



Monthly Sugar Note

28th April 2026

Markets

The Middle East conflict that supported bullish sentiment in the sugar market in March has failed to sustain prices into April. Between March 31 and April 27, the market declined by 11%, with prices returning to around 13 c/lb. While Brazil’s Center-South production figures are still pending, the tail end of the crops in China and Thailand has been significantly stronger than expected. At the same time, speculative players have rebuilt short positions, limiting any upward price momentum.

So far, neither UNICA nor Brazil’s Ministry of Agriculture has released the final production figures for the 2025/26 crop. Although cane crush volumes in the second half of March are expected to be modest, indicators such as the sugar mix, ATR levels, and ethanol sales provide early signals for the 2026/27 season. Meanwhile, ethanol prices have fallen sharply over the past month. According to Cepea, hydrous ethanol prices dropped by nearly 17% over the past month—a decline not seen in the past seven years. In the absence of official data, this suggests strong ethanol output, which could result in lower-than-expected sugar mix levels in April.

Figure 1: Selected countries – Sugar output

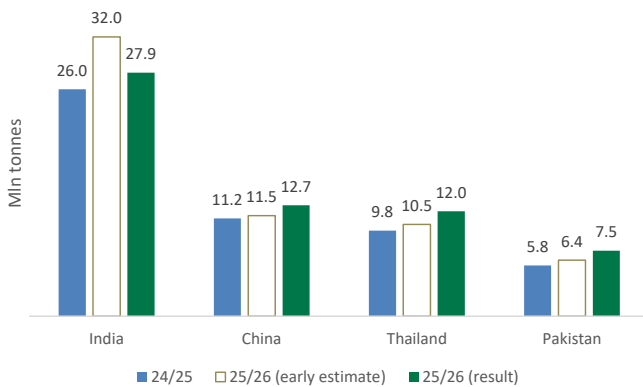


Figure 2: Brazil/SP – Weekly hydrous ex-mill prices



Source: Cepea and ED&F Man Commodity Research

In the meantime, the Brazilian government has introduced measures aimed at preventing a rise in diesel prices. However, aside from the proposal to increase the ethanol blend from 30% to 32%, no concrete actions have been announced for gasoline. With only a few months remaining before the elections and declining approval ratings, it appears likely that the government may shift the burden of higher import costs onto Petrobras. The higher ethanol blend would reduce the need for gasoline imports, as ethanol



demand could increase by around 1 million cubic meters. This, in turn, would lower gasoline import requirements by a similar volume, easing the import burden on the state-owned oil company.

China's end-of-season performance has been the standout surprise in the market over the past month. The country is set to close the season with sugar output of around 12.5 mmt—a record level. At the same time, Thailand has produced roughly 12 mmt of sugar, also exceeding expectations. The strong results from Thailand and India have effectively offset the weaker Indian crop, bringing the global sugar balance for the 2025/26 (Oct/Sep) season back into a comfortable surplus.

Despite the current bearish sentiment, we see three potential catalysts that could shift market dynamics. The first is Brazilian gasoline pricing: although a domestic price correction appears increasingly unlikely, especially with a possible increase in the ethanol blend, any policy change could still impact the sugar-ethanol mix. The second is speculative positioning. A large net short position will eventually require covering, which could support prices in the coming months. Finally, the El Niño forecast—expected to be strong—could reduce monsoon rains in Asia while increasing rainfall in Brazil. This combination may slow the harvest and lower sucrose content, tightening supply conditions.

As the market awaits clearer signals from these factors, attention remains firmly on upcoming Brazilian crop data, which is likely to guide price direction in the months ahead. In summary, while bearish conditions may persist in the short term, the market would require only limited changes to shift toward a more bullish outlook later in the year.

Fundamentals

- **Brazil C/S:** March rainfall ended to be 21% below the historical values for the month. Despite the previous, the strong rainfall observed in the end of 2025 is preventing dry soil conditions which results in a good cane development for the next season. If April ends to be dry, cane conditions are likely to deteriorate in the Second Half of the year. We keep our crop forecast unchanged at 626mmt, 138.2kg/ton of ATR and sugar mix at 47.2%, resulting in a sugar output of 38.9mmt. In the meantime, the market is expecting to see the crop results of the Second Half of March which will confirm the expectative of a lower sugar mix for the coming season. The key question for the sugar market is the Petrobras price policy. At the time, domestic gasoline prices are about 40% lower than the other market which can lead the company to increase local fuel prices, supporting ethanol which will impact further the sugar mix. The government is studying measures to prevent increasing the prices. Among the options, increasing the ethanol blend in gasoline from 30% to 32% is the more important. That would reduce gasoline imports and increase the ethanol demand by 1bln litres.
- **India:** As of April 15, India's sugar production stands at 27.5mmt, compared to 25.5mmt at the same time last year. At the moment, only 14 Sugar factories are operational in the country for the main season, and balanced sugar of 0.4 Mmt of sugar estimated to produce in the special season which 12-13 mills commence the operation in South Karnataka and Tamil Nadu state. As a result, crop 25/26, net sugar production will end close to 28mmt. The short lived rally in the prices gave opportunity to the Indian exports some sugar which should total almost 1mmt in the current season. As of Mid-April, 533kt of LQW and 61.8kt of refined sugar have already been shipped out of the country. Consumption should be lower than expected, close to 28.2mmt, given the higher cooking gas price. All in all, ending stocks in September 2026 are estimated to be a record



