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Report Highlights:

Post forecasts marketing year (MY) 2025/26 sugar production at 1.5 million metric tons, a 17 percent decrease from Post's previous MY estimate. The main factor is uncertainty over the EU's trade policy toward Ukraine past June 2025. The EU was a major destination for Ukrainian sugar in MY2022/23 and MY2023/24, featuring premium prices and relatively short shipping distances. Without a set policy, domestic sugar producers, who are struggling with a combination of decreased domestic consumption and large domestic stocks, have decreased their sugar beet production areas in CY2025.

Abbreviations:

CY – Calendar Year
GOU – Government of Ukraine
ha – Hectare
MAPFU – Ministry of Agrarian Policy and Food of Ukraine
MMT – Million Metric Ton
MoE – Ministry of Economy of Ukraine
MT – Metric Ton
MY – Marketing Year
NDVI – Normalized Difference Vegetation Index
SSSU – State Statistics Service of Ukraine
TDM – Trade Data Monitor

Data included in this report is not official USDA data. Official USDA data is available at https://apps.fas.usda.gov/psdonline/app/index.html#/app/home

Disclaimer: *Due to the Russia-Ukraine war, there have been delays in publishing SSSU information on the status of Ukrainian agriculture in Ukrainian government-controlled areas. Ministry of Agrarian Policy and Food of Ukraine (MAPFU) data was used instead, as referenced. In this report, FAS/Kyiv cannot provide any production estimates for Russia-occupied territories, except for the Crimean Peninsula, due to the need for more credible and verifiable information. Because of the rapidly changing situation, this report provides a snapshot of the situation accompanied by assumptions and estimates that were valid at the time of report writing.*

Commodities:
Sugar Beets

Production
According to calendar year (CY) 2024 data from the State Statistics Service of Ukraine (SSSU), agricultural enterprises own or operate around 88 percent of the sugar beet production area; the reminder of the area is operated by individual farmers. Most of these enterprises are large, vertically integrated agricultural businesses that also control sugar processing. This business model allows companies to achieve economies of scale by controlling the entire production chain, from planting to producing and selling processed sugar to domestic and international markets. Some production areas are grown under contract with small and medium sized farmers who supply raw material (sugar beets) to large processors that are part of agricultural holdings.

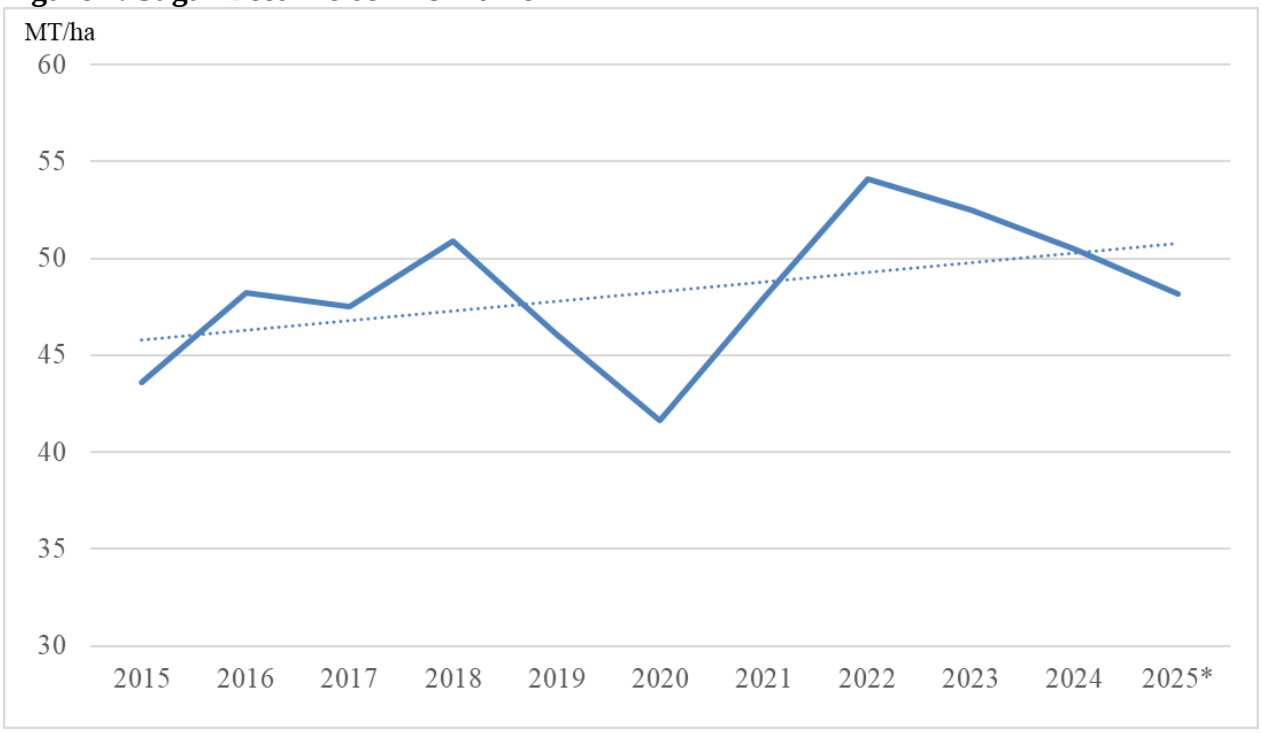
Small and mid-size farms that do not have in-house sugar production facilities or a contract with a sugar processor typically opt out of sugar beet production in favor of other crops that can be sold directly on the market, such as soybeans, sunflower seeds, and corn. See our respective commodity reports for grains (UP2025-0010) and oilseeds (UP2025-0008) for more details.

