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Post: Kyiv

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Report Highlights:

Post forecasts marketing year (MY) 2026/27 sugar production at 1.4 MMT, a 21 percent decrease from Post's previous MY estimate. This would be the third consecutive year of falling production volumes. Sugar producers are reducing sugar beet production areas to avoid further accumulation of ending stocks due to sluggish sales to both international and domestic markets. Recently introduced European Union import quotas for sugar capped one of the major export markets, forcing local sugar producers to seek alternatives.

Abbreviations:

CY – Calendar Year

GOU – Government of Ukraine

ha – Hectare

MEEA – Ministry of Economy, Environment, and Agriculture of Ukraine

MMT – Million Metric Ton

MT – Metric Ton

MY – Marketing Year

NDVI – Normalized Difference Vegetation Index

SSSU – State Statistics Service of Ukraine

TDM – Trade Data Monitor

UkrSugar – Ukrainian National Association of Sugar Producers

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 State Statistics Service of Ukraine (SSSU) information on the status of Ukrainian agriculture in Ukrainian government-controlled areas. Ministry of Economy, Environment, and Agriculture of Ukraine (MEEA) 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 lack of credible, verifiable information. Because of the rapidly changing situation, this report provides a snapshot, accompanied by assumptions and estimates valid at the time of writing.*

Commodities:

Sugar Beets

Production

According to the Ukrainian National Association of Sugar Producers (UkrSugar), around 60 percent of sugar beet production areas were farmed by the same corporate structures that own sugar production facilities. Most of these enterprises are large, vertically integrated agricultural businesses. 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. European Union (EU) quotas for sugar imports, as well as high estimated ending stocks in both marketing year (MY) 2024/25 and MY2025/26, forced sugar producers to reduce production. See the Policy section for more details.

Large agricultural holdings are also able to use their sugar processing plants and related businesses (e.g., confectionary), as well as other divisions (production of grains, oilseeds, animal farms, etc.), to offset periods of unfavorable market conditions for sugar production. This generally allows the companies to have sufficient financial resources to maintain and modernize their processing facilities. According to UkrSugar, in 2025 major companies made up the following share of total production volume: [Radekhivsky Sugar](#) – 32 percent, [Astarta-Kyiv](#) – 21 percent, [Ukrprominvest-Agro](#) – 15 percent, [Theofipolsky Sugar Factory](#) – 6 percent, and [Aspik Group](#) – 5 percent.

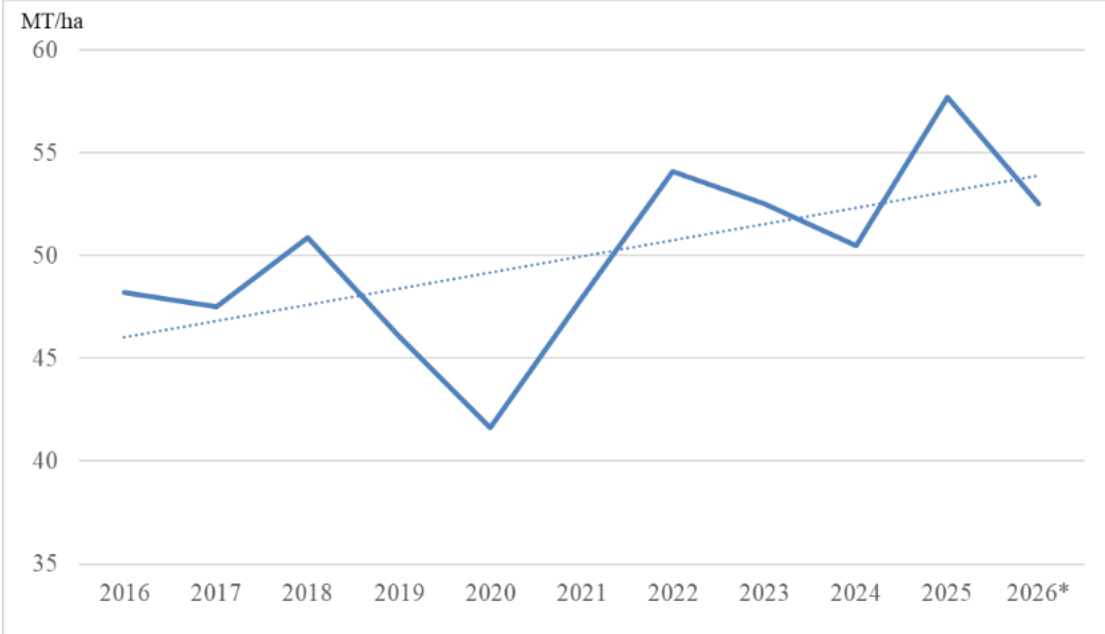
Small and medium-sized farmers who supply sugar beets to large processors cultivate the remaining 40 percent of production areas. Sugar processors maintain long-term support programs for their contract growers, including lending funds for seeds and agrochemicals and providing agronomy assistance and specialized machinery, predominantly harvesters. Some of these farmers prefer receiving in-kind payment in sugar over cash. Sugar processors encourage this practice by offering free sugar storage for a limited period. These stocks will eventually be transferred to farmers' own storage or sold on the market.

