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# Report Name: Sugar Semi-annual

**Country:** Australia

**Post:** Canberra

**Report Category:** Sugar

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**Report Highlights:**

FAS/Canberra has revised upward its estimate for Australia's sugar cane production in marketing year (MY) 2025/26 to 29.9-million metric tons (MMT), compared to the previous forecast of 28.5 MMT. The adjustment reflects favorable seasonal conditions in the latter part of the production season. Sugar production has also been revised up to 4.0 MMT from 3.8 MMT due to the expected larger sugar cane harvest and the sugar content of the cane tracking to achieve a better-than-expected outcome. Raw sugar exports are now estimated at 3.18 MMT, up from the earlier forecast of 3.10 MMT, partly reflecting the higher production estimate. With relatively soft global sugar market conditions, ending stocks are expected to increase modestly.

## EXECUTIVE SUMMARY

FAS/Canberra has revised Australia's sugar cane production estimate for marketing year (MY) 2025/26 upward to 29.9 million metric tons (MMT), an increase from the previous forecast of 28.5 MMT. This increase reflects favorable seasonal conditions during the latter half of the growing season. Improved weather has also supported timely harvesting, in contrast to recent years when multiple rain events delayed harvest and left a portion of the crop unharvested and carried into the following season.

The sugar production estimate for MY 2025/26 has been increased to 4.0 MMT, up from the earlier forecast of 3.8 MMT. This mainly reflects the increase of the sugar cane crop estimate and in part sugar cane content which is tracking to achieve a better-than-expected outcome. The Australian Bureau of Meteorology forecast over the remaining sugar cane harvest period is for around average to above average rainfall. If realized, and with the onset of warmer conditions, harvest disruptions that could impact sugar cane production and quality are expected to be minimal. A timely completion of the current harvest should also provide a favorable foundation for a larger crop in MY 2026/27.

Raw sugar exports for MY 2025/26 are revised upward to 3.18 MMT from 3.10 MMT, reflecting the expected increase in production. Domestic consumption is also projected to rise slightly in line with population growth. Meanwhile, world sugar prices have fallen below the long-term average, reflecting ample global supply and reduced urgency to secure imports. As a result, Australia's ending stocks are expected to rise modestly in MY 2025/26.