Sugar beets are exclusively processed in-country, and the vast majority of the resulting sugar is consumed domestically. The largely uncontested ability to directly sell to domestic consumers ensures a stable cash flow for sugar producers, which flows to farmers who are involved in contract growing. The industry is very localized, and the rigid clustering of sugar beet production areas around a handful of processing facilities acts as an entry barrier for non-local farmers. Sugar beet farmers depend on the pricing policies of their local sugar processing facilities as the logistical costs of transporting sugar beets prevent shipments to other regions.

Large agricultural holdings can use their sugar processing plants and related businesses (e.g., confectionary) to redistribute and utilize economies of scale realized in other divisions (production of grains, oilseeds, animal farms, etc.) to offset periods of unfavorable market conditions for sugar production. In addition, the companies have sufficient financial resources to maintain and modernize their processing facilities. Three companies, Radekhivsky Sugar (in Ukrainian), Astarta-Kyiv, and Ukrprominvest-Agro, are responsible for over 60 percent of domestic sugar production.

A combination of a limited number of available processing plants, expensive transportation of sugar beets, and competition with grains and oilseeds puts a cap on the total sugar beet production area. Under these circumstances, sugar beet producers are betting on efficiency, which implies investing in higher-yield seeds to ensure the largest output volume of raw materials per ha to keep processing facilities operational during the season (Figure 1).

Figure 1: Sugar Beet Yields in Ukraine

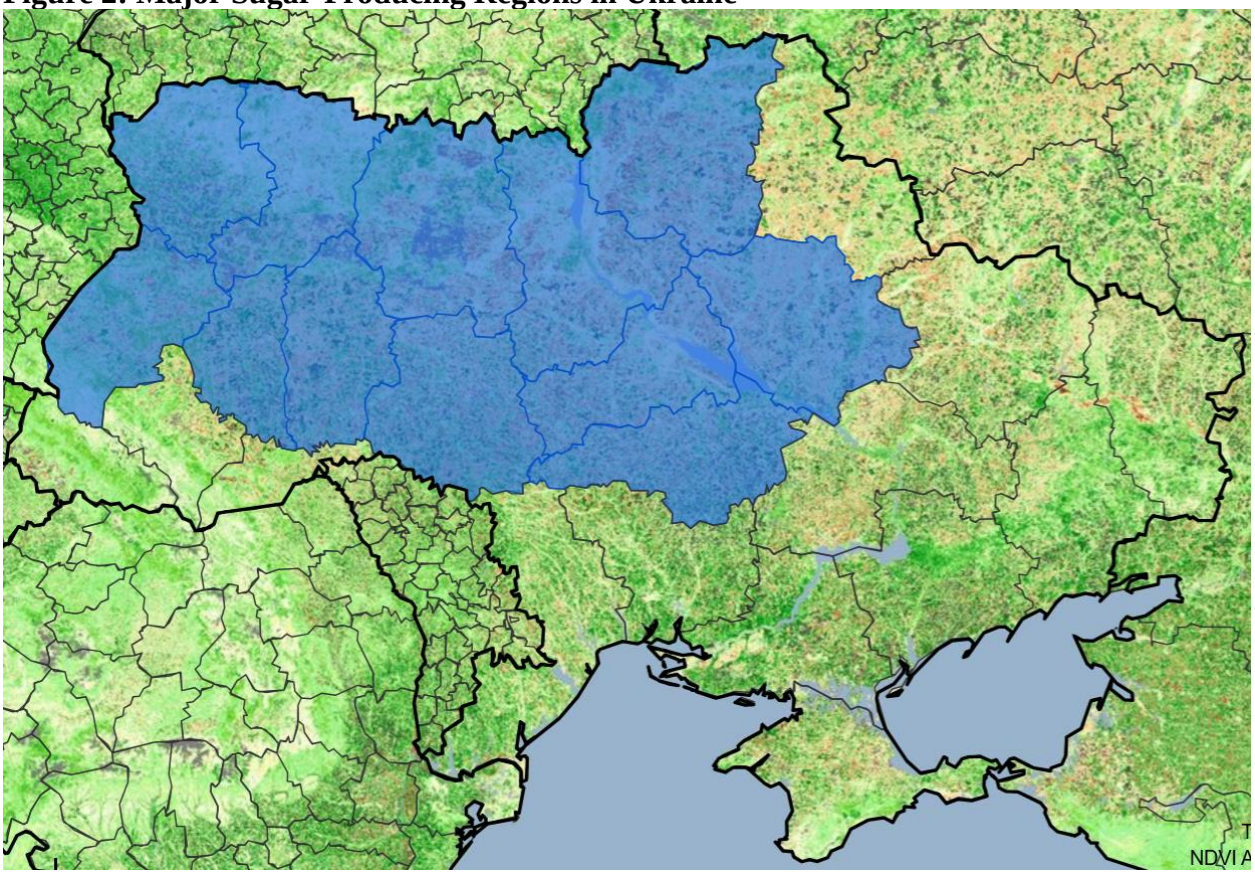


Source: SSSU
* Post estimate

According to SSSU data, the marketing year (MY) 2024/25 sugar beet harvested area was 254,000 ha, similar to the previous MY. Sugar beet production volume was 12.8 MMT, a 3 percent decrease from

the previous MY, due to slightly lower yields in the primary production regions. Northern and northwestern Ukraine (Vinnytsia, Khmelnytskyi, Poltava, Ternopil, Rivne, Lviv, Cherkasy, Volyn, Kyiv, Kirovohrad, Zhytomyr, and Chernihiv oblasts) is responsible for over 98 percent of sugar beet production (Figure 2).