At the time of report writing, sugar beet growers are facing a number of factors that could discourage planting. Decreasing domestic sugar prices are eroding the value of their current sugar stocks, translating into fewer funds for the current planting season. Increased global fuel and fertilizer costs are raising uncertainty, forcing farmers to question whether it will be economically viable to plant sugar beets for MY2026/27. This could push some contract growers into planting other crops that can be sold directly on the market, such as soybeans, sunflower, and corn. See our respective commodity reports for grains ([UP2026-0012](#)) and oilseeds ([UP2026-0011](#)) 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. According to calendar year (CY) 2025 SSSU data, half of the total sugar beet production areas were concentrated in four regions: Vinnytsia, Khmelnytskyi, Poltava, and Ternopil.

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 growers are betting on efficiency, which implies investing in higher-yield seeds, inputs, and technology to ensure the largest output per hectare (Figure 1).

Figure 1: Sugar Beet Yields in Ukraine

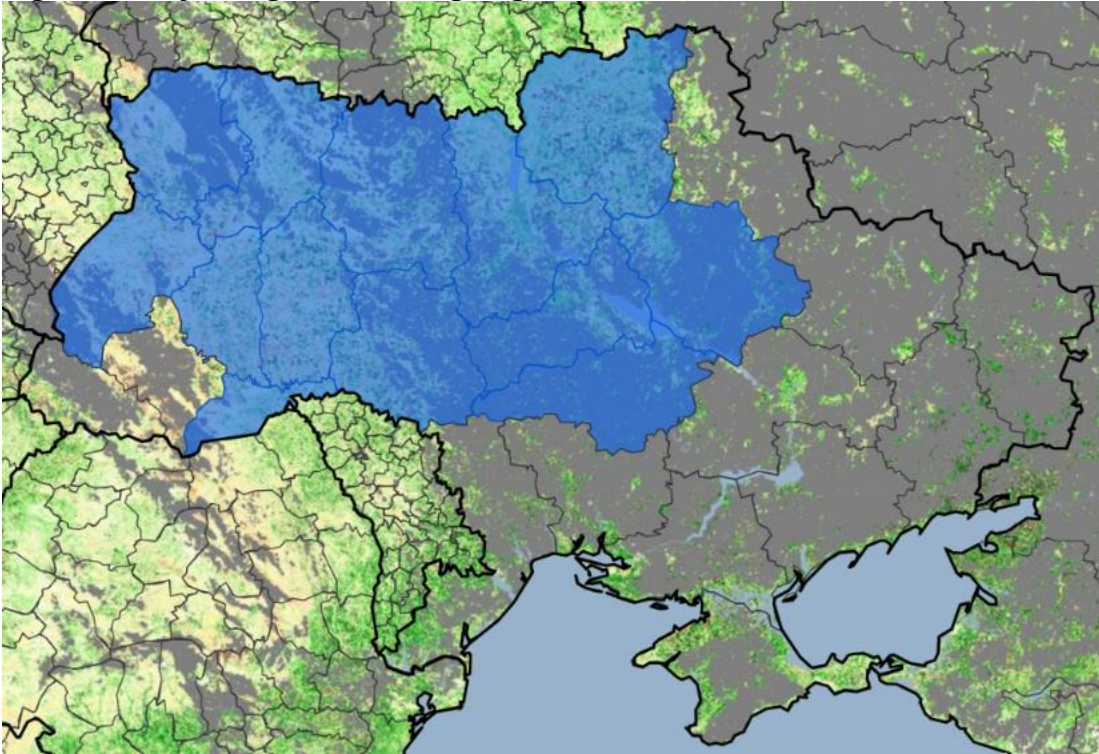


Source: SSSU; *Post estimate

According to SSSU data, MY2025/26 sugar beet harvested area was 201,000 ha, a 21 percent decrease against the previous MY. Sugar beet production volume was 11.6 million metric tons (MMT), a 9 percent decrease from the previous MY. All major sugar producers slashed production areas due to the EU’s decision to introduce import quotas for Ukrainian agricultural products, including sugar. Increased yields due to favorable weather partially compensated for the drop in production areas.

Northern and northwestern Ukraine (Vinnytsia, Khmelnytskyi, Poltava, Ternopil, Rivne, Lviv, Cherkasy, Volyn, Kyiv, Kirovohrad, Zhytomyr, and Chernihiv oblasts) is responsible for over 90 percent of the sugar beet production area (Figure 2).