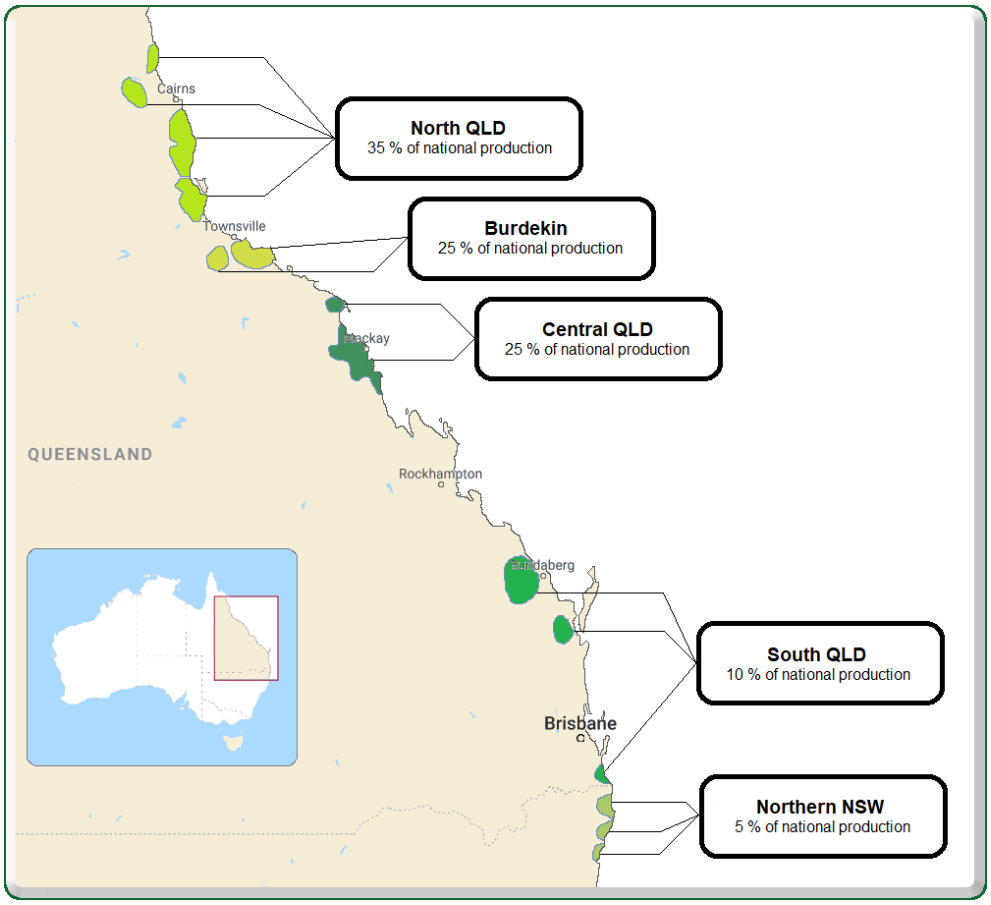
## SUGAR CANE

### Production

FAS/Canberra has revised its estimate for sugar cane production in MY 2025/26 upward to 29.9 MMT, from the previous forecast of 28.5 MMT. If realized, this would mark the third consecutive year of production below 30.0 MMT, following more than a decade in which annual production consistently exceeded that level. The upward revision primarily reflects more favorable conditions during the latter part of the growing season than previously anticipated.

For the current crop, much of Australia's cane-growing regions received above-average wet-season rainfall, particularly between January and April 2025. North Queensland (Figure 1), which typically accounts for about 35 percent of Australia's cane harvest, was particularly affected. Excessive rainfall during the wet season oversaturated soils, while increased cloud cover reduced sunlight levels. This combination constrained crop development and limited farmers' ability to manage weeds and pests effectively.

**Figure 1 - Australian Sugarcane Production Areas**

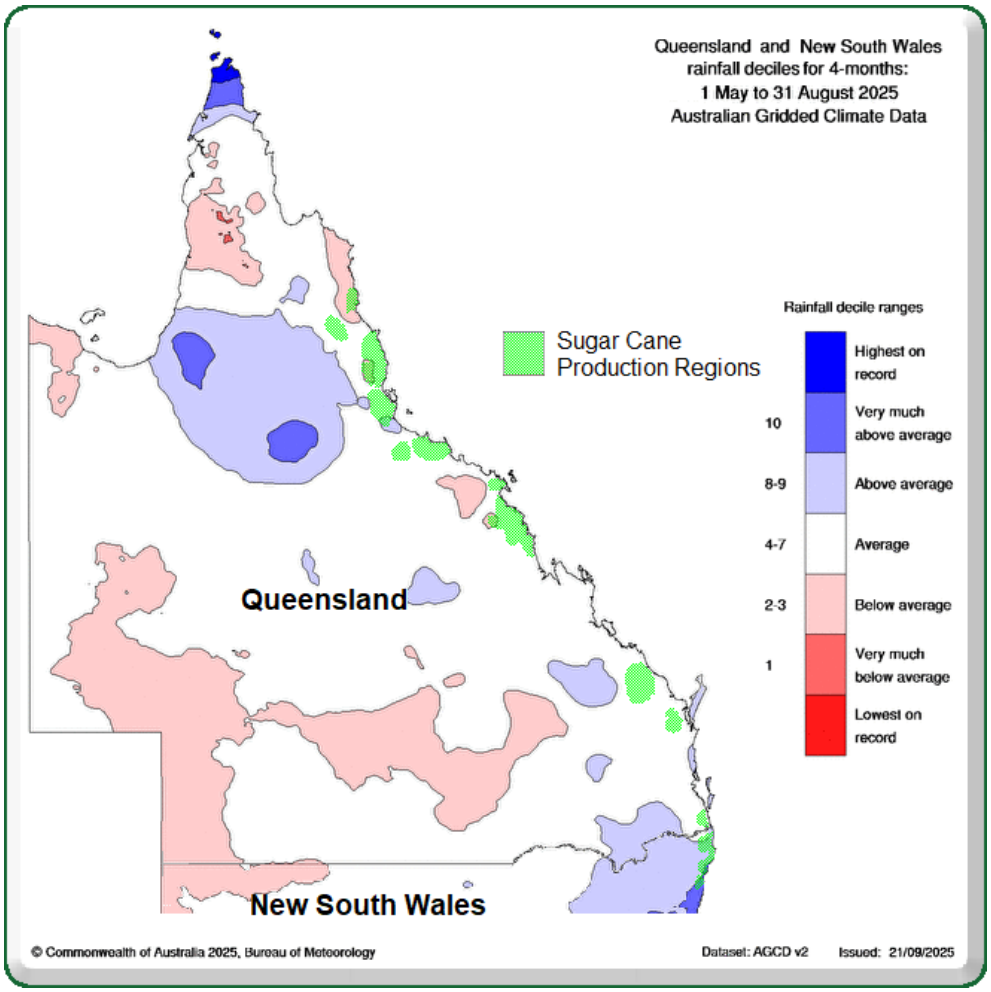



*Source:* *FAS/Canberra*

The current crop was also affected by a very late finish to the previous harvest, mostly due to well above average rains during harvest across most regions, and a substantial amount of sugar cane was left unharvested and carried over to the MY 2025/26 season. Wet conditions also curtailed replanting efforts, reducing the available harvest area. These factors underpinned the earlier production forecast of 28.5 MMT.