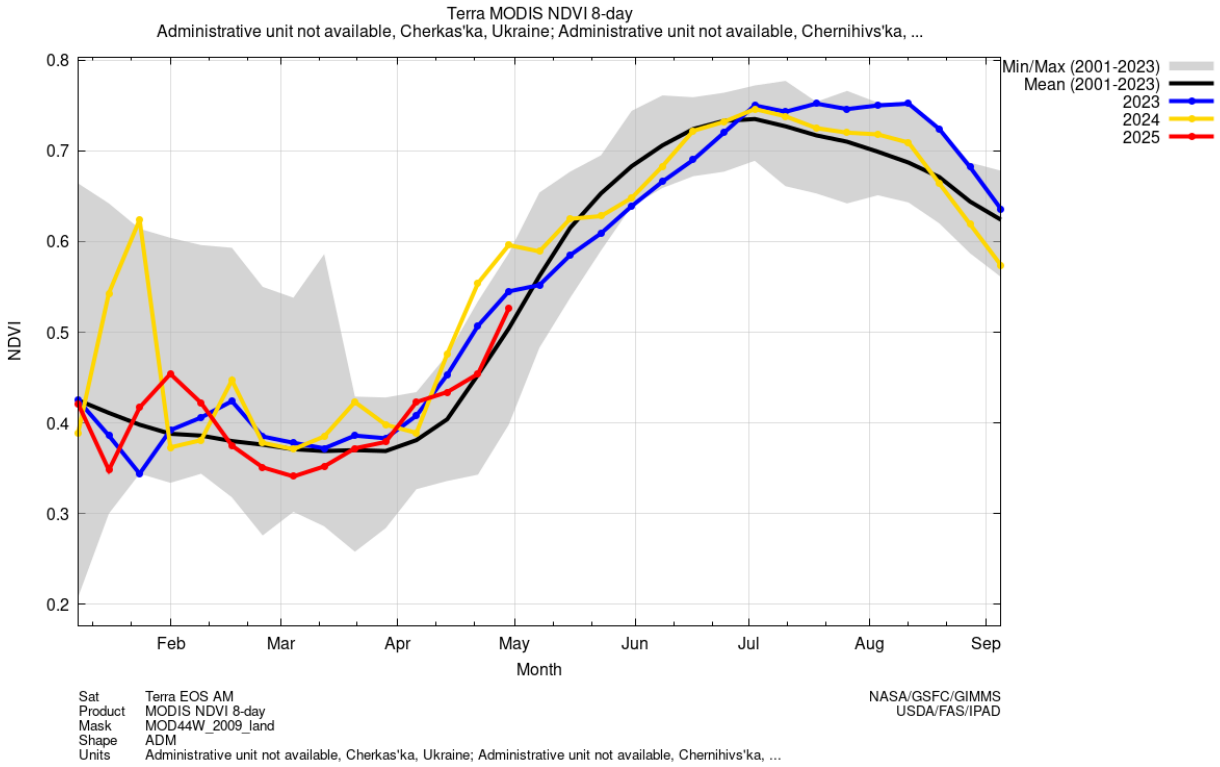
Figure 2: Major Sugar-Producing Regions in Ukraine



Source: CY2024 SSSU data overlaid on GIMMS Global Agricultural Monitoring by Post

The Normalized Difference Vegetation Index (NDVI) is a standardized measure of healthy vegetation. High values indicate healthier vegetation, while low values indicate low or no vegetation. The NVDI graph for spring 2025 suggests mostly favorable climatic conditions in growing regions before and during the sugar beet planting period (Figure 3). To date, monthly NDVI is tracking the long-term average, which suggests a MY2025/26 yield estimate below that of MY2024/25. Note MY2024/25 featured much more favorable NDVI during the planting period, to-date. The final MY2025/26 yield will depend on soil moisture availability during the growing season (March – November) in major production areas.