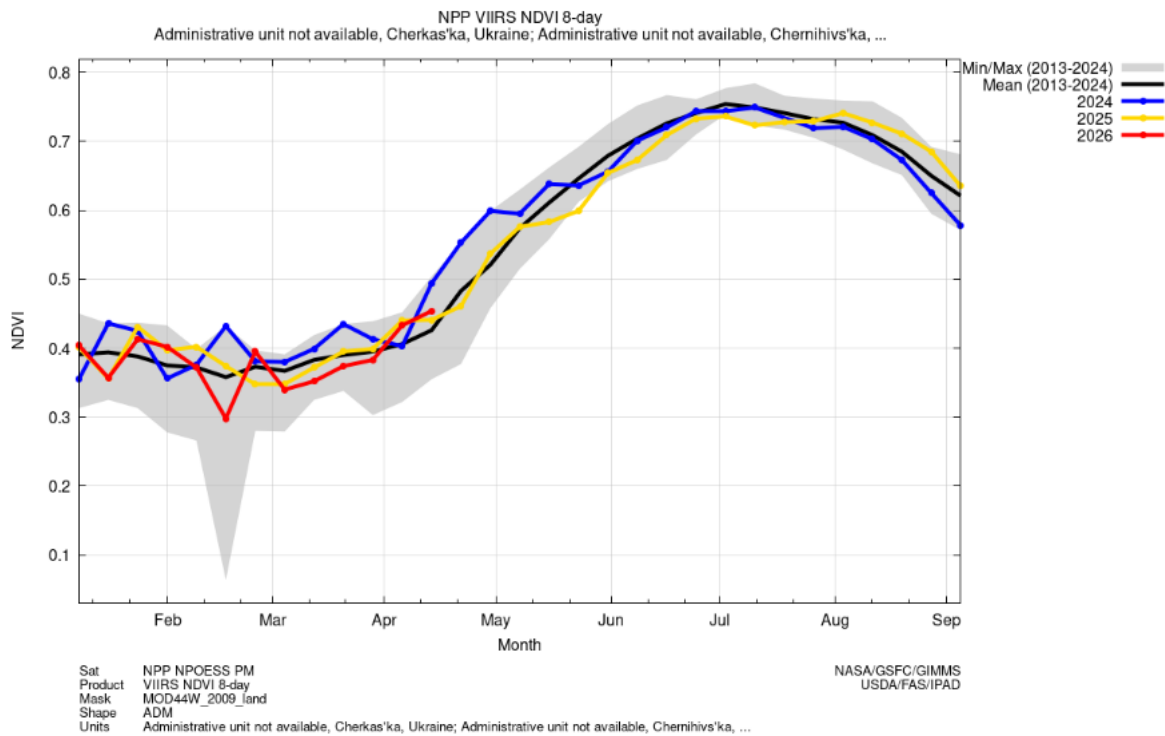
Figure 2: Major Sugar-Producing Regions in Ukraine



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 NDVI graph for spring 2026 suggests favorable climatic conditions in growing regions before the sugar beet planting period (Figure 3). To date, monthly NDVI is tracking above the long-term average.

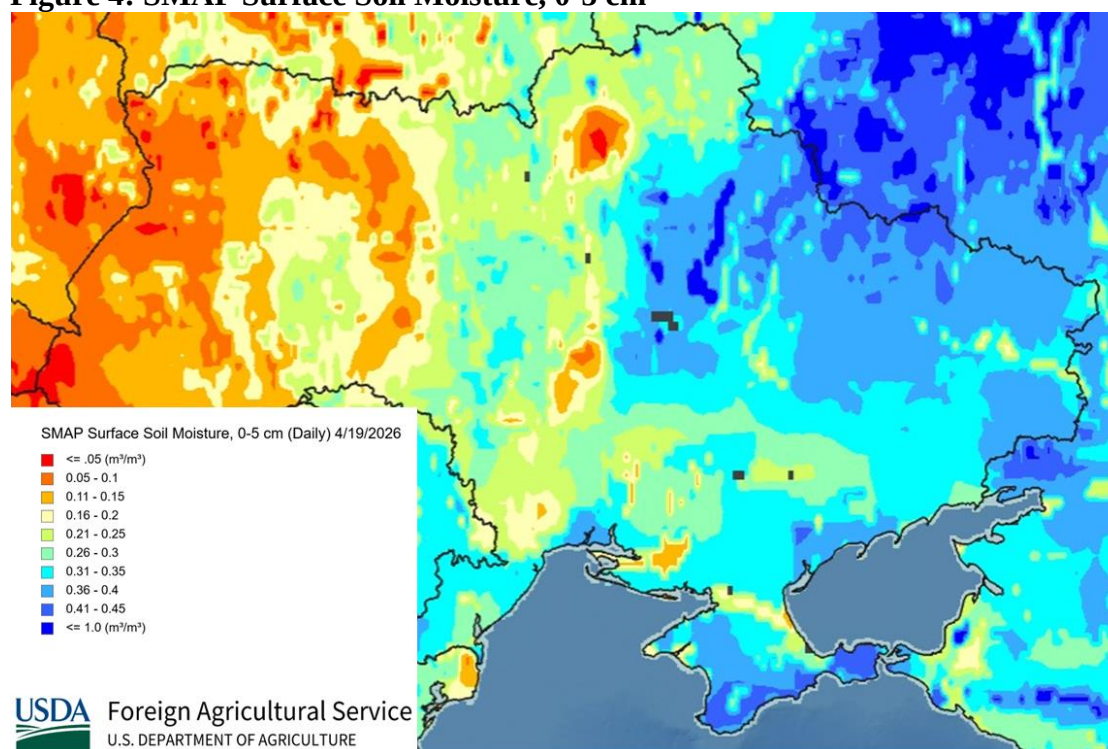
Figure 3: NDVI Dynamics for Sugar-Producing Regions