However, since the end of the wet season in April 2025, growing conditions have improved markedly. Rainfall from May to August was close to average (Figure 2), while mean temperatures were at or above average, supporting crop development and contributing to the upward revision in the MY 2025/26 production estimate.

**Figure 2 – Rainfall Deciles - May to August 2025**

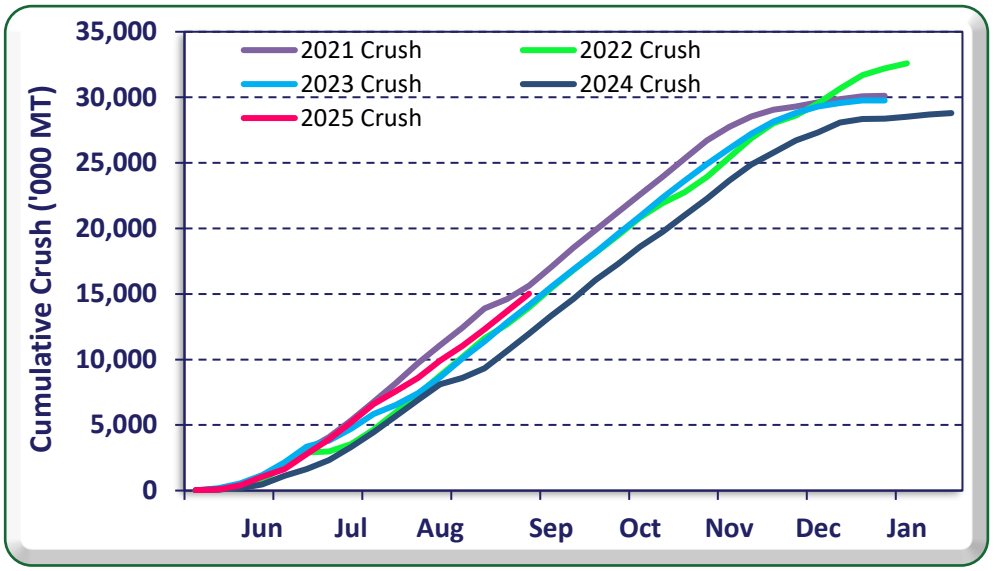



*Source:* *Bureau of Meteorology, FAS/Canberra*

The MY 2025/26 crush estimate of 29.9 MMT is in line with the Australian Sugar Manufacturers' (ASM) outlook. By the first week of September 2025, around half of the crop had been harvested (Figure 3), ahead of recent seasons when excessive rainfall caused significant harvest delays. The harvest remains on schedule to conclude by early December, in line with historical norms. In recent years, the harvest has extended into late December and even January, with some cane left standing, which has adversely affected both yield and sugar content in the subsequent season.

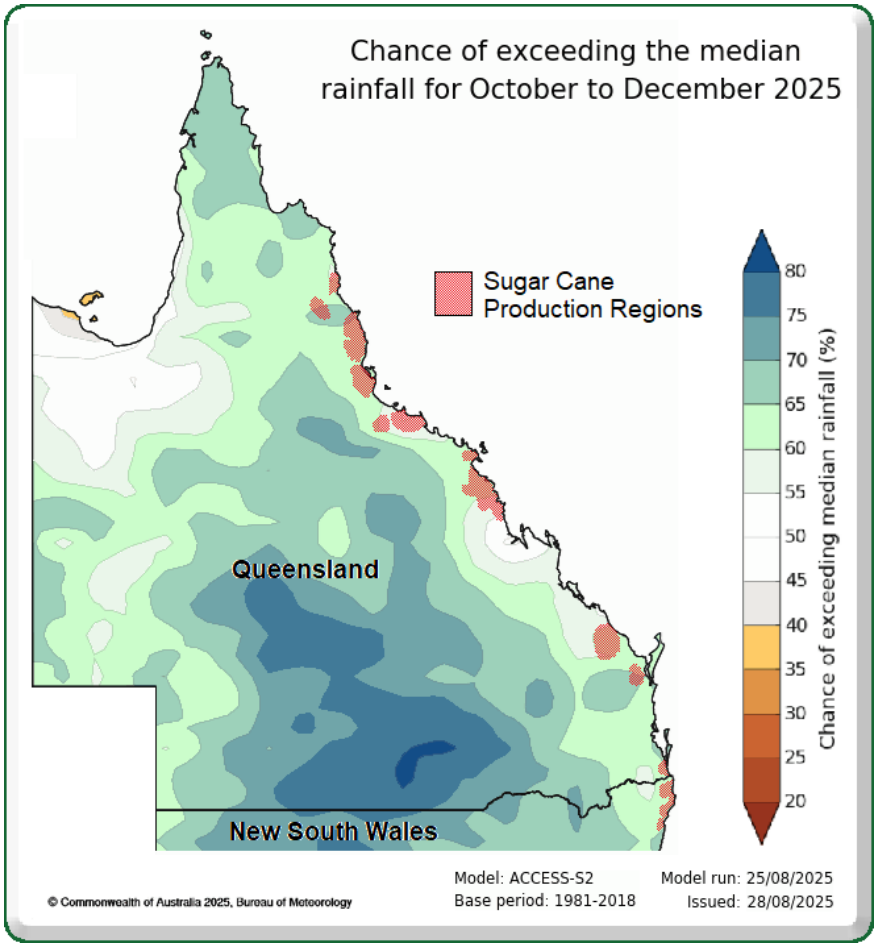
Looking ahead, the Bureau of Meteorology forecasts an average to above-average chance of exceeding median rainfall across cane-growing regions between October and December 2025 (Figure 4). With the onset of warmer conditions, the risk of significant harvest disruption is reduced, even if higher-than-average rains occur.