Figure 3: NDVI Dynamics for Sugar-Producing Regions

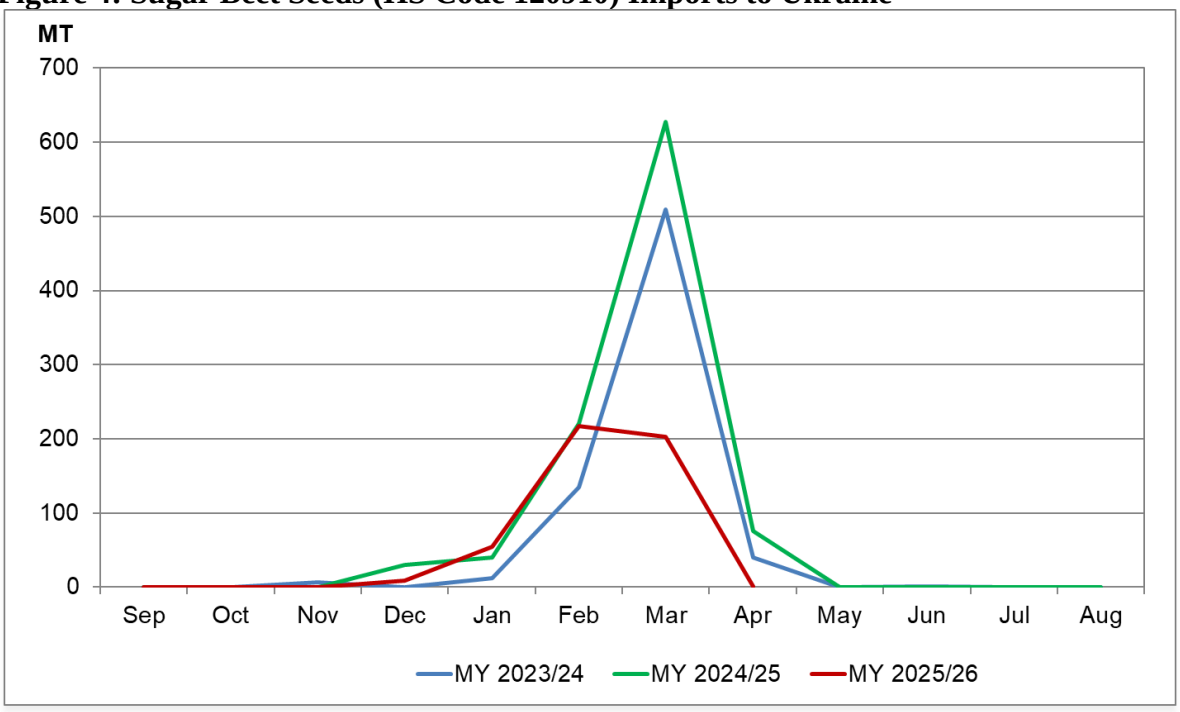


Source: National Aeronautics and Space Administration/USDA

FAS/Kyiv forecasts MY2025/26 production area at 220,000 ha, a 13 percent decrease compared to Post's previous MY estimate. MAPFU noted (in Ukrainian) the decrease in production area is the result of EU import quotas coupled with overall uncertainty over the future trade regime with the EU. This opinion is supported by MY2025/26 dynamics of sugar beet seed imports to Ukraine, which have sharply decreased in March and almost completely halted in April 2025 (Figure 4).

MAPFU planting data indicates that 217,000 ha were planted as of May 1, 2025.

Figure 4: Sugar Beet Seeds (HS Code 120910) Imports to Ukraine



Source: Trade Data Monitor, LLC (TDM)

Based on the abovementioned area and yield assumptions, FAS/Kyiv forecasts the MY2025/26 sugar beet production volume at 10.6 MMT, a 17 percent decrease from Post's MY2024/25 production estimate.

Consumption

Sugar beets are fully utilized for sugar production.

Trade

Ukraine neither imported nor exported any sugar beets or sugar cane in MY2023/24 and the beginning of MY2024/25.

Table 1: PSD Data for Sugar Beets

Sugar Beets	2023/2024		2024/2025		2025/2026	
Market Year Begins	**Sep 2023**		**Sep 2024**		**Sep 2025**	
Ukraine	**USDA Official**	**New Post**	**USDA Official**	**New Post**	**USDA Official**	**New Post**
Area Planted (1000 HA)	250	250	251	254	0	220
Area Harvested (1000 HA)	250	250	250	254	0	220
Production (1000 MT)	13130	13130	12900	12798	0	10600
Total Supply (1000 MT)	13130	13130	12900	12798	0	10600
Utilization for Sugar (1000 MT)	13130	13130	12900	12798	0	10600
Utilizatn for Alcohol (1000 MT)	0	0	0	0	0	0
Total Distribution (1000 MT)	13130	13130	12900	12798	0	10600
(1000 HA), (1000 MT)						
OFFICIAL DATA CAN BE ACCESSED AT: PSD Online Advanced Query						