Source: National Aeronautics and Space Administration/USDA

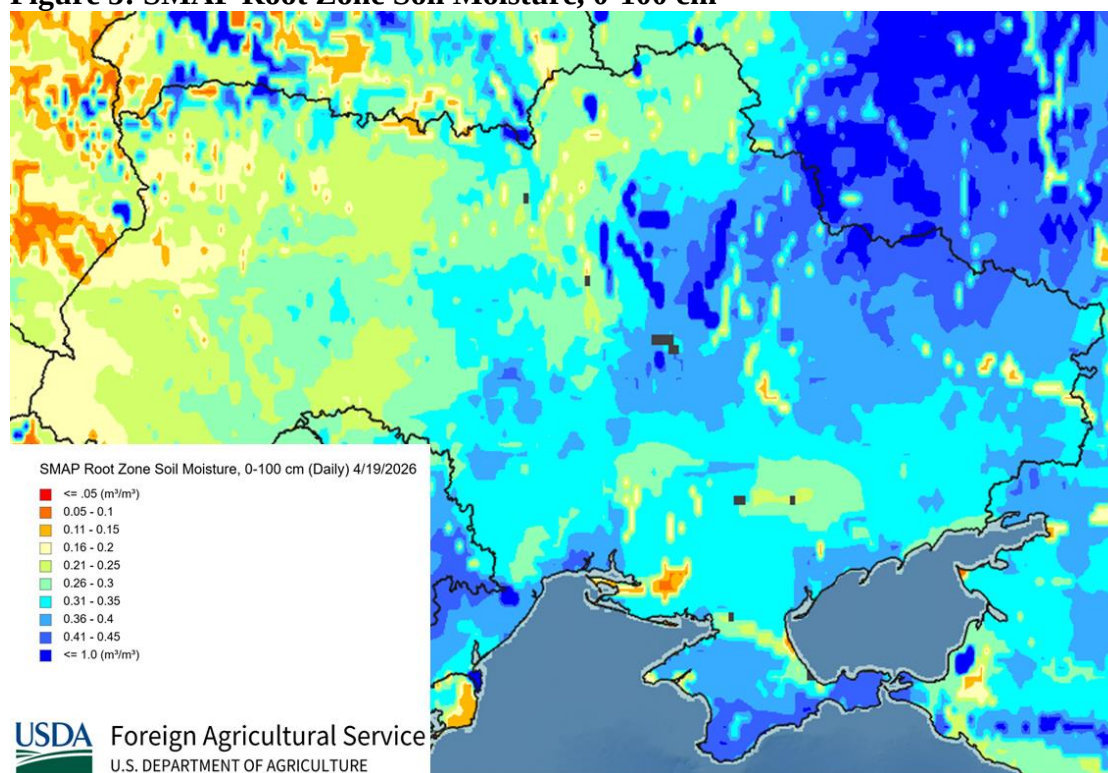
The beginning of planting season in mid-March 2026 featured sufficient amounts of both surface and sub-surface moisture according to [soil moisture active passive data](#) (SMAP) (Figures 4 and 5). This implies plants will have a good start immediately after planting and a sufficient amount of moisture after germination.

Figure 4: SMAP Surface Soil Moisture, 0-5 cm



Source: Global Agricultural and Disaster Assessment System (GADAS)

Figure 5: SMAP Root Zone Soil Moisture, 0-100 cm



Source: GADAS

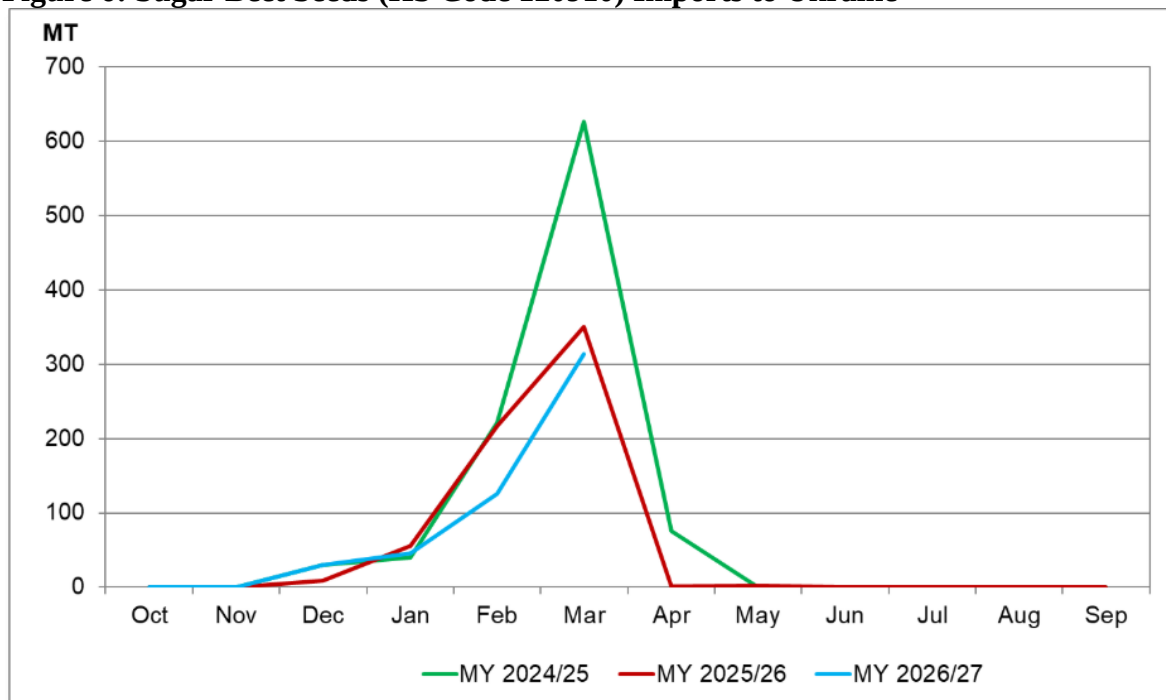
FAS/Kyiv forecasts MY2026/27 sugar beet yield at the 5-year average, but below the previous MY. The final MY2026/27 yield will depend on soil moisture availability during the CY2025 growing season.

