2024		Oct 2025	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted (1000 HA)	180	0	188	215	0	215
Area Harvested (1000 HA)	180	0	188	215	0	215
Production (1000 MT)	9700	0	10100	11400	0	11400
Total Supply (1000 MT)	9700	0	10100	11400	0	11400
Utilization for Sugar (1000 MT)	9700	0	10100	11400	0	11400
Utilizatn for Alcohol (1000 MT)	0	0	0	0	0	0
Total Distribution (1000 MT)	9700	0	10100	11400	0	11400

(1000 HA) ,(1000 MT)

Attachments:

No Attachments