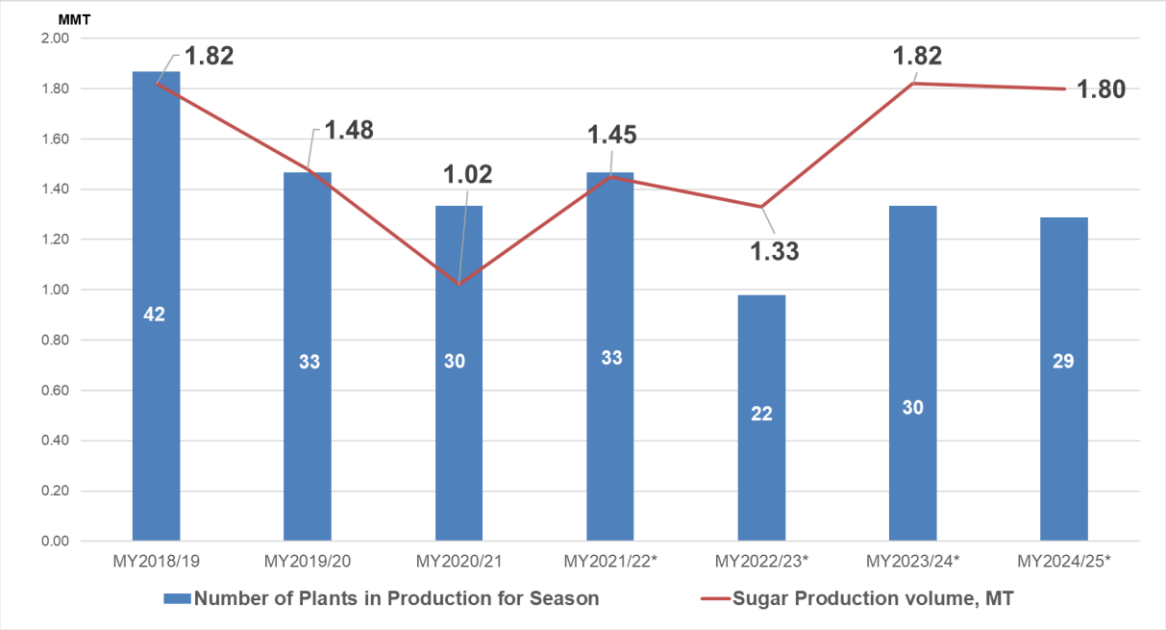
Commodities:
Sugar, Centrifugal

Production
The Ukrainian National Association of Sugar Producers (UkrSugar) reported MY2024/25 sugar production at around 1.8 MMT, similar to the previous MY (Figure 5). In the absence of SSSU official data, Post accepts this production volume.

Based on the above sugar beet production forecast and the assumption that the sugar content for CY2025 beets will be consistent with the five-year average, FAS/Kyiv forecasts MY2025/26 sugar production at around 1.5 MMT, a 17 percent decrease compared to Post's MY2024/25 estimate.

Price dynamics on international markets, availability of stocks on the domestic market, and varying yields of sugar beets require sugar processors to make ad-hoc decisions each season on which processing facilities will be operational, with a correlation between sugar production volume and the number of operating facilities (Figure 5).

Figure 5: Sugar Production Volume vs. Number of Plants



Source: SSSU and UkrSugar
* Post estimates

The start of the Russia-Ukraine war in 2022 caused a drop in operational facilities in MY2022/23 due to a combination of lower sugar beet production volumes, blackouts caused by missile attacks on the Ukrainian energy grid, and some facilities being unable to operate in and around active combat zones. Both farmers and processors were uncertain about their ability to adequately harvest beets, process them, and sell sugar to the domestic market and abroad. The MY2023/24 rebound in the number of processing facilities and production volumes demonstrated regained industry confidence and adjustment to the "new normal."

Facility owners use various methods to remain competitive, keep production costs down, and keep revenues up. For example, according to UkrSugar, large sugar producers switched to producing high-quality sugar (local I-category) to increase revenues. Some companies received voluntary certificates for their product (e.g. organic, halal, and kosher) to be able to enter and retain various market segments that offer higher margins. The most popular wholesale packaging for domestic sugar are 25-kilogram bags, 50-kilogram bags, and 1-ton big-bags.

Part of the effort to ensure product quality is tied to Ukraine's harmonization of national sugar quality standards with those of the EU as it became Ukraine's primary market. Some processors upgraded their facilities to increase revenues by selling processing by-products, including branching out into bioenergy (biogas and bioethanol), exporting pelleted sugar beet pulp and molasses, and constructing cogeneration facilities to generate electricity from biomass.

Consumption

Sugar consumption in Ukraine is slowly decreasing due to declining population and food processors' ability to substitute sugar with high-intensity sweeteners. Due to changing consumer preferences, domestic consumption of condensed milk with sugar is also declining. Similarly, fewer consumers are making homemade jams out of fresh fruits. These two products – condensed milk with sugar and homemade jams – were two of Ukraine's traditional pillars of sugar intake. This trend of decreasing domestic sugar consumption has been confirmed by SSSU data, which indicates that per capita sugar consumption in Ukraine decreased by 26 percent over the last decade from 2011 to 2021 (the latest available data). Since SSSU's data on domestic production of primary products that utilize sugar (e.g., sweetened condensed milk, jams, bakery, and confectionary products) is not available past CY2021, Post relies on pre-2022 per-capita consumption levels (MY2020/21) combined with available information on population changes to estimate domestic consumption levels.

Inflows and outflows of refugees remain the most significant factor affecting domestic sugar consumption in Ukraine. According to UNHCR, over 6.9 million Ukrainians (around 17 percent of the pre-war population) have fled the country at the time of report writing. Therefore, Post estimates a 26 percent drop in total sugar consumption for MY2024/25 as compared to MY2020/21. Post forecasts a slight increase for MY2025/26 compared to MY2024/25.

MY2023/24 imports of high-intensity sweeteners (in sugar equivalent) to Ukraine grew by over 30 percent against the previous MY. Post expects this growth to continue into MY2024/25 based on currently available customs data, with imports stabilizing in MY2025/26. Post adjusted domestic sugar consumption for MY2023/24, MY2024/25, and MY2025/26 based on import estimates for high-intensity sweeteners acting as substitute for beet sugar.

