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Report Highlights:

Sugar production and exports in Honduras are expected to increase in MY 2025/26, driven by higher yields, expanded harvest areas, and greater investment. Productivity improvements in MY 2024/25 were supported by modernization efforts, efficient irrigation, precision agriculture, and climate recovery initiatives. Projection for MY 2025/26 show a 3.4 increase in sugar production and 7.2 percent rise in exports. During this period, it is estimated that 56,000 hectares of sugarcane will be harvested, resulting in 5.4 million metric tons, with 194,000 metric tons of sugar centrifugal expected for export.

EXECUTIVE SUMMARY

The sugarcane harvested area in Honduras for Marketing Year (MY) 2025/26 (October 2025 to September 2026) is projected to expand from 55,500 hectares to 57,000 hectares. Sugar mills, previously impacted by El Niño and La Niña, have fully recovered, positioning the country to surpass production levels recorded in MY 2022/23 and earlier years.

Sugarcane production is projected to rise by 3.4 percent, increasing from 530,000 metric tons (MT) in MY 2024/25 to 548,000 MT in MY 2025/26. However, total utilization is expected to decline slightly in MY 2025/26 to 5.4 million MT, down from 5.43 million MT in MY 2024/25. Production estimates for MY 2024/25 were revised downward by 3.3 percent due to damage sustained during the 2022 rainy season, particularly in the Sula Valley.

Sugar exports are forecast to rise by 7.2 percent, from 181,000 MT in MY 2024/25 to 194,000 MT in MY 2025/26, closely mirroring export levels recorded in MY 2022/23 (194,898 MT) and MY 2023/24 (195,900 MT). Meanwhile, domestic sugar consumption saw significant growth in MY 2024/25, reaching 349,200 MT, and is expected to remain stable at 354,000 MT in MY 2025/26. This sustained demand is largely driven by the industrial sector's recovery from economic disruptions caused by the COVID-19 pandemic, the war in Ukraine, and extreme weather events such as hurricanes ETA and IOTA, alongside a 1.56 percent rise in population growth in 2024.

Honduras continues to strengthen labor mobility and trade activity with key commercial partners while fully capitalizing on its tariff-rate quota (TRQ) allocations under bilateral and multilateral trade agreements.

PRODUCTION

Sugarcane:

Sugarcane planted area is projected to grow by 1.78 percent, from 56,000 hectares in MY 2024/25 to 57,000 hectares in MY 2025/26. This expansion is driven by recovery from El Niño/La Niña effects, increased financing for small-scale farmers, and stable global prices. Due to the [Agrarian Reform Law of 1974](#) (in Spanish), which limits land ownership for sugar mills, the industry has prioritized productivity gains through investments in drip irrigation, water harvesting, improved seeds, and fertilizers. Mills also support independent producers with technical assistance and irrigation systems. As a result, sugarcane yield has risen by 28 percent from MY 1980/81 to 2023/2024 (figure 2), and planted area has expanded by 2.7 percent from MY 2022/23 to MY 2025/26, with productivity improving by 1.8 percent to 5.4 million metric tons (figure 1).

Of the total harvested area for sugarcane in Honduras, 96 percent is dedicated to sugarcane production, while 4 percent is allocated for research and replanting. The sugarcane harvest for MY 2025/26 is projected at 5.4 million MT, a 2.27 percent increase from the revised estimate of 5.28 million MT in MY 2024/25. This growth is driven by enhanced mill productivity, advanced drip irrigation systems, improved sugarcane varieties, and precision agriculture techniques. Additionally, sugar mills have boosted extraction efficiency, streamlined production logistics, and invested in modern equipment to optimize output.

According to the [Central Bank of Honduras](#) (in Spanish), the country's economy has maintained a positive trajectory, with a cumulative growth of 4.4 percent through June 2024, driven primarily by a sustained recovery in domestic demand, particularly household consumption. On a year-over-year basis, Honduran production increased by 2.0 percent compared to June 2023.

The Honduran economy and the sugarcane sector are gradually recovering from the adverse climatic effects of El Niño and La Niña, which led to prolonged droughts and increased input costs, particularly for fertilizers and fuel. Despite these challenges, productivity is steadily improving. Consumer prices for sugar are expected to remain high, ranging from \$0.45 to \$0.53 per pound in calendar year (CY) 2025, driven by production costs and strong export demand.

As of April 2025, 85 percent of the sugarcane harvest has been completed. All seven sugar mills are fully operational, and the harvested sugarcane has been processed for the 2024–2025 cycle.