low close to 3.5mmt. The government permitted 2 Mmt of exports, but there due to recent drop in international prices there is a limited performance in connecting the Indian sugar to the world market. For the next crop, production might be impacted due to the higher El Nino likelihood. As a result, India might be away from the World Market with nearly zero exports. Domestic prices are stable week over week. Ex-mill prices in central west India are currently trading at INR 37,500–37,500 per Mt and INR 39,500–40,000 per Mt in North India. Considering the tighter stock conditions due to lower production, domestic prices are expected to remain strong from Q2 onwards.

- **China:** China's 2025/26 cane production is set to end around 12.7mmt-12.8mmt, marking the highest level in a decade. The increase was supported by various positive factors, including significantly improved rainfall across Guangxi regions compared to the 2024 drought, cane acreage expansion, and higher sugar yields in the Inner Mongolia Beet areas since we heard in late 2025. The market initial estimate of 11.5mmt in late 2025 was further revised upwards to 12.7mmt as of April 2026, as the crushing season advanced with more cane availability and higher agricultural yields. Guangxi region saw the most improvement, with close to 20% higher cane crushed YoY, followed by Yunnan region with 12% increase YoY.
- **US:** The April WASDE report increased the surplus and the demand by the same value, keeping the Stock To Use ratio unchanged at 15.2%. Beet and cane production observed small adjustments. Beet sugar production is projected at 5.1m short tons, raw value (STRV), a decrease of 33kt from last month. Louisiana's cane production remains steady compared to last month, while Florida's output has risen by 20,000 STRV. Imports at 2.5m STRV are higher than last month by 84kt due increases in RX imports and TR2. For the demand side, exports are decreased by 25k STRV on a weaker pace than previously expected. Deliveries for human consumption are up 94k STRV to 12.3m on an increase in Direct Consumption Import. US producers are lobbying to end the TR2 imports which have been a consistent supply for the US market, decreasing the need of Mexican sugar imports.
- **Mexico:** As of April 18th, Mexico crushed 38.9mmt of cane, almost 800kt less than the previous season. Despite the previous, high agricultural yields and sucrose content are resulting in good sugar output which is 154kt ahead the past year at 4.02mmt. Local producers are eager to see the May WASDE report which will present the first view of the Mexican quota in the crop 26/27. Given the high stocks of the US market, Mexican should have a low quota, pushing exports to the sugar to the World Market.
- **Centrals:** As of April 5th, Guatemala produced 2.2mmt of sugar, 7% higher YoY. Similar to Mexico, Guatemala is also showing good yields with a sugar output per ha at 12.1, almost 1 kg higher than the past crop. Last week the USDA updated its view for the Centrals crop 26/27. According to the entity, El Salvador should make 719kt of sugar in 26/27, up slightly from 705kt in the current crop. In Honduras, the production is projected at 570kt, 10kt above the current season. In Nicaragua, according to local industry association, the sugar production will be lower than expected due to high temperatures. The season is currently on track to end in mid-May, with a final sugar output of 731kt .
- **EU/UK:** Sowing has progressed considerably since last month, with several regions approaching completion. In the Netherlands, around 65% of planned area has now been drilled, though moisture shortages in some regions are causing crust formation and slowing emergence, according to Cosun Beet Company. Belgium resumed drilling after the rain interruption and accelerated through the week, reaching 22% of area by the weekend of the 10th of April according to the IRBAB-KBIVB institute. Recently emerged plants were also showing some surface crust stress. Aphids have arrived earlier than anticipated across northern France. As of the 9th of April, 18% of monitored plots in Île-de-France/Yonne and 35% in Centre/Val-de-Loire had already reached the treatment threshold, two weeks ahead of last year. The French government has responded with a 120-day emergency waiver for INSIOR, a smell-based aphid deterrent from Agriodor and Syngenta, giving