Domestic sugar prices fell in line with global sugar prices in MY2023/24 and the beginning of MY2024/25 (Figure 6). This is likely associated with decreasing sugar prices in the EU and growth of import volumes of high-intensity sweeteners that are decreasing demand for sugar. Ukrainian import prices for high intensity sweeteners decreased in MY2023/24 and remained steady in the first half of MY2024/25, making them even more competitive compared to sugar.

Figure 6: Domestic Refined Sugar Prices in Ukraine

Source: Post estimate based on SSSU data

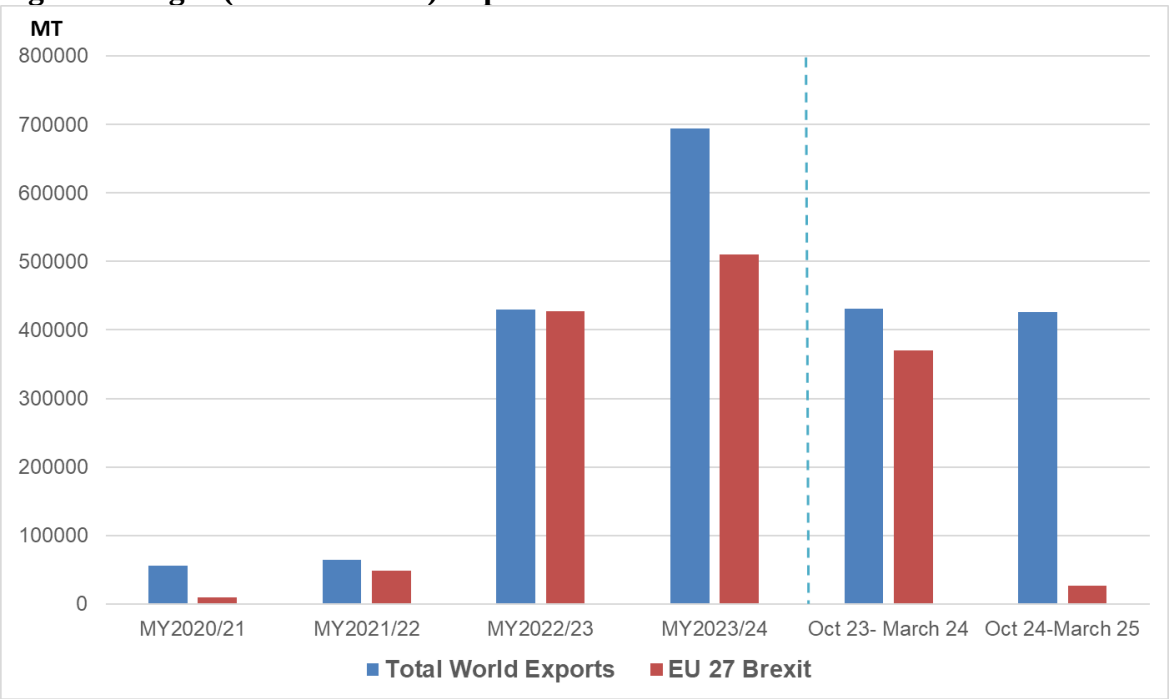
Trade

The majority of sugar is exported via truck according to Ukrainian Customs data. The absence of border blockades by neighboring EU countries beginning in early 2024 resulted in inflows of sugar to the European market, allowing exporters to benefit from elevated sugar prices for two years in a row (Figures 7 and 8).

Ukraine is independently operating its own export routes out of three Black Sea ports (Chornomorsk, Pivdenny, and Odesa), as well as its Danube River ports. Over 20 percent of total MY2023/24 exports were via sea to markets in the Middle East, Africa, and Asia.

The drop in EU sugar prices at the beginning of MY2024/25, in combination with uncertainty over future of export quotas to the EU, forced Ukrainian exporters to concentrate on other destinations, including the Middle East (with Türkiye being the largest single market, likely playing transit role) and several destinations in Africa.

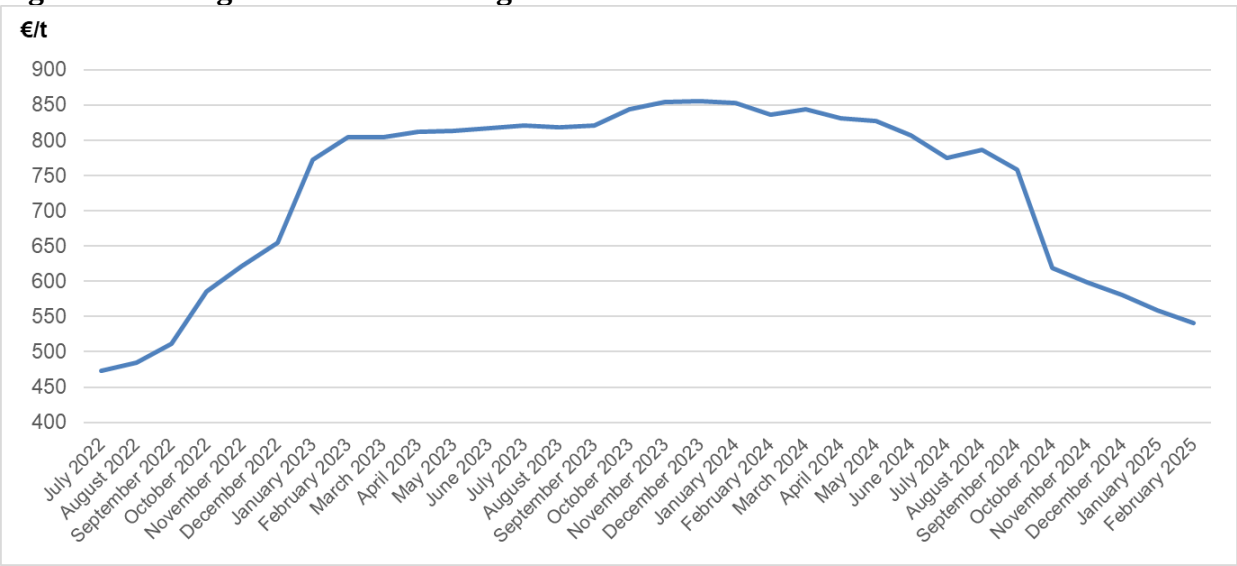
Figure 7: Sugar (HS Code 1701) Exports from Ukraine to the EU