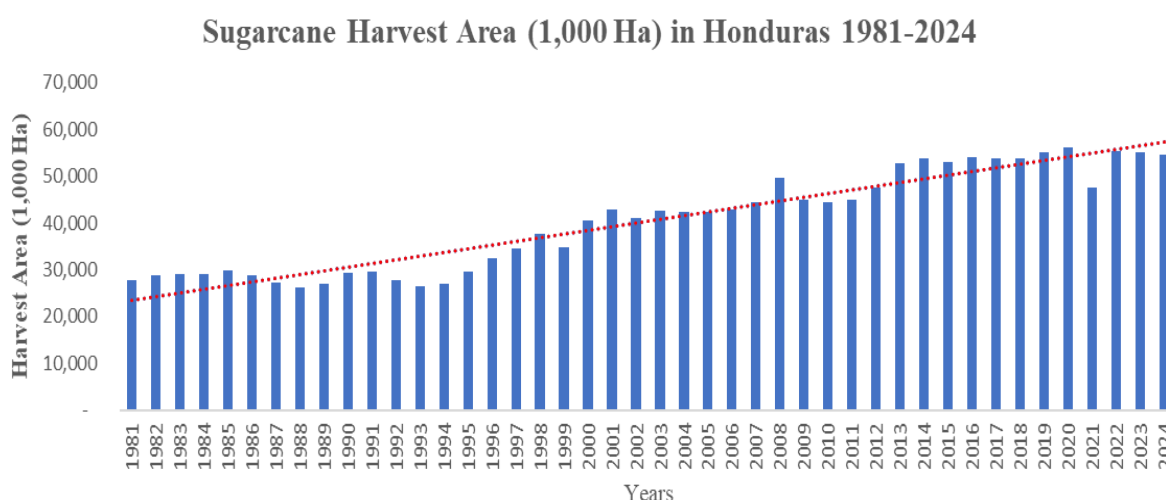
Honduran Sugar Mills Currently in Operation:

- Compañía Azucarera Hondureña S.A.: Founded in 1938, located in Bufalo, Municipality of Villanueva, Cortés, it has an installed capacity to process 13,000 tons of cane per day, and processes around 13,978 hectares of sugar cane.
- Azucarera La Grecia S.A.: Founded in 1976, located in the Municipality of Marcovia, department of Choluteca, it has an installed capacity to process 8,000 tons of cane per day, processes more than 12,580 hectares of sugar cane.
- Azucarera Tres Valles S.A.: Founded in 1976, located in the Municipality of Cantarranas, department of Francisco Morazán, it has an installed capacity to process 5,500 tons of cane per day, processes more than 6,290 hectares of sugar cane.
- Azucarera del Norte S.A.: Founded in 1974, located in Guanchías, Municipality of Santa Rita, Yoro, it has an installed capacity to process 6,500 tons of cane per day, processes more than 7,688 hectares of sugar cane.
- Compañía Azucarera Chumbagua: Founded in 1948, located in the area known as Los

Valles, jurisdiction of the Municipality of San Marcos, Santa Bárbara, it has an installed capacity to process 6,000 tons of cane per day, processes more than 6,290 hectares of sugar cane.

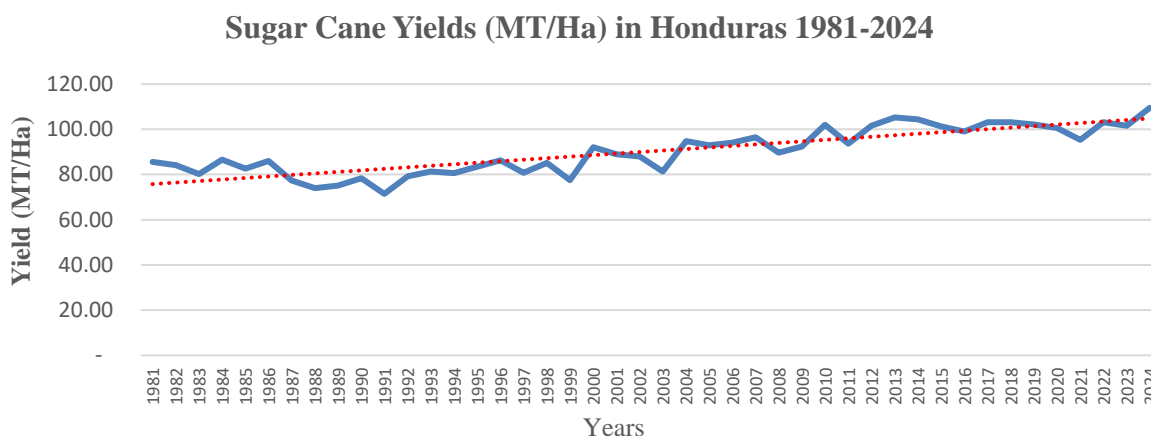
- Azucarera Choluteca S.A.: Founded in 1968, located in the Municipality of Marcovia, Choluteca, it has an installed capacity to process 6,000 tons of cane per day, processes more than 5,940 hectares of sugar cane.
- Azucarera Yojoa S.A.: Founded in 1976, located in the Municipality of Río Lindo, Cortés, it contributes about 7 percent of the national production with more than 3,494 hectares of sugarcane.