MEEA planting data indicates 183,000 ha have been planted as of May 4, 2026. FAS/Kyiv accepts this number as the initial MY2026/27 production area forecast. This is a 9 percent decrease compared to Post's previous MY estimate.

As noted above, decreased production area is a function of:

- Sluggish domestic demand
- Limited access to the EU market
- Decreasing domestic prices
- Large MY2025/26 ending stocks
- Lower MY2026/27 sugar beet seed imports to Ukraine compared to MY2025/26 (Figure 6)

Figure 6: 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 MY2026/27 sugar beet production volume at 9.6 MMT, a 17 percent decrease from Post's MY2025/26 production estimate.

Consumption

Sugar beets are fully utilized for sugar production.

Trade

Ukraine neither imported nor exported any sugar beets or sugar cane.

Table 1: PSD Data for Sugar Beets

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Commodities:

Sugar, Centrifugal

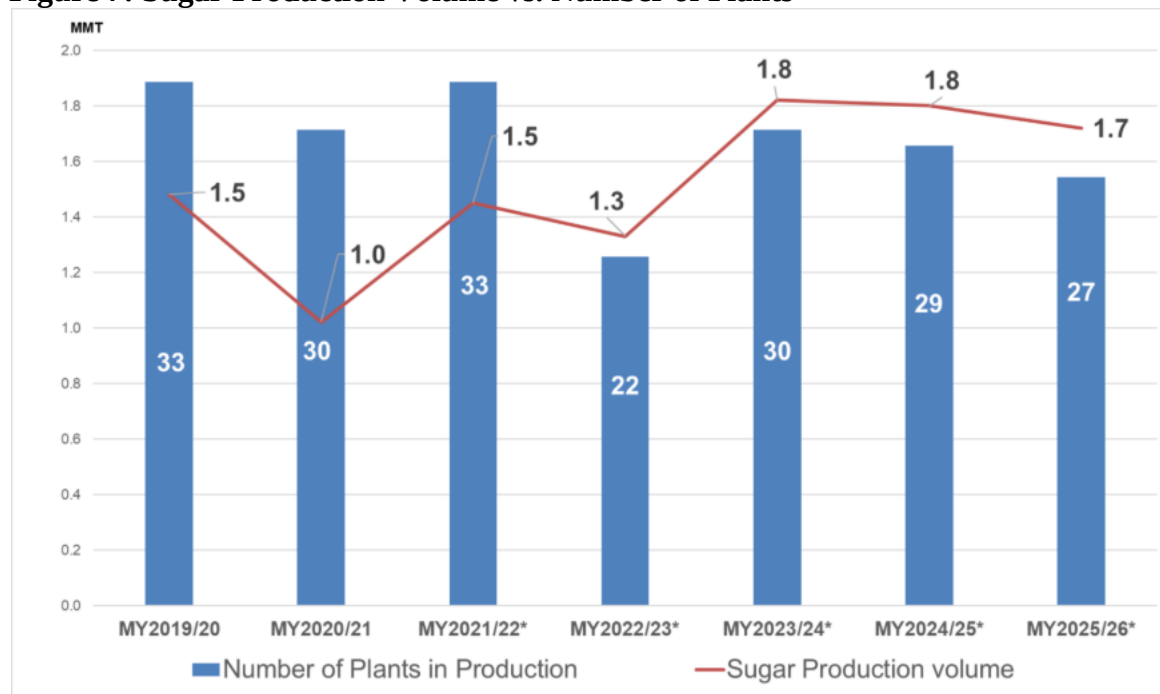
Production

UkrSugar reported MY2025/26 sugar production at approximately 1.7 MMT, a 4 percent decrease against the previous MY (Figure 7). In the absence of SSSU official data, Post accepts this production volume.

Based on the 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 MY2026/27 sugar production at 1.4 MMT, a 21 percent decrease compared to Post's MY2025/26 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. The full-scale Russian invasion in 2022 caused a drop in operational facilities in MY2022/23 due to a combination of lower sugar beet production volumes, blackouts caused by Russian missile attacks, 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 was predominantly associated with quota liberalization under the EU's autonomous trade measures, put in place in June 2022. Reintroduction of import quotas by the EU forced sugar producers to decrease output and the number of plants in MY2024/25 and MY2025/26 (Figure 7).

Figure 7: Sugar Production Volume vs. Number of Plants



Source: SSSU and UkrSugar; *Post estimates

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 certifications 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 is 25-kilogram bags (standard for export to the EU), 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. European standards for sugar storage were introduced, and some processors upgraded their facilities to increase revenues by selling by-products from processing, including branching out into bioenergy (biogas and bioethanol) and exporting pelleted sugar beet pulp and molasses.