Source: TDM

As Ukraine's sugar industry output is centered around catering to domestic demand, sugar exports can be viewed as a mechanism for selling accumulated stocks when the price is favorable in international markets. MY2022/23 and MY2023/24 are good examples of this tactic; the surge in domestic EU prices, coupled with autonomous trade measures (ATMs) providing trade liberalization, made the EU the market of choice for Ukrainian exporters. As EU prices slid at the beginning of MY2024/25, the EU's share in total exports fell. The EU applying an "emergency brake" for sugar imports, both in CY2024 and first half of CY2025, also hastened this trend.

Figure 8: Average Price of White Sugar in the EU



Source: European Commission

Post's MY2024/25 export estimate of 730,000 MT is a 3 percent decrease compared to the previous MY. Post's estimate is based on the absence of a significant slump in world sugar prices and the sugar export quota to the EU, which is maintained by Government of Ukraine, remaining at its current level of 109,000 MT for CY2025.

Post's MY2025/26 export forecast is 700,000 MT, a 4 percent decrease compared to Post's previous MY estimate. This forecast is based on the assumptions that, while Ukrainian exporters will still face an export cap for EU exports in CY2026, they will be able to independently export to other markets, and there will be no significant drop in global sugar prices.

Due to Ukraine's developed processing industry, as well as producers' preferences to actively market foods containing "less sugar," high-intensity sweeteners (such as aspartame, sucralose, saccharin, monk fruit, stevia, acesulfame, neotame, and cyclamates) are imported to Ukraine. Their volume was around 12,600 MT in MY2023/24, similar to the previous MY (Table 2). The availability of alternative products puts an additional cap on the ability of producers to sell sugar in the domestic market, forcing them to export more as well as decrease their sugar beet production areas when stocks are high.

Table 2: Imports of High-Intensity Sweeteners to Ukraine

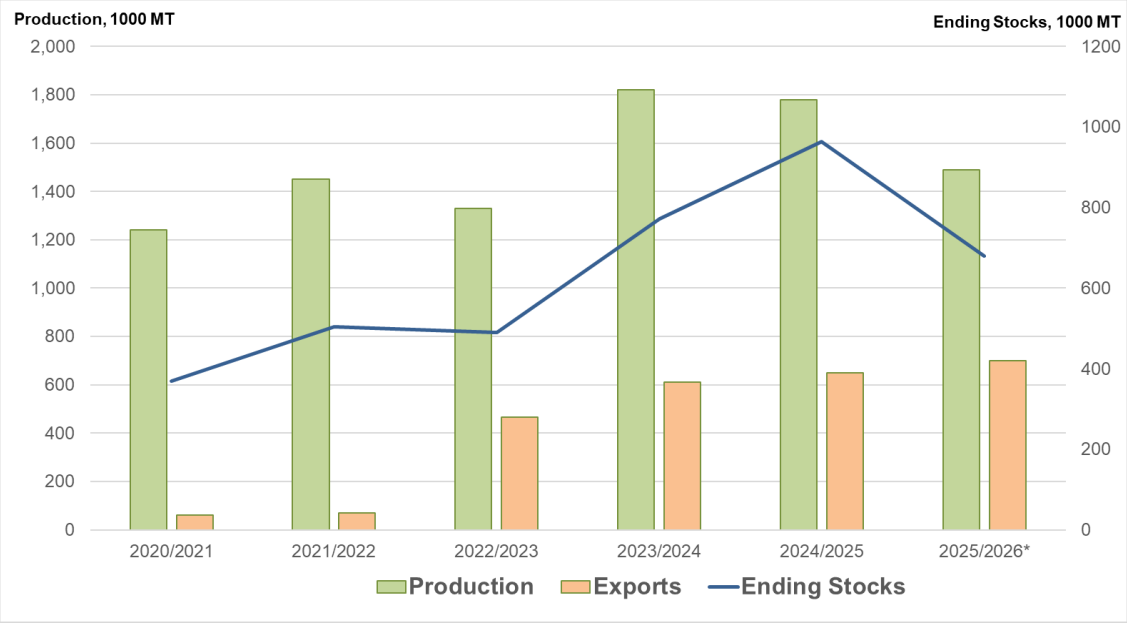
HS Code	Description	Unit	Quantity			% Change MY 2023/24 to MY 2022/23
			MY 2021/22 (Oct 21- Sept 22)	MY 2022/23 (Oct 22-Sept 23)	MY 2023/24 (Oct 23-Sept 24)	
130219	Vegetable Saps And Extracts, Nesoi	MT	95	111	147	132
		Mln. USD	3.91	4.39	5.99	136.36
1702	Sugars Nesoi, Incl Chem Pure Lactose Etc; Caramel	MT	18,339	10,855	10,592	98
		Mln. USD	15.54	14.30	13.48	94.30
292429	Cyclic Amides, Derivatives And Salts Of, Nesoi	MT	1,295	1,503	1,368	91
		Mln. USD	17.59	22.83	21.79	95.46
292511	Saccharin And Its Salts	MT	53	38	47	124
		Mln. USD	0.44	0.31	0.33	105.16
292990	Compounds Nesoi With Nitrogen Function Nesoi	MT	93	96	106	110
		Mln. USD	0.69	0.82	0.66	80.33
293219	Cmpds Cont An Unfused Furan Ring Etc Nesoi	MT	22	25	29	116
		Mln. USD	0.90	1.01	1.13	110.97
293499	Nucleic Acids & Salts; Other Heterocyclic Cmp, Nes	MT	220	212	345	163
		Mln. USD	27.64	26.02	33.68	129.46
294200	Organic Compounds Nesoi	MT	7	3	27	900
		Mln. USD	0.04	0.33	0.15	44.24