Figure 1. Sugarcane Harvest Area (1000 Ha) in Honduras 1981-2024.



Source: Honduras Sugar Producers Association APAH

Figure 2. Sugarcane Yields (MT/Ha) in Honduras 1981-2024.



Source: Honduras Sugar Producers Association APAH

Sugar:

Sugar production for MY 2025/26 is forecast to reach 548,000 MT, reflecting a 3.4 percent increase from the revised estimate of 530,000 MT in the previous year. The Honduran sugar industry has invested in field technology, agricultural research and development, drip irrigation systems, and improved agricultural supplies to enhance productivity. Despite these advancements, the sucrose recovery rate from sugarcane remains between 9 and 10 percent.

In Honduras, the private sector oversees the production, commercialization, and distribution of sugar, with the industry represented by the Honduran Sugar Producers Association (APAH). Seven sugar mills are members of APAH, collectively owning 70 percent of the cultivated sugarcane area, while the remaining 30 percent is owned by independent producers. The sugar industry employs around 40 percent of the economically active population in rural areas, providing approximately 200,000 direct and indirect jobs during each harvest. The sector supports between 200,000 and 350,000 jobs, meaning that a poor harvest would have a significant impact on rural incomes.

On food security issues, a reduced local supply might increase reliance on imports, though Honduras remains self-sufficient in sugar.

The sugar industry in Honduras consists of seven sugar mills and 11 warehouses for sugar storage. Significant investments have been made in sugarcane varieties, infrastructure, and equipment, leading to enhanced refining capacity and improved sugar recovery rates.

The economic contribution of the sugar industry in Honduras is approximately \$410 million per year. The distribution of this economic value shows that supplier purchases account for the largest share at 56 percent, followed by wages and salaries at 21 percent, new investments at 15 percent, taxes at 7 percent, and occupational health and safety at 1 percent.

CONSUMPTION

Domestic sugar cane consumption in Honduras is expected to reach 354,000 MT for MY 2025/26, marking a 1.38 percent increase from the revised estimate of 349,200 MT for MY 2024/25. This rise is primarily driven by a surge in demand from the food industry, a direct result of the revitalization of the Honduran economy, which experienced a robust GDP growth of 3.5 percent in MY 2023/24, with a projected 4.5 percent rebound in MY 2024/25 ([Honduras Central Bank Monetary Policy Bulletin](#) (in Spanish)).

Domestic sugar consumption in Honduras is expected to align with the forecasted level of 354,000 MT for MY 2025/26. This growth has been primarily driven by increased demand in the industrial sector, bolstered by the recovery from the economic and climatic challenges of 2019-2022, as well as the natural population growth in the country, 1.70 percent in calendar year (CY)

2024 and 1.66 percent in CY 2025.

The sugar industry continues to prioritize the domestic market to ensure national supply and food security. In 2025, the average domestic price for white sugar is approximately 8 percent higher than international prices, largely due to the depreciation of the local currency (the Honduran Lempira) against the U.S. Dollar. Any increase in sugar prices in the domestic market must be authorized by the Government of Honduras (GOH), and so far, no such increase has been granted.

Per capita sugar consumption is estimated at 76 pounds per person, with 48 percent of it used in the industrial sector for beverages, candy, and baked goods and the remaining 52 percent for direct consumer use. Domestic consumption grew by 2.49 percent in MY 2024/25, reaching 349,200 MT, compared to 340,700 MT in MY 2023/24. This increase has been fueled by the economic recovery following the pandemic, which saw industrial consumption rise as businesses resumed operations.

In Honduras, the consumption of alternative sweeteners remains minimal and has no significant impact on overall sugar demand, as sugar is still more affordable for the majority of the population. Changes to wholesale sugar prices are subject to authorization by the Secretariat of Economic Development, as sugar is considered an essential food and industrial product that directly affects the cost of living for consumers.