growers a further tool to manage aphid spread and yellowing disease alongside the Movento authorisation issued in March. The Guadeloupe season, which was already disrupted last month by the Albioma plant breakdown, is facing new complications. The campaign is running approximately 20 days late and farmers are pressing Gardel to push its crushing pace in order to get the full crop off before conditions deteriorate. The mill has pledged to continue until all cane is processed. Separately, Gardel has begun producing organic cane sugar this season, though output will be held in storage pending an EU ruling, expected in August–September, on whether certain clarifying agents used in processing are compatible with the organic label. France has already approved the products in question. In France, the agriculture ministry forecast a beet area reduction down of 5% on year and 5% below the five-year average. Cristal Union reported a 14% fall in revenue to €2.28 billion for the year ended January 2026, with increased ethanol production unable to offset the weakness in sugar prices. In Austria, AGRANA said it no longer expects to deliver a profit of €45–60 million in 2025/26 and is now forecasting non-cash impairment charges of €45–55 million. On consumption trends, Italy's sugar tax (delayed eight times since its original 2020 date) is now pencilled in for hearing in January 2027. The UK government has announced a proposal to replace sugary desserts in school meals in England with fruit on most days, with finalisation targeted for September 2026 and implementation from September 2027.

- **CIS:** Beet sowing across the region is keeping broadly in line with last year. Eurasia-wide planting reached 339,000 ha as of the 14th of April, according to the Eurasian Sugar Association. CIS sugar production for 2026 is forecast at 7.4 million tonnes, up from 7.26 million last year, with improved weather conditions expected to more than offset an area decline from 1.368 million ha to 1.343 million ha. In Ukraine, sowing is progressing despite wet conditions. Ukrprominvest-Agro started drilling in early April and reported being broadly on schedule. 42,300 ha had been planted nationally as of the 7th of April, representing 21% of the target, according to the Ministry of Economy. Astarta has confirmed it will cut its 2026 beet area by 6%, citing lower sugar prices. The Ukrainian Sugar Industry Association noted that most farmers tend to maintain beet in their rotations regardless of price, given the agronomic logic of their cropping systems. Looking at trade flows, UCAB forecasts Ukrainian sugar exports falling 20% to around 505,000 mt in 2025/26, reflecting a projected 26% decline in output to 1.3 million mt. In Kazakhstan, 10,000 ha had been planted as of the 14th of April, ahead of last year's pace. Capacity at the Aksu and Koku factories is being doubled to 950,000 mt and beet area is expected to grow this season, but a regional deputy flagged that the new Dominant factory in Taraz may not be ready in time, and that a factory planned by Chinese investors has yet to break ground. The Zhambyl region was also identified as needing further capacity expansion to handle all available beet, raising the possibility that processing infrastructure could lag grower uptake if area expands as planned. Elsewhere, Belarus had sown around 53,000 ha as of the 13th of April, approximately 49% of planned area, according to the Ministry of Agriculture. In Moldova, Sudzucker Moldova reported progress on sowing despite rain delays, which should benefit soil moisture further into the season, targeting 6,500 ha directly and 1,860 ha through its Agro-SZM subsidiary. The Ministry of Agriculture expects total national area to hold at 11,000–12,000 ha, supported by new subsidies. In Tajikistan, 190,000 mt of sugar was imported in 2025 against negligible domestic production, with local media reporting domestic prices have risen around 25% since 2024.

Focus – Thailand

Thailand's 2025/26 crushing season experienced significant swings throughout its crushing progress since last December till the present. Crushing commenced later than usual with the newly implemented clean cane policy, where mills were only allowed to start operations at certain dates upon meeting certain criteria. Combined with the mandatory longer year-end holidays and uncertainty with the Thailand-Cambodia Conflicts (primarily affecting the Eastern region), crushing pace started very slowly and lagged behind last year's progress, with 10-15% lower cane crushed in December/January. Momentum improved slowly, but gradually, and peaked in March till early April. At the point of writing, the crush is set to conclude soon with 2 mills left operational in the Eastern. Total cane crushed stands at 105.8m, with 1.4m dedicated to ethanol production. This represents a 15% markup comparing on a yearly basis.



The rise in ethanol production coincides with reports that Thailand is exploring plans for domestic ethanol production expansion and seeking opportunities for more sugar diversion, though in the early stages. The Philippines is currently Thailand's top ethanol export destination in Asia, with 40 million liters imported in Q1'26, a stark contrast compared to just 2 million liters in Q1'25.