**Figure 3 – Cumulative Sugar Cane Crush Progress – 2021 to 2025**




*Source:* *Australian Sugar Manufacturers*

**Figure 4 – Chance of Exceeding Median Rainfall for October to December 2025**




*Source:* *Australian Bureau of Meteorology, FAS/Canberra*

A timely completion of the MY 2025/26 harvest with no cane left unharvested would provide a positive foundation for the MY 2026/27 crop. A full twelve-month growing period is expected to support stronger yields, while cane harvested later in the season will have had more time to establish before the onset of tropical wet season conditions. In addition, avoiding standover cane—which typically has low sugar content—will help improve sugar recovery in the following year. Provided seasonal conditions remain favorable, total sugar cane production is expected to return above 30.0 MMT in MY 2026/27.

## SUGAR

### Production

FAS/Canberra has revised its sugar production estimate for MY 2025/26 upward to 4.0 MMT, compared to the previous forecast of 3.8 MMT made six months earlier. If realized, this would be 8.8 percent below the 10-year average of 4.4 MMT, but 5.2 percent higher than the prior year, which marked the lowest sugar output in more than a decade. The upward revision reflects both the 3.7 percent increase in the sugar cane production estimate and slightly better-than-expected cane sugar content.

A significant volume of cane carried over from the MY 2024/25 harvest—due to unusually wet conditions—was harvested at the start of the MY 2025/26 season. This carryover cane was expected to produce lower sugar content, with levels gradually improving as the harvest progressed.

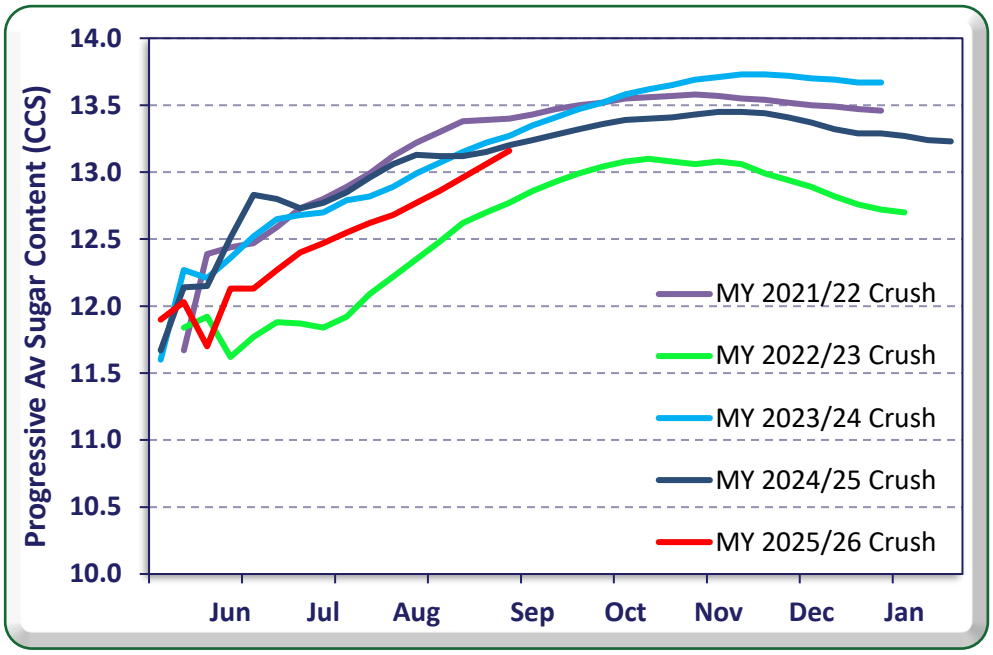
By mid-September 2025, the cumulative average sugar content of harvested cane stood at 13.16 Commercial Cane Sugar (CCS), broadly in line with the five-year average for the same point in the season.