**Table 1. Average Sugar Prices for Plantation White (Standard) and Refined Sugar
Honduras, 2024 and 2025**

MY 2023/24		
US\$/pound		
Market place	Plantation white (Standard)	Refined
Wholesale	0.44	0.46
Consumer	0.51	0.53

Source: Honduran Sugar Producers Association (APAH)

MY 2024/25				
US\$/pound				
Market place	Plantation White (Standard)	Refined	Percent Change (plantation white)	Percent Change (refined)
Wholesale	0.45	0.45	2.27 percent	-2.17 percent
Consumer	0.53	0.54	3.92 percent	1.88 percent

Source: Honduran Sugar Producers Association (APAH)

Over the past year, the domestic consumer price of sugar (both plantation white and refined) has

experienced a slight decrease of 7 to 2 percent in the wholesale market and 9 to 4 percent in the consumer market. This decline can be attributed to strong production periods starting in 2022, as well as effective government interventions (Table 1). The price in U.S. dollars remained relatively stable due to the offsetting effects of the fluctuating dollar exchange rate and the depreciation of the local currency against the U.S. Dollar.

TRADE

Exports:

Sugar exports for MY 2025/26 are forecast at 194,000 metric tons (MT), a 7.3 percent increase compared to the revised MY 2024/25 estimate of 180,800 MT. This growth is attributed to improved international prices and increased production. Honduras exports between 35 to 60 percent of its sugar production, capitalizing on high global prices and utilizing its Central America-Dominican Republic Free Trade Agreement (CAFTA-DR) quotas.

Honduras fully utilized its TRQ allocations under the WTO Agreement and its agreements with the United States and the European Union in MY 2024/25. After fulfilling these quotas, the sugar mills export to other markets. However, due to the FTA with Taiwan, sugar can only be exported through a third country, not directly to Taiwan.

The Dominican Republic-Central America Free Trade Agreement (CAFTA-DR) allocates a TRQ of 10,880 MT for 2024 and 11,040 MT for 2025, a 1.47 percent increase from 2024. The WTO TRQ for Honduras is 14,384 MT for 2024, with a decrease of 25.2 percent to 10,758 MT for 2025. The EU FTA allocates a TRQ of 22,341 MT for 2024 and 22,602 MT for 2025, up 1.16 percent from the previous year. The UK TRQ is set at 7,700 MT for 2024 and 7,780 MT for 2025, marking a 1.03 percent increase.

Sugar exports to international markets have been robust. According to Trade Data Monitor, in MY 2023/24, sugar exports reached \$127.8 million, up 13 percent from \$113.4 million in MY 2023/22. The increase is attributed to higher productivity, expanded harvest areas, and investments in the sugar sector. In addition to the United States, the FTA with Canada allows Honduras to export sugar to Canada, with 18,358 MT exported in MY 2022/23, valued at \$9.2 million.

Honduras also exports sugar under the Central America-Korea Free Trade Agreement, with exports to South Korea reaching 20,730 MT in MY 2023/24, worth \$14 million. The Central America-United Kingdom Free Trade Agreement has enabled exports to the UK, with 6,175 MT exported in MY 2023/24, valued at \$5.18 million.

Central American countries, including Honduras, cannot export or import cane sugar within the

region under the Central American General Integration Treaty, meaning any surplus must be exported outside of the region.

Honduras abolished its export tax on sugar following WTO recommendations. The top destinations for Honduras's sugar exports in MY 2024 were the United States (46 percent), Haiti (17 percent), South Korea (10 percent), Mexico (9 percent), the Dominican Republic (4 percent), Puerto Rico (3 percent), Trinidad and Tobago (3 percent), the United Kingdom (3 percent), Jamaica (2 percent), Colombia (1 percent), and Suriname (1 percent). The volume of exports decreased slightly by 0.48 percent in MY 2023/24 compared to MY 2022/23.