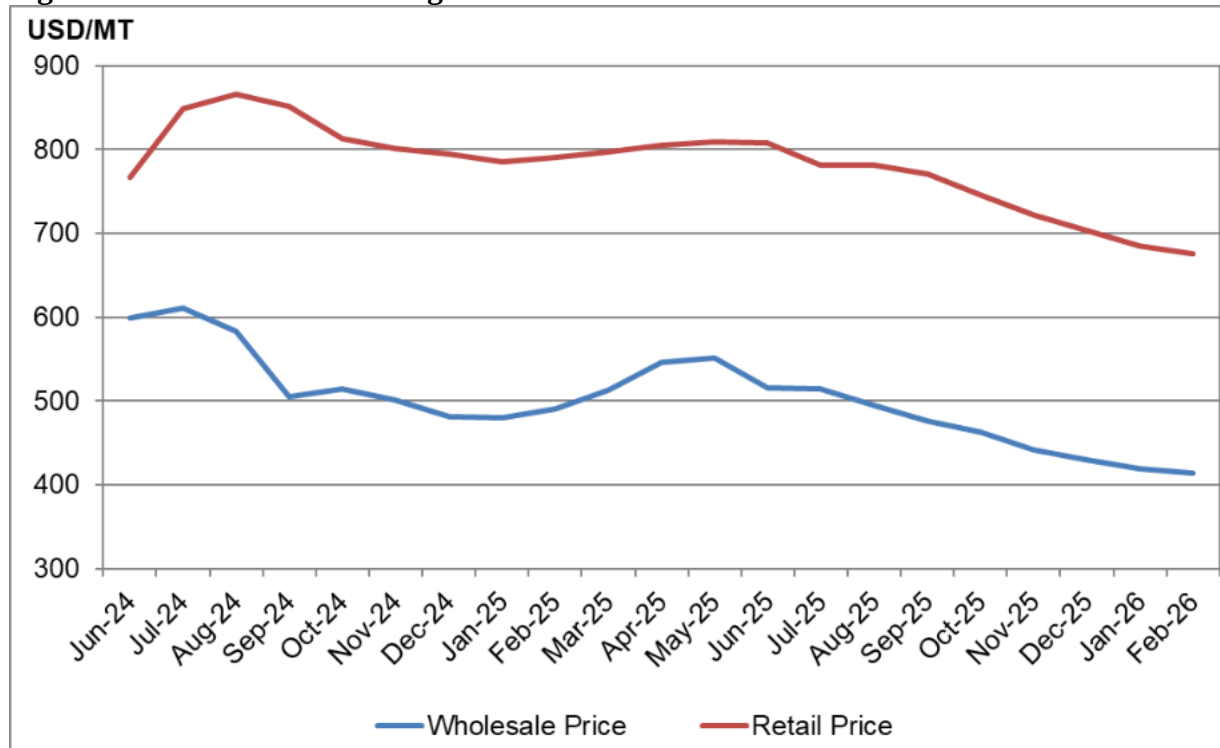
Consumption

Sugar consumption in Ukraine is slowly decreasing due to a declining population and food processors' ability to substitute sugar with high-intensity sweeteners in some of their products. 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 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 and imports of high-intensity sweeteners, to estimate domestic consumption levels for MY2021/22 onwards.

Post estimates domestic consumption based on the number of refugees who have left Ukraine, per the [United Nations High Commissioner for Refugees](#). Registered refugees dropped from their peak of 8.1 million in MY2022/23 to 7.0 million in MY2025/26, with a slight increase to the current 7.1 million, which is the initial benchmark for MY2026/27.

Domestic sugar consumption fluctuates according to local sugar prices (Figure 8). Prices are currently declining, both domestically and globally. The drop in exports to the EU added additional pressure, in addition to high ending stocks.

Figure 8: Domestic Refined Sugar Prices in Ukraine



Source: Post estimate based on SSSU data

Post adjusts its domestic sugar consumption estimates for a given MY based on imports of high-intensity sweeteners to Ukraine. These act as a substitute, with increased imports leading to decreased domestic sugar consumption and vice versa. MY2025/26 imports of high-intensity sweeteners to Ukraine are decreasing compared to their peak volumes in MY2024/25. This is likely associated with the downward trend for domestic sugar prices, making sugar more price competitive.

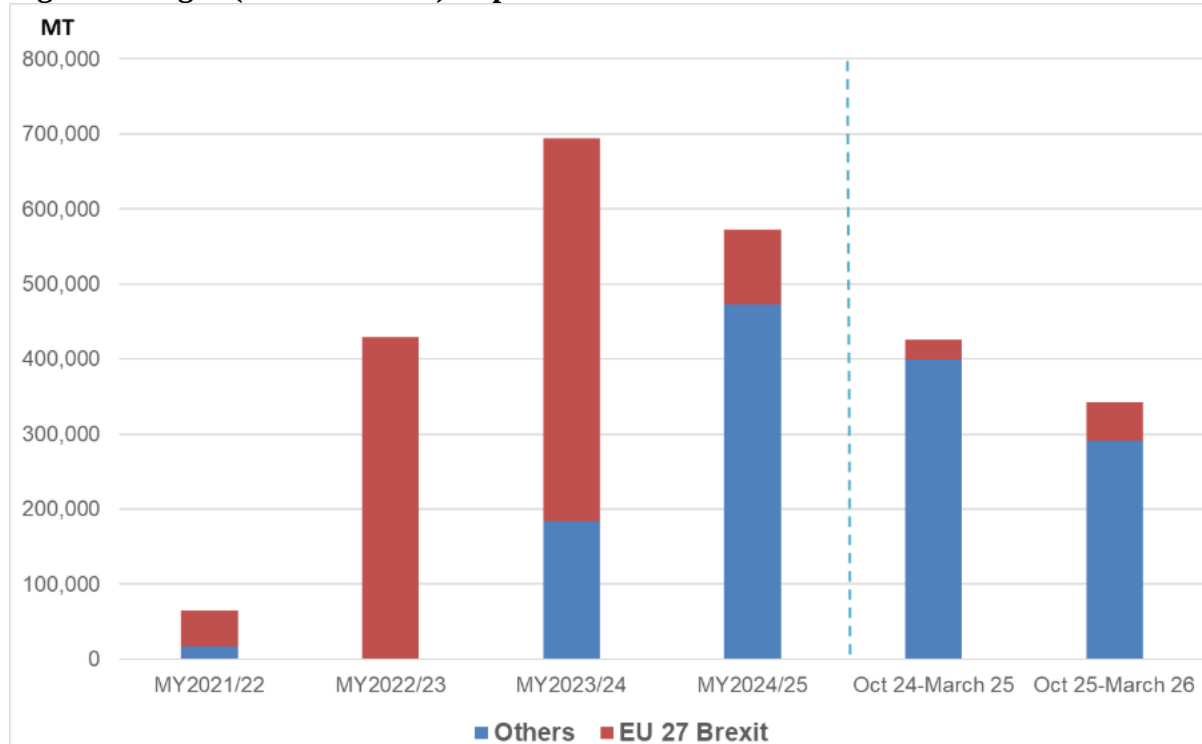
Based on population dynamics and imports of high-intensity sweeteners, Post estimates relatively stable domestic consumption at approximately 960,000 MT for both MY2025/26 and MY2026/27.