In typical seasons, such as MY 2023/24, sugar content rises gradually, peaks in mid-October, and then declines slightly pulling down the cumulative average CCS (see Figure 5). In situations where harvest is delayed beyond what is considered timely, the sugar content of the sugar cane drops more rapidly and has a greater negative impact on the cumulative average CCS.

In typical years, such as MY 2023/24, sugar content rises steadily, peaks in mid-October, and then declines slightly, pulling down the cumulative CCS (Figure 5). With the exception of the anticipated lower levels early in the season, the progressive sugar content in MY 2025/26 is expected to follow a similar pattern, supported by favorable harvest conditions that are expected to continue through the remainder of the season.

The MY 2021/22, MY 2022/23 and MY 2024/25 harvests were all adversely affected by well above-average rainfalls during the harvest period. Typically, the higher the rainfall during harvest and the longer the harvest delay, the greater the impact on the plant sugar content. This effect is compounded when warm weather (typically later in the harvest period) triggers plant sucker growth, which draws on the plant’s energy reserves and leads to an even further decline in sugar content.

**Figure 5 – Progressive Cumulative Sugar Content Trends - MY 2021/22 to 2025/26**




*Source:* *Australian Sugar Manufacturers*
*Note:* *CCS = Commercial Cane Sugar (a measure of sugar content of sugar cane used by millers)*

## Consumption

Domestic sugar consumption for MY 2025/26 is estimated to reach 935,000 metric tons (MT), a 15,000 MT (1.6 percent) increase from the previous year. This rise is primarily attributed to population growth, driven largely by elevated immigration levels.

The federal government has introduced measures to moderate population growth, which peaked at 2.55 percent in 2023. According to the latest data for the March quarter of 2025, the annualized growth rate has since eased to 1.55 percent.

## Trade

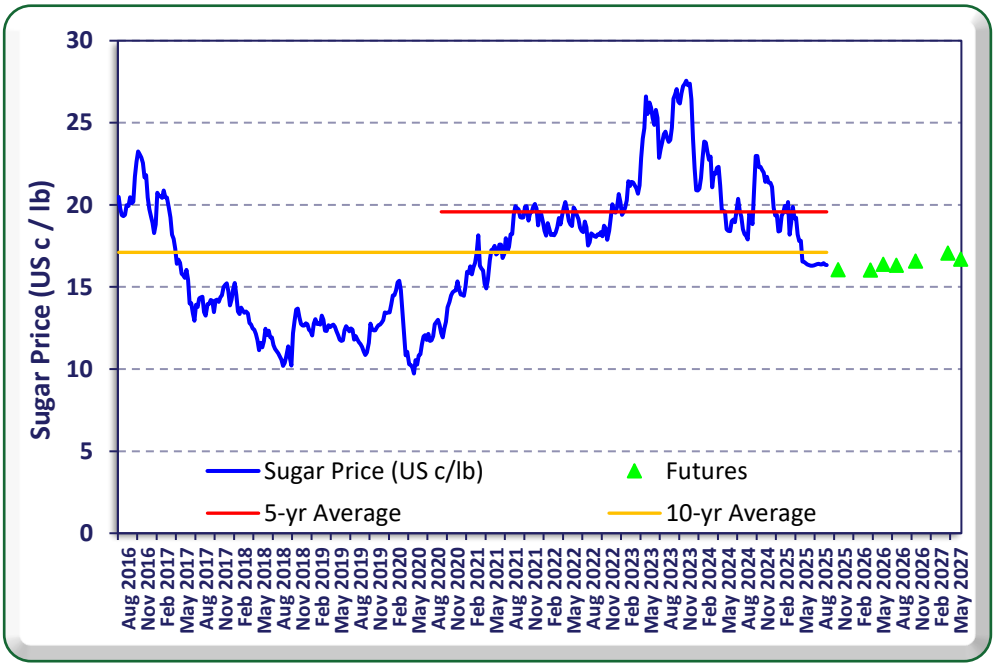
### *Exports*

**MY 2025/26 Raw Sugar Export Estimate**

FAS/Canberra estimates raw sugar exports for MY 2025/26 at 3.18 MMT, reflecting a 2.6 percent increase from the earlier forecast of 3.10 MMT. This increase reflects almost half of the uplift in the production estimate, with most of the remainder expected to add to ending stocks. Only part of the production increase is expected to be exported, as current world sugar prices are weak and futures markets remain relatively flat.