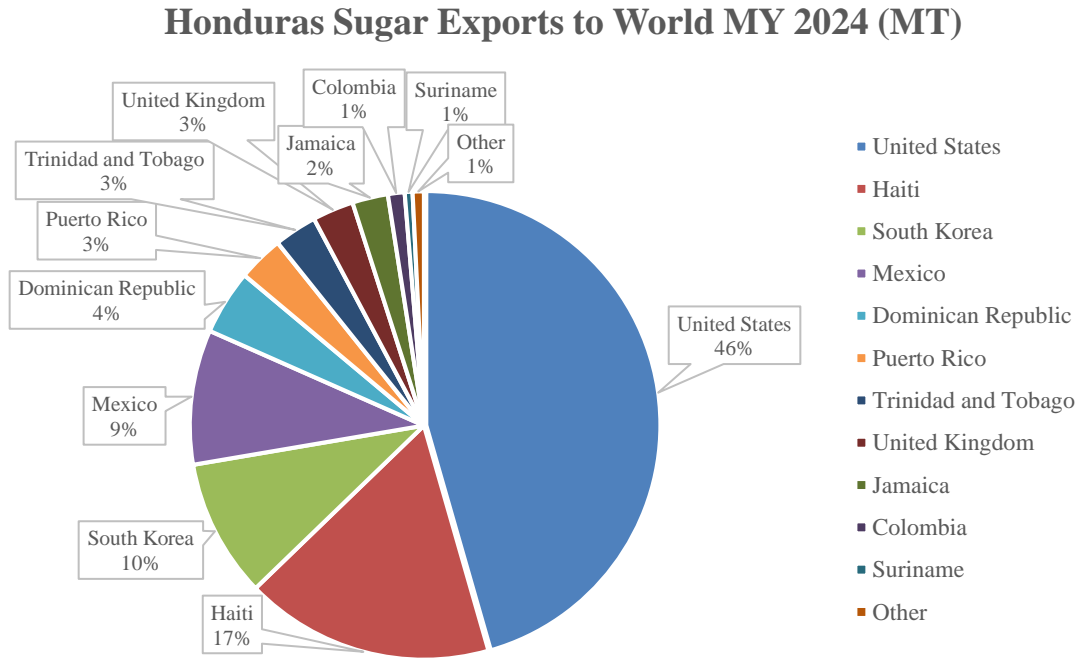
The following chart shows primary export markets by country in metric tons.

Table 2. Honduras - Sugar, Centrifugal Exports (Metric Tons), MY 2024

Country	Metric Tons
United States	98,919
Haiti	37,386
South Korea	20,730
Mexico	20,200
Dominican Republic	9,710
Puerto Rico	6,865
Trinidad and Tobago	6,439
United Kingdom	6,175
Jamaica	5,359
Colombia	2,500
Suriname	1,171
Saint Lucia	517
Bahamas	260
Saint Vincent and the Grenadines	255
Antigua and Barbuda	175
Grenada	169
Barbados	153
Dominica	51
El Salvador	29
Saint Kitts and Nevis	26
Guyana	26
Curacao	24
TOTAL	217,136