Source: TDM

Stocks

Sugar producers and wholesalers predominantly hold sugar stocks. According to Post estimates, MY2024/25 will feature growing ending stocks as exports to the EU remain stagnant due to export quotas and decreasing sugar prices (Figure 9). Post decreased MY2025/26 ending stocks due to the lower planted area estimate for CY2025 and the assumption that Ukrainian exporters will continue boosting their exports to non-EU markets, compensating for expected export limitations to the EU in the second half of CY2025 and CY2026.

Figure 9: Production and Exports vs Ending Stocks, 1000 MT



Source: USDA
* Post estimate

Table 3: PSD Data Sugar

Sugar, Centrifugal	2023/2024		2024/2025		2025/2026	
Market Year Begins	Oct 2023		Oct 2024		Oct 2025	
Ukraine	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Beginning Stocks (1000 MT)	490	490	772	636	0	801
Beet Sugar Production (1000 MT)	1820	1820	1780	1800	0	1490
Cane Sugar Production (1000 MT)	0	0	0	0	0	0
Total Sugar Production (1000 MT)	1820	1820	1780	1800	0	1490
Raw Imports (1000 MT)	0	0	0	0	0	0
Refined Imp. (Raw Val) (1000 MT)	3	1	2	1	0	1
Total Imports (1000 MT)	3	1	2	1	0	1
Total Supply (1000 MT)	2313	2311	2554	2437	0	2292
Raw Exports (1000 MT)	1	0	0	1	0	0
Refined Exp. (Raw Val) (1000 MT)	610	755	650	730	0	700
Total Exports (1000 MT)	611	755	650	731	0	700
Human Dom. Consumption (1000 MT)	880	870	890	855	0	863
Other Disappearance (1000 MT)	50	50	50	50	0	50
Total Use (1000 MT)	930	920	940	905	0	913
Ending Stocks (1000 MT)	772	636	964	801	0	679
Total Distribution (1000 MT)	2313	2311	2554	2437	0	2292
(1000 MT)						
OFFICIAL DATA CAN BE ACCESSED AT: PSD Online Advanced Query						

Policy

Ukraine maintains a 50 percent import duty for all imported sugar, both raw and processed (HS Code 1701 and all its subcodes). As a result of WTO accession negotiations, Ukraine introduced a 260,000 MT annual tariff quota on imports of raw sugar cane (HS Code 170111) from WTO member states. This commitment is reflected by the Law of Ukraine #404-V (in Ukrainian). The quota is allocated among applicants based on a “first come, first served” mechanism and the import quotas are based on import licenses distributed by the Ministry of Economy (MoE). For more technical details about sugar import quota distribution please refer to Government of Ukraine Resolution #1002 (in Ukrainian). According to the MoE notification (in Ukrainian), the CY2025 quota for raw cane sugar was set at 267,800 MT.

Ukraine is harmonizing its quality requirements for sugar intended for human consumption (in Ukrainian) with the EU standards stated in Council Directive 2001/111/EC.

In July 2022, the European Parliament and the Council introduced a temporary suspension of import duties and quotas on Ukrainian agricultural exports to the EU, through Regulation 2022/870 (ATMs). In May 2023, the EU extended its trade support until June 2025. The new version of the regulation incorporates an emergency brake mechanism applicable to certain sensitive products, including sugar,

which will be automatically triggered if import volumes reach the average yearly imports recorded between July 1, 2021, and December 31, 2023. The referenced trade volume for sugar is 109,438 MT for the first five months of CY2025. At the time of the report writing, there was no information about the status of trade concessions after the ATM expiration date in June 2025.

The MoE maintains (in Ukrainian) an export quota for sugar at 107,238 MT to the EU for CY2025. This was a deliberate measure by Ukraine to avoid going over the limit established by the EU. According to the Government of Ukraine (in Ukrainian), the quota volume is distributed among 21 sugar producers in proportion to their actual production volumes for September to December 2024.

Attachments:

No Attachments