Figure 3: Thailand - Daily sugar output

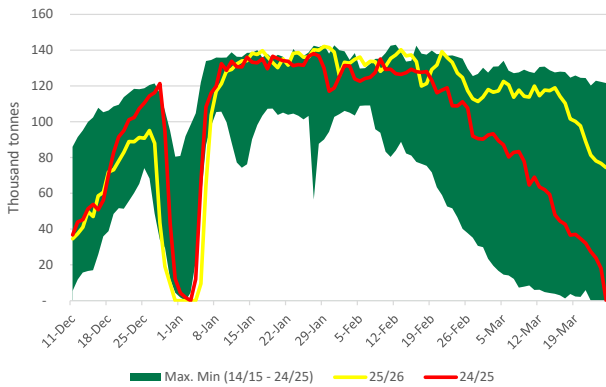
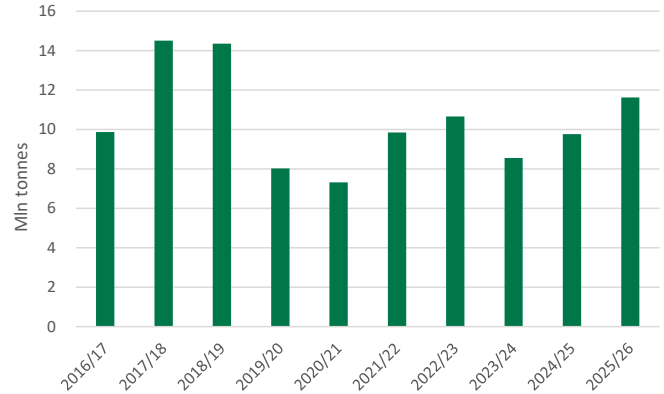


Figure 4: Thailand - Sugar production



Source: EDF Man Commodity Research

Sugar yield (before remelting) improved modestly to 11.32%, 4% higher than last year's. The Central region emerged as the strongest performer, with 26% cane crushed higher YoY, coupled with good rainfall, higher acreage, and good cane quality, consistent with what we heard on the ground in last July/November. Concerns of waterlogging in the Northern region did not materialize or have a huge impact in the end as we still saw a decent 13% increase in cane and 22% higher production YoY. These statistics mirror those of the Eastern region, seeing a major recovery towards the end in late March despite mills remaining shut until mid-January due to the conflicts and catching up later in April nearer to the tail of the crop. The North-east region was a key area of concern due to reports of White Leaf Diseases from various local sources since last July. The extent of impact caused by the reported White Leaf disease was relatively low, as we still saw limited improvements in CCS and sugar yield, which were up only 1-2%, compared to other regions which were at least 5% higher in either aspect. North-east cane crushed still improved overall, marking a 11% increase compared with last year. In summary, this season's favorable rainfall was a key factor in marking the overall improvement in agricultural yields and cane quality. Additionally, the delayed start extended the crushing period eventually, allowing more time for cane maturity and better overall crop quality.


Prices Tab

New York #11				London #5			
<i>(cents/lb)</i>	27-Apr	31-Mar	% change	<i>(\$/tonne)</i>	27-Apr	31-Mar	% change
May (26)	13.83	15.52	-10.9% ↓	Aug (26)	427.1	452.0	-5.5% ↓
Jul (26)	13.97	15.68	-10.9% ↓	Oct(26)	426.0	455.4	-6.5% ↓
New York #16				White Premium			
<i>(cents/lb)</i>	27-Apr	31-Mar	% change	<i>(\$/tonne)</i>	27-Apr	31-Mar	% change
Mar (26)	34.25	35.00	-2.1% ↓	Aug/Jul	119.1	106.3	12.0% ↑
May (26)	35.00	35.25	-0.7% ↓	Oct/Oct	120.1	111.7	7.5% ↑
Macro				Currencies			
<i>Indicators</i>	27-Apr	31-Mar	% change	<i>Against US\$</i>	27-Apr	31-Mar	% change
CRB	381.2	372.4	2.4% ↑	Euro (EU) *	1.172	1.155	1.5% ↑
Gold	4,682	4,670	0.3% ↑	Pound (GB) *	1.353	1.322	2.3% ↑
Brent Oil	108.23	118.35	-9% ↓	Real (Brazil)	4.983	5.181	3.8% ↑
Baltic Dry	2,666	1,989	34% ↑	Rupee (India)	94.19	93.46	-0.8% ↓
Handysize	802	731	10% ↑	Rouble (Russia)	74.87	81.30	7.9% ↑
(* rate is US dollars per FX)							

This report does not constitute advice and should not be treated as such. The report does not contain recommendations regarding any investment strategy, security or commodity, or an offer or solicitation to buy or sell either commodities or securities. Should you seek to rely upon any of the content of this report, you do so at your own risk. While we have taken reasonable steps to ensure the accuracy of the information contained in the report, we do not give any warranty or representation of any kind as to its accuracy and/or completeness. We do not accept any liability for any loss or damage arising from any inaccuracy or omission in, or the use of or reliance on, the information in this report. © ED&F MAN 2026