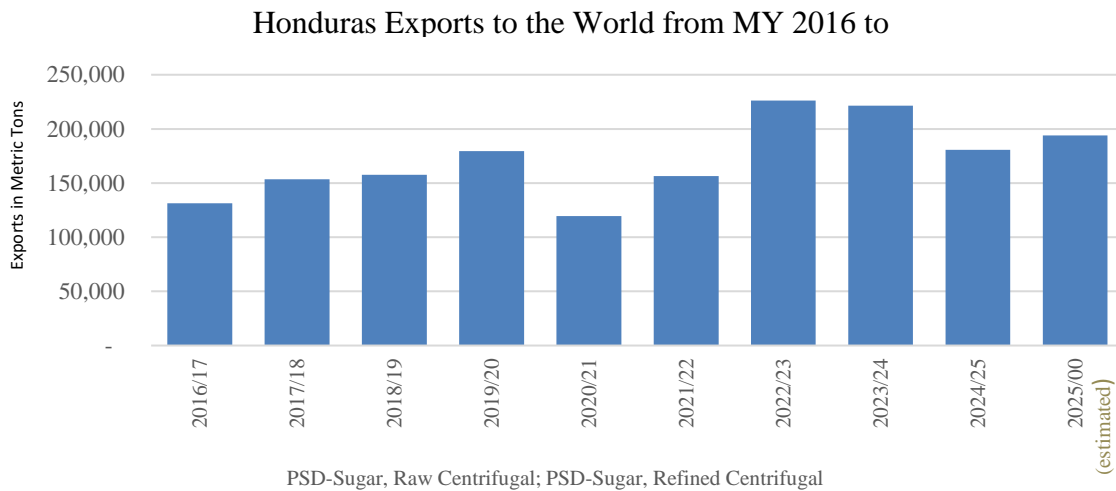
Source: Trade Data Monitor

Figure 3. Honduras Exports to World MY 2023/24 in Metric Tons

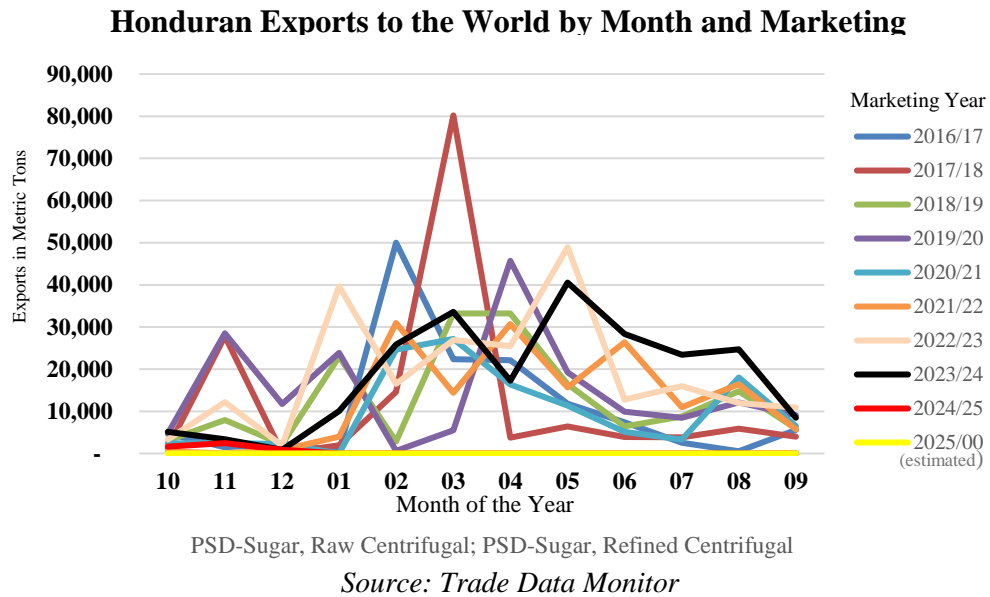


Source: Trade Data Monitor

Figure 4. Honduras Exports to the World in MY 2016-2025 in Metric Tons



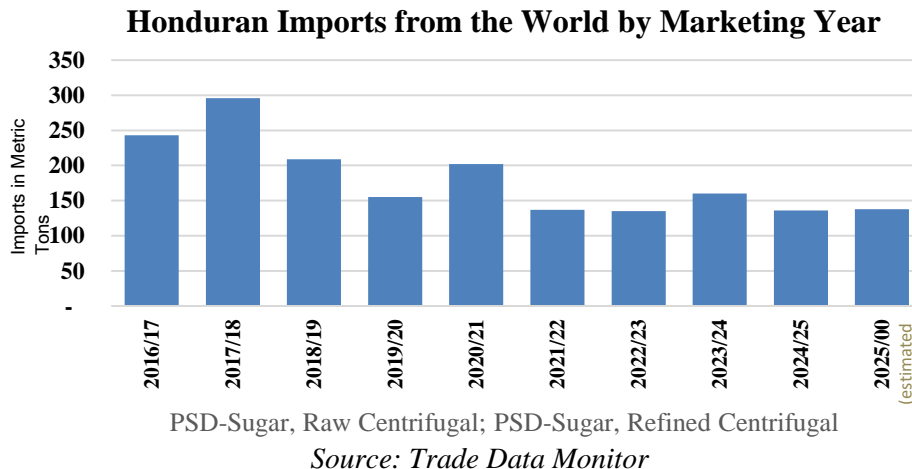
Source: Trade Data Monitor



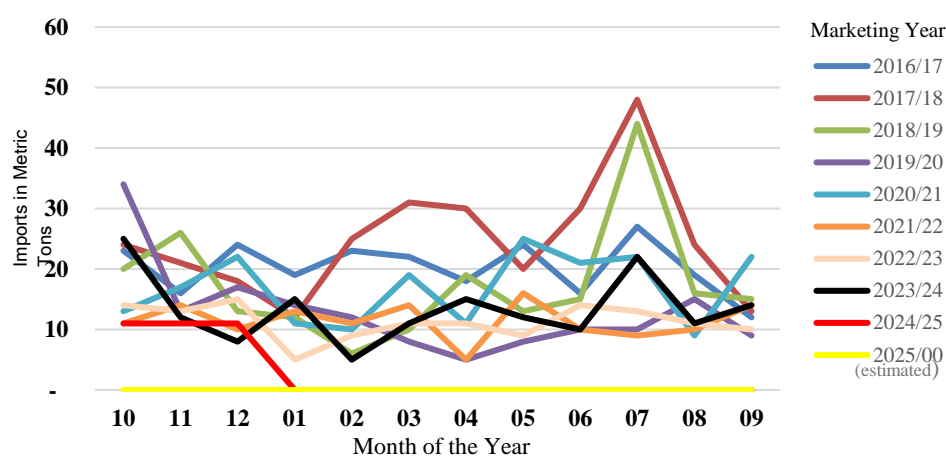
Imports:

Sugar imports for MY 2023/24 were minimal, with only 146 metric tons (MT) imported from the United States and 1 MT from Mexico, totaling \$433,789 in value according to Trade Data Monitor (Table 3). The import tariff for raw sugar and plantation white (standard) is set at 40 percent, with no additional consumption tax. For refined sugar, the import tariff is 15 percent, along with a 15 percent consumption tax. By law, all sugar intended for human consumption must be fortified with vitamin A, a requirement fulfilled by the Honduran sugar industry. The import tariff for raw sugar is approximately \$0.22 per kilogram, while the tariff for refined sugar is \$0.18 per kilogram, based on average U.S. sugar contract prices. The charts below show sugar imports by country for MY 2016/17-2024/25 including Post's forecast for MY 2025/26.

Figure 5. Honduras Imports from World in MY 2016/17-2025/26 in Metric Tons



Honduran Imports from the World by Month and Marketing Year



PSD-Sugar, Raw Centrifugal; PSD-Sugar, Refined Centrifugal

Source: Trade Data Monitor

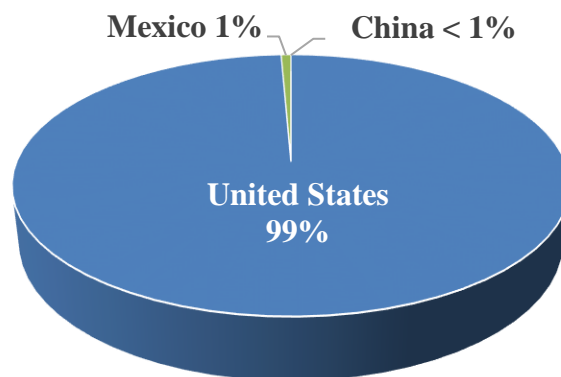
Table 3. Honduras – Sugar, Centrifugal Imports in Metric Tons, MY 2023 vs. 2024

Country	2023		2024	
	Metric Tons	percent	Metric Tons	percent
United States	135	98	146	99
China	2	2	0	0
Mexico	0	0	1	1
TOTAL	138		148	

Source: Trade Data Monitor

Figure 6. Honduras Imports from World in MY 2024 in Metric Tons

Honduran Sugar Imports from World MY 2024 (MT)



Source: Trade Data Monitor

STOCKS

Stocks are held by seven processors (sugar mills) and stored in CISA warehouses located in Tegucigalpa and San Pedro Sula. Stock levels are expected to remain stable through the end of MY 2025/26, following trends observed in production and exports during MY 2022/23 and MY 2023/24 (Table 4).

POLICY

Sugar Sector Related Policies in Honduras:

- The sugar industry in Honduras is a socially responsible sector, having consistently earned recognition for its commitment over the years. This designation involves a thorough evaluation process, adhering to the Global Reporting Initiative (GRI) sector supplement for Non-Governmental Organizations, the Sustainable Development Goals (SDGs), CSR Indicators approved with ISO 26000, and the Accountability Standard (AA1000SES).
- Sugar mills face limitations regarding the amount of land they can cultivate. The Agrarian Reform Law has set a ceiling on land ownership, compelling sugar mills to rent nearby suitable lands to expand their planting areas.
- During the harvest months of November to May, sugar mills generate the energy they require by utilizing bagasse, producing 130 Megawatts per hour (MWh), with the potential to generate up to 344 MWh of electricity. Excess energy is sold to the National Enterprise of Electric Energy (ENEE). Sugar mills contribute approximately 10 percent of the renewable energy produced in Honduras. The sugar mills sell electricity at an average rate of \$0.09 per Kilowatt, significantly lower than the \$0.25 per Kilowatt charged by other energy companies. However, from June to October, when there is no sugarcane harvest, energy production is limited.
- Under the 2007 Law for Production and Consumption of Biofuels, modified by Decree 295-2013, biofuel producers in Honduras enjoy marketing incentives such as exemptions from customs tariffs, corporate taxes, and other related taxes for a period of 12 years. The law mandates a 10 percent ethanol blend starting in 2015, with a planned increase to a 20 percent blend by 2020. APAH played a key role in lobbying for the law's approval and continues to support its full implementation. While the regulation for this law has been drafted, it is still awaiting approval from Congress.
- Established under Decree 161-2005, the National Sugar Council was created through collaboration between the Secretariat of Agriculture and Livestock, the Secretariat of Economic Development, sugar mills, and independent producers. Its purpose is to regulate matters concerning land tenure and technical assistance between independent producers and sugar mills.