Trade

According to Ukr sugar, Ukraine cannot compete with other large sugar producers, most significantly Brazil, on foreign markets. Dispatching large vessels loaded with sugar is problematic due to Russian attacks. Sugar producers found their niche by exporting refined sugar to various consumers in neighboring countries, including Libya, Türkiye, and the Balkans, who require a constant inflow of small batches to keep their facilities running. At the same time, these consumers are unwilling or unable to order large shipments, prepay, and wait for delivery. Therefore, around two-thirds of total sugar exports go via truck and rail, with the remaining one-third by container vessels, according to Ukrainian Customs data.

The EU was the primary destination since the start of the full-scale Russian invasion in February 2022 (Figure 9). Exports to the EU decreased in CY2025, when the EU reintroduced import quotas.

Figure 9: Sugar (HS Code 1701) Exports from Ukraine to the EU



Source: TDM

Limited access to the EU market in MY2024/25 forced sugar producers to diversify their geographical outreach: 31 percent of total refined sugar exports went to Africa (Libya was the largest market), 29 percent to the Middle East (Türkiye was the largest destination/transshipment point), and 17 percent ended up in the EU, compared to 73 percent in the previous MY. The Balkans (Albania, Bosnia and Herzegovina, Kosovo, Montenegro, North Macedonia, and Serbia) imported around 12 percent, with North Macedonia the largest destination. It is a significant hike, with only 4 percent of total exports going to this region in MY2023/24.

In MY2025/26, exports from October 2025 to March 2026 were 20 percent below the same period of the previous year. Ukrainian exporters executed a number of direct vessel shipments (3,000 MT onwards) to several Middle Eastern countries, and the role of Türkiye as a transshipment hub decreased. Exports to Africa also decreased. It is worth noting small-scale sugar exports to Uzbekistan resumed for the first time since the start of the full-scale Russian invasion.

Post's MY2025/26 export estimate is 550,000 MT, a 10 percent decrease compared to the previous MY. Post's estimate is based on the slowdown in exports since the beginning of the MY, most likely caused by the diversification of exports away from the EU market.

Post's MY2026/27 export forecast is 700,000 MT, a 27 percent increase from its previous MY estimate. This forecast is based on the assumptions that Ukrainian exporters will be able to offset limited access to the EU market by further boosting exports to other markets and there will be no significant drop in local sugar prices.

Due to Ukraine’s developed food processing industry, as well as producers’ preferences to market foods containing “less sugar,” high-intensity sweeteners (such as aspartame, sucralose, saccharin, monk fruit, stevia, acesulfame, neotame, and cyclamates) are imported to Ukraine. The availability of alternative products places an additional cap on national sugar producers’ ability to sell sugar in the domestic market, forcing them to export more or reduce their sugar beet production areas when stocks are high. Imports of high-intensity sweeteners were 16,500 MT for MY2024/25, a 30 percent increase against the previous MY (Table 2). The available trade data for first half of MY2025/26 indicates a slowdown in high-intensity sweetener imports. As noted above, this is most likely due to a decrease in sugar prices.

Table 2: Imports of High-Intensity Sweeteners to Ukraine

HS Code	Description	Unit	Quantity/Value			% Change MY 2024/25 to MY 2023/24
			MY 2022/23 (Oct 22-Sept 23)	MY 2023/24 (Oct 23-Sept 24)	MY 2024/25 (Oct 24-Sept 25)	
130219	Vegetable Saps And Extracts, Nesoi	MT	111	147	145	99
		Mln. USD	4.39	5.99	4.88	81.41
1702	Sugars Nesoi, Incl Chem Pure Lactose Etc; Caramel	MT	10,855	10,592	13,026	123
		Mln. USD	14.30	13.48	15.07	111.77
292429	Cyclic Amides, Derivatives And Salts Of, Nesoi	MT	1,503	1,368	2,858	209
		Mln. USD	22.83	21.79	26.54	121.80
292511	Saccharin And Its Salts	MT	38	47	48	102
		Mln. USD	0.31	0.33	0.30	92.66
292990	Compounds Nesoi With Nitrogen Function Nesoi	MT	96	106	114	108
		Mln. USD	0.82	0.66	0.51	77.26
293219	Cmpds Cont An Unfused Furan Ring Etc Nesoi	MT	25	29	18	62
		Mln. USD	1.01	1.13	0.70	62.46
293499	Nucleic Acids & Salts; Other Heterocyclic Cmp, Nes	MT	212	345	284	77
		Mln. USD	26.02	33.68	21.05	62.48
294200	Organic Compounds Nesoi	MT	3	27	15	56
		Mln. USD	0.33	0.15	0.17	117.28