As of mid-September 2025, the Intercontinental Exchange (ICE) Sugar #11 price was below the previous 10-year average and well below the previous five-year average (see Figure 6). Combined with flat futures prices over the next 18 months, this suggests ample global supply and little urgency for buyers to secure imports.

**Figure 6 – ICE Sugar #11 – Price History and Futures**

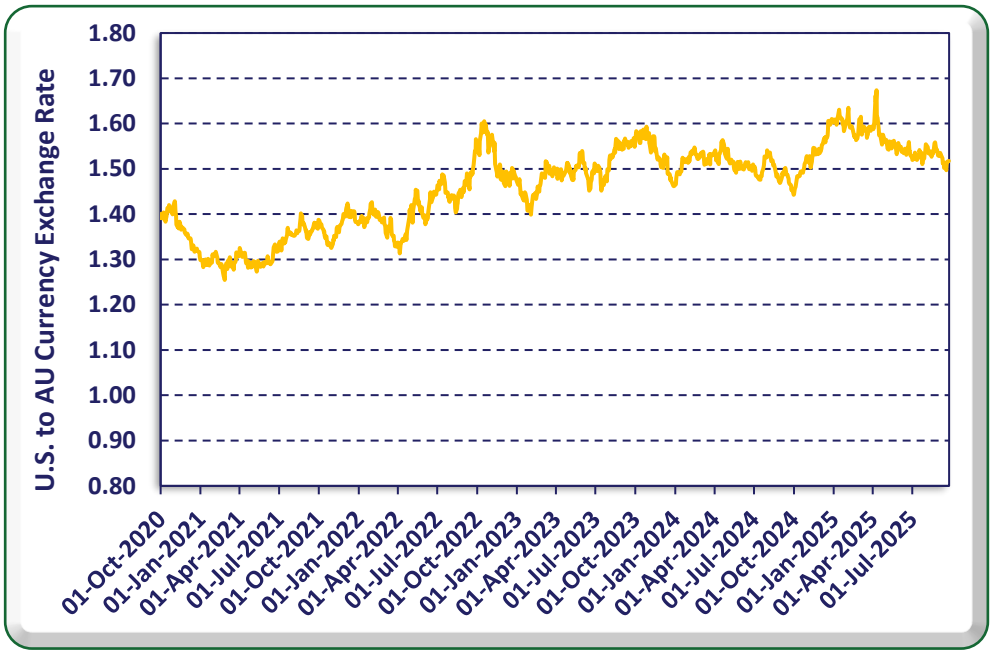



*Source:* *Investing.com*
*Notes:* *Chart data points are weekly averages*

Domestic sugar prices are also influenced by currency movements. The Australian dollar (AUD) has remained relatively flat and weak against the U.S. dollar in recent months (Figure 7). Economists broadly expect a modest further weakening in the near term, followed by a strengthening later in the marketing year. A stronger AUD typically reduces the competitiveness of Australian exports and lowers returns to growers. However, given the forecast path of the currency, the overall impact on exports for MY 2025/26 is expected to be limited, with global price weakness remaining the more significant factor.

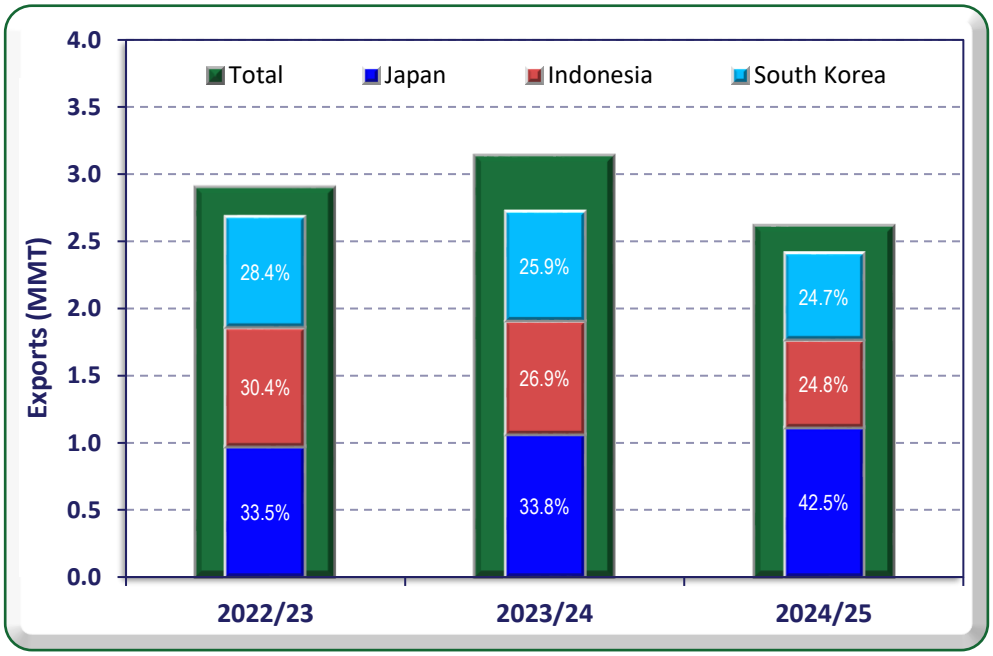
Indonesia, South Korea, and Japan consistently account for 90–95 percent of Australia's raw sugar exports (Figure 8). Other notable but smaller destinations include New Zealand and the United States. Despite the entry into force of the Australia–United Kingdom (UK) Free Trade Agreement in May 2023, trade volumes with the UK have remained limited, as industry analysts had anticipated. Taiwan and Malaysia continue to be intermittent importers, but their volumes are considerably lower than those of New Zealand and the United States. No major shifts in trading patterns are expected in MY 2025/26.