MARKETING

The primary revenue-generating activities within Honduras' sugar sector include domestic sugar production for local distribution, export sales, and power generation from renewable energy, which has increasingly become a key driver for diversification and income growth. In Honduras, approximately 67 percent of sugar is distributed domestically, while the remaining 33 percent is exported. Of the sugar exported, Haiti (17 percent) and the United States (46 percent) are the largest consumers, with the remainder of exports going to the global market. In 2024, sugar exports were valued at approximately \$127.8 million.

Sugar from independent producers is handled through private contracts negotiated directly between the mills and producers. These contracts guarantee the purchase of 100 percent of the cane production, with logistics for the harvest process coordinated by the mills. As this is a private commercial arrangement, producers are free to choose which mill to contract with, though typically, only one mill is viable due to geographical proximity.

The seven sugar mills in Honduras sell their output to a central warehouse company, Central de Ingenios (CISA), which is owned by the Honduran Sugar Producers Association (APAH). CISA, founded in 1980, manages 11 warehouses across the country and oversees nationwide distribution. To adapt to market demands, CISA has launched marketing initiatives for new brands and improved packaging. The company has also expanded its distribution reach, particularly in the northern region, and switched to 50-kilogram (110-pound) bags to align with regional standards. Additionally, CISA offers small packages of both brown and white sugar, catering to restaurants, hotels, and retailers.

Honduran Marketing Brands Created by CISA for Sugar Distribution in Supermarkets:

- **Azucar el Cañal Premium** (750- and 1,500-grams bag presentation)
- **El Cañal** (460-, 920- and 1800-grams bag presentation)
- **Doña Matilde** (White Sugar: 460-, 920-, and 1,800-grams bag presentation blue packaging)
- **Doña Matilde** (Brown Sugar: 1800 grams bag presentation red packaging)
- **Prieta** (White Sugar: 460-, 920-, and 1800-grams bag presentation)

Table 4. Production, Supply and Distribution

Sugar, Centrifugal (1,000 MT)	2023/2024		2024/2025		2025/2026		
Market Begin Year	Oct 2023		Oct 2024		Oct 2025		
Honduras	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post	
							(Units)
Beginning Stocks	198	198	198	198	0	198	(1000 MT)
Beet Sugar Production	0	0	0	0	0	0	(1000 MT)
Cane Sugar Production	525	537	548	530	0	548	(1000 MT)
Total Sugar Production	525	537	548	530	0	548	(1000 MT)
Raw Imports	0	0	0	0	0	0	(1000 MT)
Refined Imp. (Raw Val)	0	0	0	0	0	0	(1000 MT)
Total Imports	0	0	0	0	0	0	(1000 MT)
Total Supply	723	735	746	728	0	746	(1000 MT)
Raw Exports	147	157	159	145	0	155	(1000 MT)
Refined Exp. (Raw Val)	37	39	40	36	0	39	(1000 MT)
Total Exports	184	196	199	181	0	194	(1000 MT)
Human Dom. Consumption	341	341	349	349	0	354	(1000 MT)
Other Disappearance	0	0	0	0	0	0	(1000 MT)
Total Use	341	341	349	349	0	354	(1000 MT)
Ending Stocks	198	198	198	198	0	198	(1000 MT)
Total Distribution	723	735	746	728	0	746	(1000 MT)
TS=TD	0	0	0	0	0	0	
Post Notes							

Table 5. Production, Supply and Distribution

Sugar Cane for Centrifugal	2023/2024		2024/2025		2025/2026		
Market Begin Year	Sep 2023		Sep 2024		Sep 2025		
Honduras	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post	
							(Units)
Area Planted	56	55	57	56	0	57	(1000 HA)
Area Harvested	55	55	56	55	0	56	(1000 HA)
Production	5200	5426	5280	5430	0	5400	(1000 MT)
Total Supply	5200	5426	5280	5430	0	5400	(1000 MT)
Utilization for Sugar	5200	5426	5280	5430	0	5400	(1000 MT)
Utilization for Alcohol	0	0	0	0	0	0	(1000 MT)
Total Utilization	5200	5426	5280	5430	0	5400	(1000 MT)
TS=TD	0	0	0	0	0	0	
Post Notes							

Attachments:

No Attachments