Source: TDM

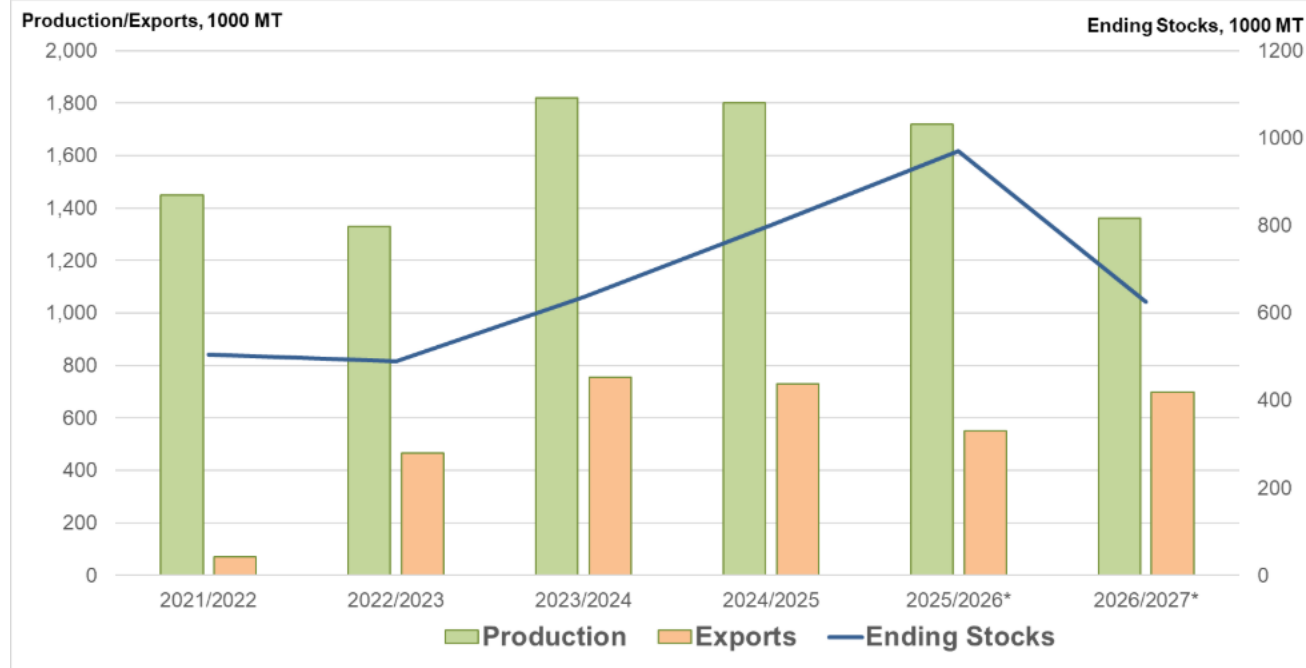
Stocks

Sugar producers and wholesalers hold the vast majority of sugar stocks. There are also stocks stored by individual farmers that prefer in-kind payment for sugar beets supplied for processing. Post’s higher ending stock estimates for MY2025/26 are based on a number of factors:

- Higher than expected sugar beet production. While sugar producers cut production areas, higher yields offset some of the decrease
- Import quotas to the EU market
- Declining domestic sugar prices
- Constrained port logistics preventing cost-efficient delivery of large batches

Post forecasts a fall in MY2026/27 ending stocks due to a combination of decreased production and increased exports to non-EU markets (Figure 10).

Figure 10: Production and Exports vs. Ending Stocks, 1000 MT



Source: USDA; *Post Estimates

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OFFICIAL DATA CAN BE ACCESSED AT: [PSD Online Advanced Query](#)

Policy

Ukraine maintains a 50 percent 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 rate quota on imports of raw sugar cane (HS Code 170111) from WTO member states. This commitment is reflected in Law of Ukraine #404-V ([in Ukrainian](#)). The quota is allocated to applicants on a “first-come, first-served” basis, and import quotas are determined by import licenses issued by MEEA. For more technical details about sugar import quota distribution, please refer to Government of Ukraine (GOU) Resolution #1002 ([in Ukrainian](#)).

The EU introduced a 100,000 MT import quota for sugar (HS Code 1701) from Ukraine in October 2025. See [GAIN Report UP2025-0034](#) for detailed information. Ukraine’s export quota to the EU set by GOU Resolution #1795 ([in Ukrainian](#)) mirrors this quota. MEEA distributed ([in Ukrainian](#)) the CY2026 quota among 16 sugar producers in proportion to their CY2025 production volumes.

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

Attachments:

No Attachments