**Figure 7 – U.S. to AU Currency Exchange Rate Trend**




*Source:* *Reserve Bank of Australia*

**Figure 8 – Importers of Australian Raw Sugar – Jul-Jun MY 2022/23 to 2024/25**



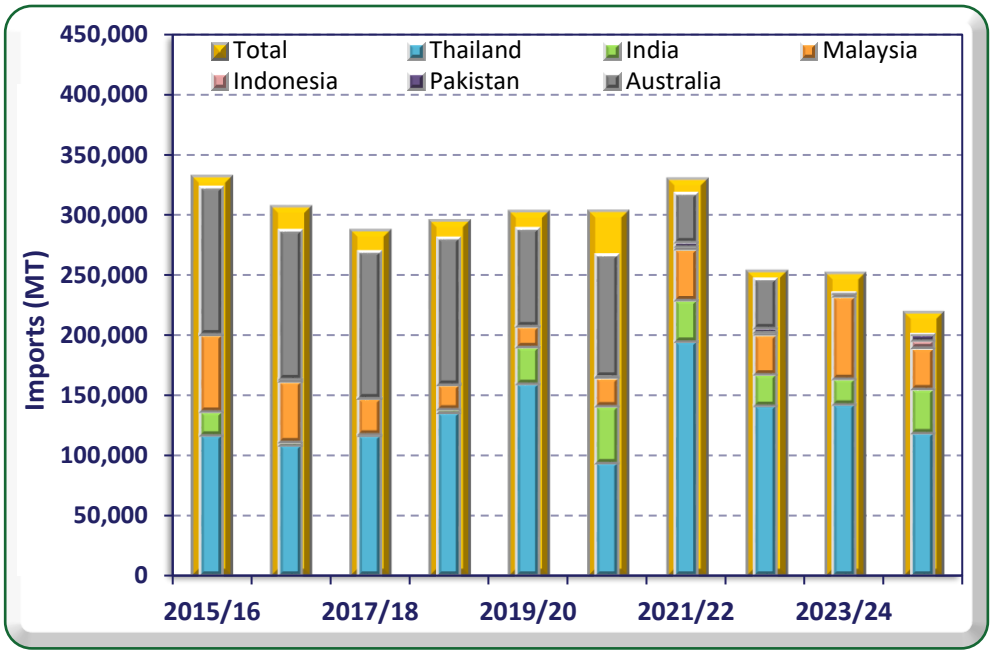

*Source:* *Trade Data Monitor (data as reported by importing countries)*

### MY 2025/26 Refined Sugar Export Estimate

FAS/Canberra has revised its refined sugar export estimate for MY 2025/26 down to 7,000 MT, from the earlier forecast of 15,000 MT. This is broadly in line with exports in the two previous years, but a sharp drop from the 120,000 MT exported in MY 2021/22.

Refined sugar now represents only a fraction of total exports—about one-quarter of one percent. The decline is largely attributed to Singapore, once a major buyer, reducing overall refined sugar imports and sourcing more from Thailand and Malaysia at Australia's expense (Figure 9).

**Figure 9 – Singapore Refined Sugar Imports –MY 2015/16 to 2024/25**




*Source:* *Trade Data Monitor*

## *Imports*

### MY 2025/26 Raw Sugar Import Estimate

Raw sugar imports are forecast to remain steady at around 2,000 MT in MY 2025/26, broadly in line with the previous five years. With annual domestic production typically exceeding 4.0 MMT, Australia has little need for imports, a situation unlikely to change in the foreseeable future.

### MY 2025/26 Refined Sugar Import Estimate

Australia imports only a small volume of refined sugar, with the FAS/Canberra's estimate for MY 2025/26 at 10,000 MT. This is approximately in line with the previous two marketing years.

This trade has declined sharply from around 60,000 MT a decade ago. As a net exporter of sugar—of which only 20–25 percent is consumed domestically—and with domestic refining facilities capable of producing the full range of refined products, Australia has minimal need for refined sugar imports.

## Stocks

Australia typically maintains low end-of-year sugar stocks, as the sugar cane harvest begins in June and aligns closely with the July start of the marketing year. For MY 2025/26, stocks are projected to decline slightly but will remain relatively high, reflecting soft global sugar market conditions.

### Table 1 - Production, Supply, and Distribution of Sugar Cane

| Sugar Cane for Centrifugal | 2023/2024 | | 2024/2025 | | 2025/2026 | |
|---|---|---|---|---|---|---|
| Market Year Begins | Jul 2023 | | Jul 2024 | | Jul 2025 | |
| Australia | USDA Official | New Post | USDA Official | New Post | USDA Official | New Post |
| **Area Planted** (1000 HA) | 0 | 0 | 0 | 0 | 0 | 0 |
| **Area Harvested** (1000 HA) | 330 | 341 | 335 | 330 | 0 | 335 |
| **Production** (1000 MT) | 29800 | 29800 | 29500 | 29600 | 0 | 29900 |
| **Total Supply** (1000 MT) | 29800 | 29800 | 29500 | 29600 | 0 | 29900 |
| **Utilization for Sugar** (1000 MT) | 29800 | 29800 | 29500 | 29600 | 0 | 29900 |
| **Utilizatn for Alcohol** (1000 MT) | 0 | 0 | 0 | 0 | 0 | 0 |
| **Total Utilization** (1000 MT) | 29800 | 29800 | 29500 | 29600 | 0 | 29900 |
| | | | | | | |
| (1000 HA) ,(1000 MT) | | | | | | |
| OFFICIAL DATA CAN BE ACCESSED AT: PSD Online Advanced Query | | | | | | |

### Table 2 - Production, Supply, and Distribution of Sugar

| Sugar, Centrifugal | 2023/2024 | | 2024/2025 | | 2025/2026 | |
|---|---|---|---|---|---|---|
| Market Year Begins | Jul 2023 | | Jul 2024 | | Jul 2025 | |
| Australia | USDA Official | New Post | USDA Official | New Post | USDA Official | New Post |
| **Beginning Stocks** (1000 MT) | 784 | 784 | 853 | 788 | 1079 | 1102 |
| **Beet Sugar Production** (1000 MT) | 0 | 0 | 0 | 0 | 0 | 0 |
| **Cane Sugar Production** (1000 MT) | 4100 | 4035 | 3850 | 3850 | 3800 | 4000 |
| **Total Sugar Production** (1000 MT) | 4100 | 4035 | 3850 | 3850 | 3800 | 4000 |
| **Raw Imports** (1000 MT) | 3 | 3 | 3 | 2 | 3 | 2 |
| **Refined Imp.(Raw Val)** (1000 MT) | 13 | 13 | 10 | 9 | 10 | 10 |
| **Total Imports** (1000 MT) | 16 | 16 | 13 | 11 | 13 | 12 |
| **Total Supply** (1000 MT) | 4900 | 4835 | 4716 | 4649 | 4892 | 5114 |
| **Raw Exports** (1000 MT) | 3140 | 3140 | 2700 | 2620 | 3100 | 3180 |
| **Refined Exp.(Raw Val)** (1000 MT) | 7 | 7 | 17 | 7 | 15 | 7 |
| **Total Exports** (1000 MT) | 3147 | 3147 | 2717 | 2627 | 3115 | 3187 |
| **Human Dom. Consumption** (1000 MT) | 900 | 900 | 920 | 920 | 940 | 935 |
| **Other Disappearance** (1000 MT) | 0 | 0 | 0 | 0 | 0 | 0 |
| **Total Use** (1000 MT) | 900 | 900 | 920 | 920 | 940 | 935 |
| **Ending Stocks** (1000 MT) | 853 | 788 | 1079 | 1102 | 837 | 992 |
| **Total Distribution** (1000 MT) | 4900 | 4835 | 4716 | 4649 | 4892 | 5114 |
| | | | | | | |
| (1000 MT) | | | | | | |
| OFFICIAL DATA CAN BE ACCESSED AT: PSD Online Advanced Query | | | | | | |

**Attachments:**

No Attachments